

Revised 2-08-2017

AGENDA
REGULAR MEETING OF THE MAYOR AND COUNCIL
February 14, 2017
SEAFORD CITY HALL - 414 HIGH STREET

6:30 P.M. - Mayor David Genshaw calls the regular meeting to order and immediately requests a motion to hold an Executive Session for the purpose of discussing negotiations for land transfer.

7:00 P.M. - Mayor David Genshaw reopens the Regular Meeting.

- Invocation
- Pledge of Allegiance to the Flag of the United States of America.
- Changes to agenda for this meeting.
- Approval of minutes of the regular meeting on January 24, 2017.

CORRESPONDENCE:

1.

NEW BUSINESS:

1. Scott Lynch to present Energy Efficiency Services for Seaford as a member of DEMEC from Efficiency Smart and City staff will have the recommendation from the Electric Committee for this project.
2. David Downes, Downes Associates to present the information for rate, customer charge, and adjusted power cost adjustment clause reviewed by the Electric Committee.
3. George Bjelovuk, AMP to conference call in for final presentation on the Advanced Metering Infrastructure (AMI) system for Seaford.
 - a. Present the Resolution and Project Purchase Agreement with Delaware Municipal Electric Corporation (DEMEC) for participation in the Advanced Metering Infrastructure Program they have contracted for with AMP (American Municipal Power).
4. Present the Resolution and Project Purchase Agreement with Delaware Municipal Electric Corporation (DEMEC) for the Pine Street Substation and related system improvements.

AGENDA - Revised 2-08-17

REGULAR MEETING OF THE MAYOR AND COUNCIL

February 14, 2017

NEW BUSINESS (Continued):

5. Charles Anderson, ACM to present Economic Development Committee recommendation for a jobs creation credit for Trinity Logistics.
6. Charles Anderson, ACM to present the revised Blades Sanitary Sewer District Agreement to incorporate the solar array loan/project for approval.
7. Land lease with Seaford School District for the six tennis courts City built and maintains, since 1978.
8. Present amended Fee and Rate Schedule for approval.
9. Mayor Genshaw to appoint Ian "Toby" French to the Electric Committee.

OLD BUSINESS:

- 1.

REMINDER OF MEETINGS & SETTING NEW MEETINGS

1. City Planning Session - Elected Officials and Staff, Seaford District Library, Market Street, February 17, 2017 from 8:30 a.m. until potentially 3 p.m.
2. DE Rural Water Conference, in Harrington at Dover Exhibit Hall; February 22, 2017 from 12 noon to 5 p.m.
3. Police Department Mixer, March 2, 2017 @ Police Department, 5 p.m. until 7 p.m.

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AGENDA - Revised 2-08-17

REGULAR MEETING OF THE MAYOR AND COUNCIL

February 14, 2017

CITY OF SEAFORD

Municipal Election – April 15, 2017

The City of Seaford Municipal Election will be held on Saturday, April 15, 2017 in the City Council Chambers, City Hall, 414 High Street, between the hours of 7:00 a.m. E.S.T. and 3:00 p.m. E.S.T.

Two (2) Council Members will be elected for a (3) year term.

All candidates must have filed by 5:00 p.m., E.S.T., February 24, 2017. Any candidate who withdraws his/her name must do so in writing. Any candidate who withdraws his/her name after 5:00 p.m., E.S.T., February 24, 2017 will still appear on the official ballot for election.

Anyone eighteen (18) years of age or older who is a bona fide resident to be eligible to vote **must have been registered at the Seaford City Hall by 5:00 p.m., E.S.T., March 24, 2017.** A nonresident property owner to be eligible to vote must be owner of record for a period of six (6) months immediately preceding the date of the Annual Municipal Election (October 15, 2016) and shall have one vote **provided he or she is registered on the “Books of Registered Voters” maintained at the City Hall. Registration hours are Monday through Friday, 8 a.m. until 5 p.m. or by appointment if you cannot register during these normal business hours.**

The City of Seaford has independent registration procedures for the Annual Municipal Election. To vote, you must meet the eligibility requirements and be registered on the “Books of Registered Voters” maintained at City Hall.

A person shall be required to register only one time. You are urged to check your registration if you did not vote in the last municipal election. If you have moved out of the City after your original registration, you will need to check your registry to assure you are an eligible voter.

All voters will need to show proof of residency which may be a State of Delaware driver’s license, a State of Delaware identification card, a federal or state tax return with address, a City of Seaford utility bill or real estate property tax bill, or other acceptable proof of residency or ownership.

Candidates filed to date: Dan Henderson; H. William Mulvaney III; Frank Daniel Cannon, Jr.

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AGENDA -Revised 2-08-17

REGULAR MEETING OF THE MAYOR AND COUNCIL

February 14, 2017

COMMITTEE REPORTS:

- 1. Police & Fire - Councilwoman Leanne Phillips-Lowe**
- 2. Administration - Councilman Orlando Holland**
- 3. Code, Parks and Recreation - Councilwoman Grace Peterson**
- 4. Public Works & WWTF - Councilman William Mulvaney**
- 5. Electric - Councilman Dan Henderson**

Mayor Genshaw solicits a motion to adjourn the regular council meeting.

NOTE: Agenda shall be subject to change to include or delete Additional items (including executive session) which arise at the time of the meeting. (29 Del. C. S1004 (e) (3))

Website

TNT 2/8/17

N.R.1
2-14-17



DEMEEC
DELAWARE MUNICIPAL ELECTRIC CORPORATION

**PROSPECTUS FOR ENERGY EFFICIENCY SERVICES FOR
SEAFORD
FROM EFFICIENCY SMART - JANUARY 25, 2017**

Profile			Terms of Offer
Annual MWh Sales ¹	Quantity of Meters	% of Annual MWh Sales	
Residential	33,414	2,997	<p>Information in this prospectus is provided by Efficiency Smart, a proposed program to provide energy efficiency services for DEMEC members, managed by American Municipal Power, Inc. (AMP), on behalf of DEMEC. The information provided in this prospectus does not constitute a legal document or an agreement between the community and DEMEC. The pricing and estimated energy efficiency savings provided in this document are intended to be illustrative and indicative for the purpose of aiding the community understanding of the services that are offered. Community information presented in this document is based on information provided to DEMEC as of January, 2017. Communities that wish to obtain more information about Efficiency Smart Services are encouraged to visit the Efficiency Smart website, www.energysmart.org or contact Scott Lynch, CEM, Vice President, Asset Development Delaware Municipal Electric Corporation, Phone: 302-653-2733, slynch@demeccinc.net</p>
Commercial	18,928	737	
Industrial	64,966	87	
Other	0	0	
Total	117,309	3,821	

¹ MWh sales are based on annual DEMEC wholesale figures applied to percentage of retail MWh sales as reported by DEMEC member.



DEMEC
DELAWARE MUNICIPAL ELECTRIC CORPORATION

**PROSPECTUS FOR ENERGY EFFICIENCY SERVICES FOR
SEAFORD
FROM EFFICIENCY SMART - JANUARY 25, 2017**

Selected Services							
Item	Service	Description	Markets Served	Term of Service	Service Type	Cost Basis	
3	Basic Performance Comprehensive	Reduce Electric Wholesale MWh by 0.25% Annually; Full Services	Residential, Commercial, Industrial	3-Year Contract	Performance-Based Services with Guarantees	\$0.90 per MWh of Annual Wholesale Sales	

N.B.Z
2-14-17

City of Seaford



Update to the 2017 PCAC Relevelization & Retail Rate Maintenance Impacts

February 14, 2017

Prepared by



DOWNES ASSOCIATES INC
Engineering & Management Consultants

City of Seaford

February 2017 Approved PCAC & Rate Impact

(A)	(B)	(C)	(D)	(E)
	January 2017 PCAC & Impacts Approved at January 12, 2017 Electric Committee Meeting	February 2017 PCAC & Impacts with Update to the Forecasted Out of Period Adjustment with Actual December 2016 Data		
1	Wholesale Metered kWh	116,357,520	116,357,520	
2	Retail Sales kWh	109,661,284	109,661,284	
3	12 Month Line Losses %	5.8%	5.8%	
4				
5	Wholesale Purchases kWh	119,686,509	119,686,509	
6	Wholesale Costs	\$9,171,577	\$9,171,577	\$0.07663
7				
8	"Blocked" Power Supply Costs	\$675,032	\$675,032	\$0.08227
9	Embedded Power Supply Costs	\$9,674,647	\$9,674,647	\$0.088223
10	"Perfect" PCAC	(\$503,070)	(\$503,070)	(\$0.00459)
11	Out of Period Adjustment	\$178,137	\$178,137	\$0.00162
12	2017 PCAC to be Billed	(\$324,933)	(\$281,776)	(\$0.00296)
13	Net Rate Impact to Customers	1.9%	2.2%	
14	Impact from Individual Update		\$43,158	0.3%

City of Seaford, DE FOR BILLING MONTHS Feb 2016 - Jan 2018
 Monthly Recovery of Power Cost i.e. Usage Months Jan 2016 - Dec 2017

	(A) Usage Month/Year	(B) Power Supply Cost	(C) Blocked 100% Power Supply Cost Reduction	(D) Retail Sales (kWh)	(E) Power Cost Recovery /kWh in Rates	(F) Power Cost Recovery in Rates (\$)	(G) Power Cost Adjustment PCAC / KWH	(H) Power Cost Recovery in PCAC	(I) Net Recovery of Power Cost	(J) Cumulative Power Cost Recovery
						(D) x (E)		(D) x (G)	(F)+(H)-(B)-(C) prior month	
Historical										
1	Jan 2016	\$894,483	\$20,802	9,682,478	\$0.094379	\$913,823	(\$0.00560)	(\$54,244)	(\$55,707)	(\$68,746)
2	Feb 2016	\$812,163	\$18,888	10,032,388	\$0.094379	\$946,847	(\$0.00560)	(\$56,204)	\$59,592	(\$9,154)
3	Mar 2016	\$746,756	\$17,366	8,112,240	\$0.094379	\$765,625	(\$0.00560)	(\$45,447)	(\$43,945)	(\$53,099)
4	Apr 2016	\$684,330	\$15,915	7,621,235	\$0.094379	\$719,285	(\$0.00560)	(\$42,696)	(\$23,656)	(\$76,755)
5	May 2016	\$715,398	\$16,637	8,088,885	\$0.094379	\$763,421	(\$0.00560)	(\$45,316)	(\$13,930)	(\$90,685)
6	Jun 2016	\$808,772	\$18,809	9,259,319	\$0.094379	\$873,885	(\$0.00560)	(\$51,873)	(\$5,569)	(\$96,254)
7	Jul 2016	\$1,012,974	\$23,558	10,716,951	\$0.094379	\$1,011,455	(\$0.00560)	(\$60,039)	(\$85,115)	(\$181,369)
8	Aug 2016	\$1,015,932	\$23,626	12,097,724	\$0.094379	\$1,141,771	(\$0.00560)	(\$67,775)	\$34,438	(\$146,932)
9	Sep 2016	\$821,127	\$19,096	9,442,435	\$0.094379	\$891,168	(\$0.00560)	(\$52,899)	(\$1,954)	(\$148,886)
10	Oct 2016	\$710,207	\$16,516	8,102,779	\$0.094379	\$764,732	(\$0.00560)	(\$45,394)	(\$7,385)	(\$156,270)
11	Nov 2016	\$707,231	\$16,447	8,055,413	\$0.094379	\$760,262	(\$0.00560)	(\$45,129)	(\$8,545)	(\$164,815)
12	Dec 2016	\$825,180	\$19,190	8,874,970	\$0.094379	\$837,611	(\$0.00560)	(\$49,720)	(\$56,479)	(\$221,295)
13	Total	\$9,754,553	\$226,850	110,086,817		\$10,389,884		(\$616,736)	(\$208,256)	
14	Forecast/Update									
15	Jan 2017 est.	\$847,900	\$59,602	9,662,478	\$0.088223	\$854,217	(\$0.00296)	(\$28,690)	(\$22,373)	(\$243,668)
16	Feb 2017 est.	\$769,867	\$61,755	10,032,388	\$0.088223	\$885,087	(\$0.00257)	(\$25,778)	\$89,442	(\$154,226)
17	Mar 2017 est.	\$707,867	\$49,936	8,112,240	\$0.088223	\$715,686	(\$0.00257)	(\$20,844)	(\$13,025)	(\$167,251)
18	Apr 2017 est.	\$648,691	\$46,913	7,621,235	\$0.088223	\$672,368	(\$0.00257)	(\$19,583)	\$4,094	(\$163,157)
19	May 2017 est.	\$678,141	\$49,792	8,088,885	\$0.088223	\$713,626	(\$0.00257)	(\$20,784)	\$14,700	(\$148,457)
20	Jun 2017 est.	\$766,653	\$56,997	9,259,319	\$0.088223	\$816,885	(\$0.00257)	(\$23,792)	\$26,440	(\$122,017)
21	Jul 2017 est.	\$960,220	\$65,969	10,716,951	\$0.088223	\$945,482	(\$0.00257)	(\$27,537)	(\$42,275)	(\$164,292)
22	Aug 2017 est.	\$963,024	\$74,469	12,097,724	\$0.088223	\$1,067,298	(\$0.00257)	(\$31,085)	\$73,188	(\$91,104)
23	Sep 2017 est.	\$778,364	\$58,124	9,442,435	\$0.088223	\$833,040	(\$0.00257)	(\$24,262)	\$30,414	(\$60,690)
24	Oct 2017 est.	\$673,220	\$49,878	8,102,779	\$0.088223	\$714,851	(\$0.00257)	(\$20,820)	\$20,811	(\$39,880)
25	Nov 2017 est.	\$668,869	\$51,422	8,353,689	\$0.088223	\$736,988	(\$0.00257)	(\$21,465)	\$46,654	\$6,774
26	Dec 2017 est.	\$708,760	\$50,175	8,151,161	\$0.088223	\$719,120	(\$0.00257)	(\$20,944)	(\$10,585)	(\$3,811)
27	Total	\$9,171,577	\$675,032	109,661,284		\$9,674,647		(\$285,586)	\$217,484	
28										
29										
30	PCAC	Jan 16 - Dec 16	Jan 17	Feb 17 - Dec 17						
		(\$0.00560)	(\$0.00296)	(\$0.00257)						

Check: % of Power Supply Cost: (0.0%)

City of Seaford

2017 Retail Rate Impacts

	(A) Current 2016 Average Rates	(B) Proposed 2017 Average Rates	(C) Average Rate Impacts From Proposed 2017 Rates	(D) Average Rate Impacts From Proposed 2017 Rates
1 Out of Period PS Cost Adj.	(\$135,280)	\$221,295	\$356,575	2.4%
2 PCAC	(\$0.00560)	(\$0.00257)	\$0.00303	
3				
4 Res	\$0.14990	\$0.15293	\$95,213	2.0%
5 Com-ND	\$0.16506	\$0.16809	\$18,652	1.8%
6 SGS	\$0.15035	\$0.15338	\$32,720	2.0%
7 MGS	\$0.13791	\$0.14094	\$89,273	2.2%
8 LGS-S	\$0.11788	\$0.12091	\$37,694	2.6%
9 LGS-P	\$0.10989	\$0.11292	\$56,367	2.8%
10 Total	\$0.13706	\$0.14009	\$329,919	2.2%

City of Seaford

Retail Rates Summary by Option

Residential Rate Class Summaries

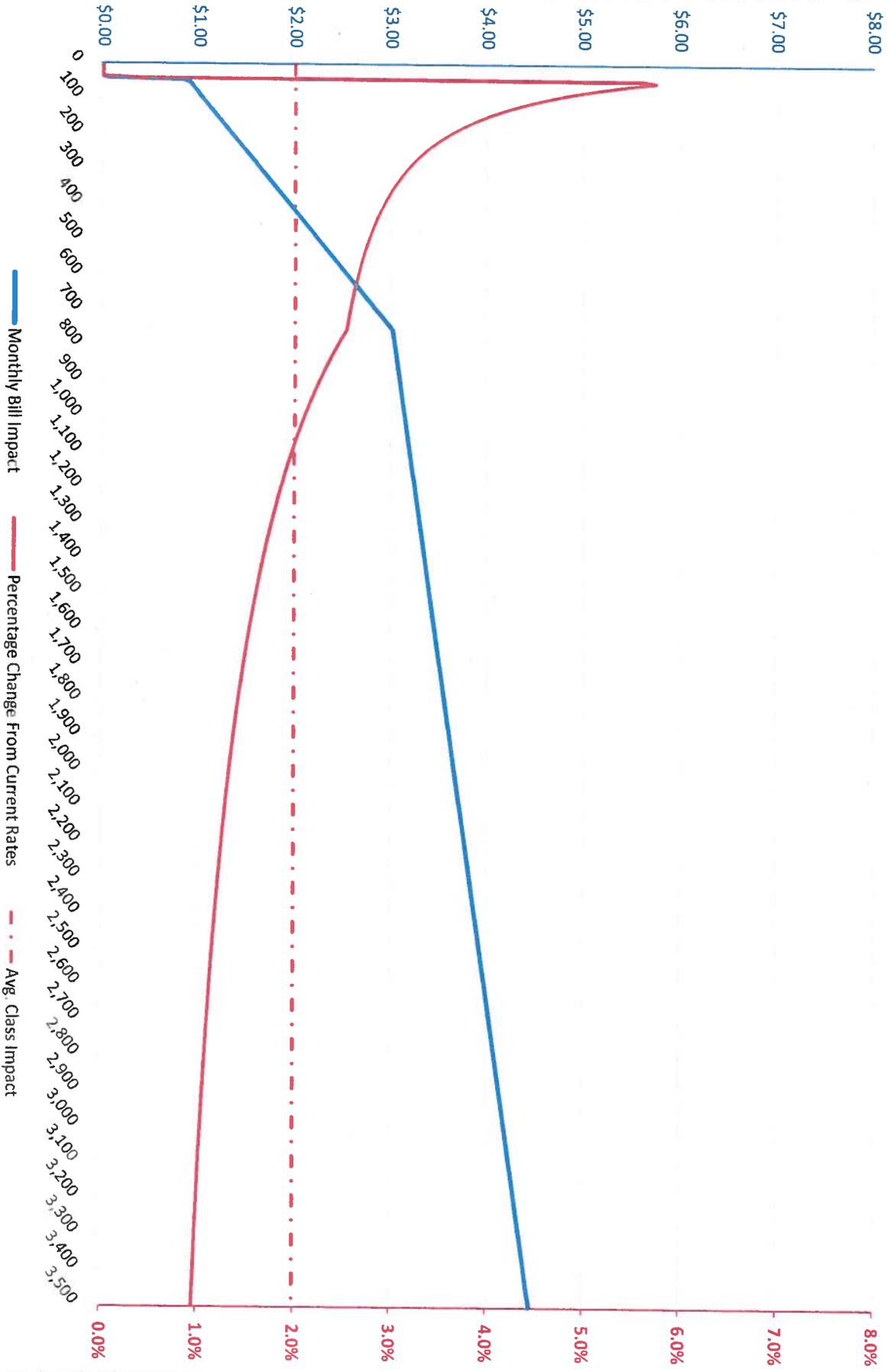
	(A)	(B)	(C)	(D)	(E)
	Residential Rate Class <i>4,045 Unique Customer Count</i>	Current Retail Rates	Option #1: \$9.00 CC, Incr. 1st & Decr. 3rd	Elec. Committee Endorsed Option #2: \$8.75 CC & Decr. 3rd	Option #3: \$8.50 CC, Decr. 3rd
1	PCAC	(\$0.00560)	(\$0.00257)	(\$0.00257)	(\$0.00257)
2	Customer Charge	\$8.00	\$9.00	\$8.75	\$8.50
4	First 45 kWh Block \$/kWh	\$0.160000	\$0.162500	\$0.160000	\$0.160000
5	Next 705 kWh Block \$/kWh	\$0.152817	\$0.152817	\$0.152817	\$0.152817
6	Over 750 kWh Block \$/kWh	\$0.131140	\$0.127415	\$0.128631	\$0.129469
7	Min. Charge	\$15.00	\$15.00	\$15.00	\$15.00
8	Average % Increase		2.0%	2.0%	2.0%
9	Average Monthly Incr.		\$2.61	\$2.60	\$2.60
10	# of Cust. w/ Incr.		3,934	3,950	3,948
11	Med-High % Increase		5.1%	3.4%	2.7%
12	Med-High Monthly Incr.		\$1.48	\$1.43	\$1.34
13	# of Cust. w/ Med-High Incr.		348	782	1,000
14	Highest % Increase		8.1%	5.7%	4.1%
15	Highest Monthly Increase		\$1.25	\$0.90	\$0.66
16	# of Cust. w/ Highest Incr.		7	14	12
17	<i>Top 10 Absolute Increases</i>		<i>\$3.33=2.7%</i>	<i>\$5.53=0.8%</i>	<i>\$9.31=1.3%</i>
18	Residential Rate Class <i>4,045 Unique Customer Count</i>	Current Retail Rates	Option #4: Small Incr. 1st & Decr. 3rd	Option #5: Med. Incr. 1st & Decr. 3rd	Option #6: Large Incr. 1st & Decr. 3rd
19	PCAC	(\$0.00560)	(\$0.00257)	(\$0.00257)	(\$0.00257)
20	Customer Charge	\$8.00	\$8.00	\$8.00	\$8.00
21	First 45 kWh Block \$/kWh	\$0.160000	\$0.167500	\$0.170000	\$0.175000
22	Next 705 kWh Block \$/kWh	\$0.152817	\$0.152817	\$0.152817	\$0.152817
23	Over 750 kWh Block \$/kWh	\$0.131140	\$0.130014	\$0.129637	\$0.128883
24	Min. Charge	\$15.00	\$15.00	\$15.00	\$15.00
25	Average % Increase		2.0%	2.0%	2.0%
26	Average Monthly Incr.		\$2.61	\$2.60	\$2.60
27	# of Cust. w/ Incr.		3,945	3,946	3,950
28	Med-High % Increase		2.0%	2.3%	3.3%
29	Med-High Monthly Incr.		\$2.62	\$2.10	\$1.26
30	# of Cust. w/ Med-High Incr.		3,909	2,804	602
31	Highest % Increase		3.1%	3.7%	5.2%
32	Highest Monthly Increase		\$0.50	\$0.62	\$0.83
33	# of Cust. w/ Highest Incr.		18	31	16
34	<i>Top 10 Absolute Increases</i>		<i>\$8.71=1.7%</i>	<i>\$7.62=1.5%</i>	<i>\$5.43=1.0%</i>

Residential Customer Impacts

Electric Committee Endorsed Option: \$8.75
CC & Decr. 3rd

Residential Rate Class

Electric Committee Endorsed Option: \$8.75 Customer Charge & ↓ 3rd Block



City of Seaford

Customer Rate Impacts

Residential Rate Class
*Electric Committee Endorsed Option: \$8.75 CC
 & Decr. 3rd*

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
	Annual Impact % Range	No. of Cust.	Cumul. Cust.	Current Monthly Bill	Monthly Impact	Annual Impact	Avg. kWh	Current Cost /kWh	Proposed Cost /kWh
1	... - (10.0%)	0	0	\$0.00	\$0.00	\$0.00	0	\$0.0000	\$0.0000
2	(10.0%) - (9.5%)	0	0	\$0.00	\$0.00	\$0.00	0	\$0.0000	\$0.0000
3	(9.5%) - (9.0%)	0	0	\$0.00	\$0.00	\$0.00	0	\$0.0000	\$0.0000
4	(9.0%) - (8.5%)	0	0	\$0.00	\$0.00	\$0.00	0	\$0.0000	\$0.0000
5	(8.5%) - (8.0%)	0	0	\$0.00	\$0.00	\$0.00	0	\$0.0000	\$0.0000
6	(8.0%) - (7.5%)	0	0	\$0.00	\$0.00	\$0.00	0	\$0.0000	\$0.0000
7	(7.5%) - (7.0%)	0	0	\$0.00	\$0.00	\$0.00	0	\$0.0000	\$0.0000
8	(7.0%) - (6.5%)	0	0	\$0.00	\$0.00	\$0.00	0	\$0.0000	\$0.0000
9	(6.5%) - (6.0%)	0	0	\$0.00	\$0.00	\$0.00	0	\$0.0000	\$0.0000
10	(6.0%) - (5.5%)	0	0	\$0.00	\$0.00	\$0.00	0	\$0.0000	\$0.0000
11	(5.5%) - (5.0%)	0	0	\$0.00	\$0.00	\$0.00	0	\$0.0000	\$0.0000
12	(5.0%) - (4.5%)	0	0	\$0.00	\$0.00	\$0.00	0	\$0.0000	\$0.0000
13	(4.5%) - (4.0%)	0	0	\$0.00	\$0.00	\$0.00	0	\$0.0000	\$0.0000
14	(4.0%) - (3.5%)	0	0	\$0.00	\$0.00	\$0.00	0	\$0.0000	\$0.0000
15	(3.5%) - (3.0%)	0	0	\$0.00	\$0.00	\$0.00	0	\$0.0000	\$0.0000
16	(3.0%) - (2.5%)	0	0	\$0.00	\$0.00	\$0.00	0	\$0.0000	\$0.0000
17	(2.5%) - (2.0%)	0	0	\$0.00	\$0.00	\$0.00	0	\$0.0000	\$0.0000
18	(2.0%) - (1.5%)	0	0	\$0.00	\$0.00	\$0.00	0	\$0.0000	\$0.0000
19	(1.5%) - (1.0%)	0	0	\$0.00	\$0.00	\$0.00	0	\$0.0000	\$0.0000
20	(1.0%) - (0.5%)	0	0	\$0.00	\$0.00	\$0.00	0	\$0.0000	\$0.0000
21	(0.5%) - 0.0%	0	0	\$0.00	\$0.00	\$0.00	0	\$0.0000	\$0.0000
22	0.0% - 0.0%	92	92	\$15.00	\$0.00	\$0.00	14	\$1.0432	\$1.0432
23	0.0% - 0.5%	3	95	\$15.01	\$0.06	\$0.70	21	\$0.7146	\$0.7174
24	0.5% - 1.0%	17	112	\$409.13	\$3.33	\$39.97	3,091	\$0.1324	\$0.1335
25	1.0% - 1.5%	264	376	\$267.23	\$3.53	\$42.30	1,935	\$0.1381	\$0.1399
26	1.5% - 2.0%	842	1,218	\$178.56	\$3.12	\$37.50	1,233	\$0.1449	\$0.1474
27	2.0% - 2.5%	1,035	2,253	\$122.42	\$2.74	\$32.90	797	\$0.1535	\$0.1570
28	2.5% - 3.0%	1,010	3,263	\$77.11	\$2.09	\$25.11	468	\$0.1648	\$0.1692
29	3.0% - 3.5%	420	3,683	\$48.36	\$1.54	\$18.51	271	\$0.1785	\$0.1842
30	3.5% - 4.0%	193	3,876	\$32.50	\$1.20	\$14.44	163	\$0.1996	\$0.2070
31	4.0% - 4.5%	84	3,960	\$26.06	\$1.10	\$13.18	120	\$0.2172	\$0.2264
32	4.5% - 5.0%	51	4,011	\$21.12	\$0.99	\$11.90	87	\$0.2436	\$0.2551
33	5.0% - 5.5%	20	4,031	\$18.10	\$0.95	\$11.41	66	\$0.2729	\$0.2873
34	5.5% - 6.0%	14	4,045	\$15.88	\$0.90	\$10.79	51	\$0.3100	\$0.3276
35	6.0% - 6.5%	0	4,045	\$0.00	\$0.00	\$0.00	0	\$0.0000	\$0.0000
36	6.5% - 7.0%	0	4,045	\$0.00	\$0.00	\$0.00	0	\$0.0000	\$0.0000
37	7.0% - 7.5%	0	4,045	\$0.00	\$0.00	\$0.00	0	\$0.0000	\$0.0000
38	7.5% - 8.0%	0	4,045	\$0.00	\$0.00	\$0.00	0	\$0.0000	\$0.0000
39	8.0% - 8.5%	0	4,045	\$0.00	\$0.00	\$0.00	0	\$0.0000	\$0.0000
40	8.5% - 9.0%	0	4,045	\$0.00	\$0.00	\$0.00	0	\$0.0000	\$0.0000
41	9.0% - 9.5%	0	4,045	\$0.00	\$0.00	\$0.00	0	\$0.0000	\$0.0000
42	9.5% - 10.0%	0	4,045	\$0.00	\$0.00	\$0.00	0	\$0.0000	\$0.0000
43	10.0% - ...	0	4,045	\$0.00	\$0.00	\$0.00	0	\$0.0000	\$0.0000

City of Seaford

Customer Rate Impacts

Residential Rate Class
*Electric Committee Endorsed Option: \$8.75 CC &
 Decr. 3rd*

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
Location ID	Customer Name	# of Billing Months	Monthly Avg. kWh	Current Rates Monthly Avg. Cost	Revised Rates Monthly Avg. Cost	Monthly Avg. Impact	
1		1	0	\$15.00	\$15.00	\$0.00	0.0%
2		4	0	\$15.00	\$15.00	\$0.00	0.0%
3		2	0	\$15.00	\$15.00	\$0.00	0.0%
4		9	0	\$15.00	\$15.00	\$0.00	0.0%
5		9	0	\$15.00	\$15.00	\$0.00	0.0%
6		5	0	\$15.00	\$15.00	\$0.00	0.0%
7		12	0	\$15.00	\$15.00	\$0.00	0.0%
8		2	0	\$15.00	\$15.00	\$0.00	0.0%
9		12	0	\$15.00	\$15.00	\$0.00	0.0%
10		12	0	\$15.00	\$15.00	\$0.00	0.0%
4010		1	79	\$19.97	\$20.96	\$0.99	5.0%
4011		12	78	\$19.86	\$20.84	\$0.99	5.0%
4012		1	76	\$19.53	\$20.51	\$0.98	5.0%
4013		1	76	\$19.53	\$20.51	\$0.98	5.0%
4014		1	76	\$19.53	\$20.51	\$0.98	5.0%
4015		1	73	\$19.08	\$20.05	\$0.97	5.1%
4016		1	69	\$18.49	\$19.45	\$0.96	5.2%
4017		1	68	\$18.35	\$19.30	\$0.96	5.2%
4018		2	68	\$18.27	\$19.23	\$0.95	5.2%
4019		1	67	\$18.20	\$19.15	\$0.95	5.2%
4020		2	66	\$18.05	\$19.00	\$0.95	5.3%
4021		1	66	\$18.05	\$19.00	\$0.95	5.3%
4022		1	66	\$18.05	\$19.00	\$0.95	5.3%
4023		1	64	\$17.76	\$18.70	\$0.94	5.3%
4024		1	64	\$17.76	\$18.70	\$0.94	5.3%
4025		12	64	\$17.72	\$18.66	\$0.94	5.3%
4026		1	62	\$17.46	\$18.40	\$0.94	5.4%
4027		1	62	\$17.46	\$18.40	\$0.94	5.4%
4028		1	62	\$17.46	\$18.40	\$0.94	5.4%
4029		1	60	\$17.17	\$18.10	\$0.93	5.4%
4030		1	59	\$17.02	\$17.95	\$0.93	5.5%
4031		1	59	\$17.02	\$17.95	\$0.93	5.5%
4032		1	57	\$16.72	\$17.65	\$0.92	5.5%
4033		2	56	\$16.58	\$17.50	\$0.92	5.5%
4034		1	55	\$16.43	\$17.35	\$0.92	5.6%
4035		1	55	\$16.43	\$17.35	\$0.92	5.6%
4036		1	54	\$16.28	\$17.20	\$0.91	5.6%
4037		1	45	\$15.00	\$15.84	\$0.84	5.6%
4038		1	45	\$15.00	\$15.84	\$0.84	5.6%
4039		1	53	\$16.14	\$17.05	\$0.91	5.6%
4040		1	52	\$15.99	\$16.90	\$0.91	5.7%
4041		1	50	\$15.69	\$16.59	\$0.90	5.7%
4042		1	50	\$15.69	\$16.59	\$0.90	5.7%
4043		1	50	\$15.69	\$16.59	\$0.90	5.7%
4044		1	48	\$15.40	\$16.29	\$0.90	5.8%
4045		1	47	\$15.25	\$16.14	\$0.89	5.9%

City of Seaford

Rate Calculation Revenue Proof

Residential Rate Class
*Electric Committee Endorsed Option: \$8.75
 CC & Decr. 3rd*

	(A)	(B)	(C)	(D)
	Determinants	Current Rates	Proposed Rates	Difference
1	Customer Charge			
2	Cust. Charge	\$8.00	\$8.75	
3	Cust. Bills	36,814	36,814	
4	Total Revenue	\$294,512.00	\$322,122.50	\$27,610.50
5				
6	1st Block			
7	Max kWh	45	45	
8	Total kWh	1,627,535	1,627,535	
9	\$/kWh	\$0.160000	\$0.160000	
10	Total Revenue	\$260,405.60	\$260,405.60	\$0.00
11				
12	2nd Block			
13	Max kWh	705	705	
14	Total kWh	19,084,171	19,084,171	
15	\$/kWh	\$0.152817	\$0.152817	
16	Total Revenue	\$2,916,385.76	\$2,916,385.76	\$0.00
17				
18	3rd Block			
19	Max kWh			
20	Total kWh	10,706,577	10,706,577	
21	\$/kWh	\$0.131140	\$0.128631	
22	Total Revenue	\$1,404,060.51	\$1,377,197.64	(\$26,862.87)
23				
24	All Energy			
25	Total kWh	31,418,283	31,418,283	
26	PCAC	(\$0.00560)	(\$0.00257)	
27	Green Energy	\$0.000178	\$0.000178	
28	Total Revenue	(\$170,349.93)	(\$75,137.08)	\$95,212.85
29				
30	Minimum Bill	\$15.00	\$15.00	
31	Minimum Bill Impact	\$4,541.22	\$3,793.59	(\$747.63)
32				
33	Total Revenue	\$4,709,555.15	\$4,804,768.01	\$95,212.85

City of Seaford

Retail Rates Summary by Option

**Commercial Non-Demand Rate
Class Summaries**

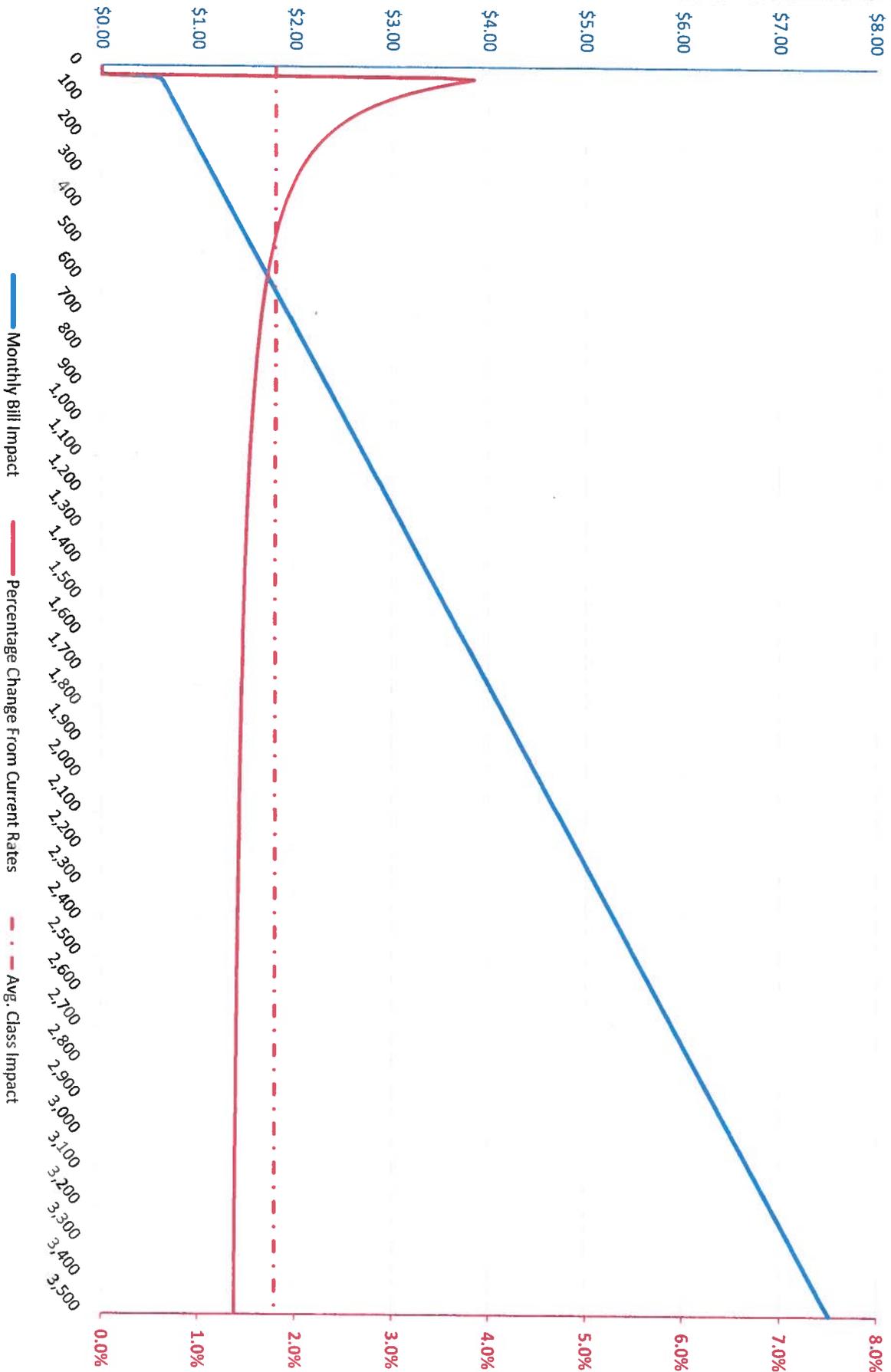
	(A)	(B)	(C)	(D)	(E)
	Commercial Non-Demand Rate Class <i>681 Unique Customer Count</i>	Current Retail Rates	Option #1: \$11.00 CC, Incr. 1st & Decr. New 3rd	Option #2: \$10.75 CC & Decr. New 3rd	Elec. Committee Endorsed Option #3: \$10.50 CC & Decr. New 3rd
1	PCAC	(\$0.00560)	(\$0.00257)	(\$0.00257)	(\$0.00257)
2	Customer Charge	\$10.00	\$11.00	\$10.75	\$10.50
4	First 45 kWh Block \$/kWh	\$0.170000	\$0.172500	\$0.170000	\$0.170000
5	Next 705 kWh Block \$/kWh	\$0.157411	\$0.157411	\$0.157411	\$0.157411
6	Over 750 kWh Block \$/kWh	\$0.157411	\$0.155084	\$0.155845	\$0.156370
7	Min. Charge	\$15.00	\$15.00	\$15.00	\$15.00
8	Average % Increase		1.8%	1.8%	1.8%
9	Average Monthly Incr.		\$2.75	\$2.75	\$2.76
10	# of Cust. w/ Incr.		627	623	619
11	Med-High % Increase		5.0%	3.6%	2.3%
12	Med-High Monthly Incr.		\$1.42	\$1.15	\$1.68
13	# of Cust. w/ Med-High Incr.		111	133	363
14	Highest % Increase		7.3%	5.2%	3.7%
15	Highest Monthly Increase		\$1.23	\$0.88	\$0.64
16	# of Cust. w/ Highest Incr.		5	5	7
17	<i>Top 10 Absolute Increases</i>		<i>\$5.26=1.0%</i>	<i>\$6.92=1.3%</i>	<i>\$8.07=1.5%</i>
18	Commercial Non-Demand Rate Class <i>681 Unique Customer Count</i>	Current Retail Rates	Option #4: Small Incr. 1st & Decr. New 3rd	Option #5: Med. Incr. 1st & Decr. New 3rd	Option #6: Large Incr. 1st & Decr. New 3rd
19	PCAC	(\$0.00560)	(\$0.00257)	(\$0.00257)	(\$0.00257)
20	Customer Charge	\$10.00	\$10.00	\$10.00	\$10.00
21	First 45 kWh Block \$/kWh	\$0.170000	\$0.177500	\$0.180000	\$0.185000
22	Next 705 kWh Block \$/kWh	\$0.157411	\$0.157411	\$0.157411	\$0.157411
23	Over 750 kWh Block \$/kWh	\$0.157411	\$0.156714	\$0.156479	\$0.156010
24	Min. Charge	\$15.00	\$15.00	\$15.00	\$15.00
25	Average % Increase		1.9%	1.9%	1.9%
26	Average Monthly Incr.		\$2.78	\$2.78	\$2.78
27	# of Cust. w/ Incr.		614	616	620
28	Med-High % Increase		1.9%	2.3%	2.9%
29	Med-High Monthly Incr.		\$2.94	\$1.64	\$1.41
30	# of Cust. w/ Med-High Incr.		588	353	234
31	Highest % Increase		2.6%	3.1%	4.6%
32	Highest Monthly Increase		\$0.53	\$0.62	\$0.81
33	# of Cust. w/ Highest Incr.		20	20	2
34	<i>Top 10 Absolute Increases</i>		<i>\$9.52=1.7%</i>	<i>\$8.94=1.6%</i>	<i>\$7.76=1.4%</i>

Commercial Non-Demand Rate Class

Electric Committee Endorsed Option:
\$10.50 CC & Decr. New 3rd

Commercial Non-Demand Rate Class

Electric Committee Endorsed Option: \$10.50 Customer Charge & ↓ New 3rd Block



City of Seaford

Customer Rate Impacts

Commercial Non-Demand Rate Class

Electric Committee Endorsed Option: \$10.50 CC
& Decr. New 3rd

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
	Annual Impact % Range	No. of Cust.	Cumul. Cust.	Current Monthly Bill	Monthly Impact	Annual Impact	Avg. kWh	Current Cost /kWh	Proposed Cost /kWh
1	... - (10.0%)	0	0	\$0.00	\$0.00	\$0.00	0	\$0.0000	\$0.0000
2	(10.0%) - (9.5%)	0	0	\$0.00	\$0.00	\$0.00	0	\$0.0000	\$0.0000
3	(9.5%) - (9.0%)	0	0	\$0.00	\$0.00	\$0.00	0	\$0.0000	\$0.0000
4	(9.0%) - (8.5%)	0	0	\$0.00	\$0.00	\$0.00	0	\$0.0000	\$0.0000
5	(8.5%) - (8.0%)	0	0	\$0.00	\$0.00	\$0.00	0	\$0.0000	\$0.0000
6	(8.0%) - (7.5%)	0	0	\$0.00	\$0.00	\$0.00	0	\$0.0000	\$0.0000
7	(7.5%) - (7.0%)	0	0	\$0.00	\$0.00	\$0.00	0	\$0.0000	\$0.0000
8	(7.0%) - (6.5%)	0	0	\$0.00	\$0.00	\$0.00	0	\$0.0000	\$0.0000
9	(6.5%) - (6.0%)	0	0	\$0.00	\$0.00	\$0.00	0	\$0.0000	\$0.0000
10	(6.0%) - (5.5%)	0	0	\$0.00	\$0.00	\$0.00	0	\$0.0000	\$0.0000
11	(5.5%) - (5.0%)	0	0	\$0.00	\$0.00	\$0.00	0	\$0.0000	\$0.0000
12	(5.0%) - (4.5%)	0	0	\$0.00	\$0.00	\$0.00	0	\$0.0000	\$0.0000
13	(4.5%) - (4.0%)	0	0	\$0.00	\$0.00	\$0.00	0	\$0.0000	\$0.0000
14	(4.0%) - (3.5%)	0	0	\$0.00	\$0.00	\$0.00	0	\$0.0000	\$0.0000
15	(3.5%) - (3.0%)	0	0	\$0.00	\$0.00	\$0.00	0	\$0.0000	\$0.0000
16	(3.0%) - (2.5%)	0	0	\$0.00	\$0.00	\$0.00	0	\$0.0000	\$0.0000
17	(2.5%) - (2.0%)	0	0	\$0.00	\$0.00	\$0.00	0	\$0.0000	\$0.0000
18	(2.0%) - (1.5%)	0	0	\$0.00	\$0.00	\$0.00	0	\$0.0000	\$0.0000
19	(1.5%) - (1.0%)	0	0	\$0.00	\$0.00	\$0.00	0	\$0.0000	\$0.0000
20	(1.0%) - (0.5%)	0	0	\$0.00	\$0.00	\$0.00	0	\$0.0000	\$0.0000
21	(0.5%) - 0.0%	0	0	\$0.00	\$0.00	\$0.00	0	\$0.0000	\$0.0000
22	0.0% - 0.0%	53	53	\$15.00	\$0.00	\$0.00	4	\$4.1457	\$4.1457
23	0.0% - 0.5%	9	62	\$15.24	\$0.04	\$0.45	8	\$1.8774	\$1.8820
24	0.5% - 1.0%	11	73	\$16.98	\$0.13	\$1.59	24	\$0.7195	\$0.7251
25	1.0% - 1.5%	16	89	\$172.98	\$2.51	\$30.18	1,053	\$0.1642	\$0.1666
26	1.5% - 2.0%	229	318	\$270.92	\$4.57	\$54.89	1,712	\$0.1583	\$0.1610
27	2.0% - 2.5%	227	545	\$92.82	\$2.06	\$24.78	540	\$0.1718	\$0.1756
28	2.5% - 3.0%	86	631	\$40.29	\$1.08	\$12.98	195	\$0.2062	\$0.2118
29	3.0% - 3.5%	43	674	\$23.10	\$0.74	\$8.83	82	\$0.2809	\$0.2899
30	3.5% - 4.0%	7	681	\$17.35	\$0.64	\$7.63	45	\$0.3862	\$0.4003
31	4.0% - 4.5%	0	681	\$0.00	\$0.00	\$0.00	0	\$0.0000	\$0.0000
32	4.5% - 5.0%	0	681	\$0.00	\$0.00	\$0.00	0	\$0.0000	\$0.0000
33	5.0% - 5.5%	0	681	\$0.00	\$0.00	\$0.00	0	\$0.0000	\$0.0000
34	5.5% - 6.0%	0	681	\$0.00	\$0.00	\$0.00	0	\$0.0000	\$0.0000
35	6.0% - 6.5%	0	681	\$0.00	\$0.00	\$0.00	0	\$0.0000	\$0.0000
36	6.5% - 7.0%	0	681	\$0.00	\$0.00	\$0.00	0	\$0.0000	\$0.0000
37	7.0% - 7.5%	0	681	\$0.00	\$0.00	\$0.00	0	\$0.0000	\$0.0000
38	7.5% - 8.0%	0	681	\$0.00	\$0.00	\$0.00	0	\$0.0000	\$0.0000
39	8.0% - 8.5%	0	681	\$0.00	\$0.00	\$0.00	0	\$0.0000	\$0.0000
40	8.5% - 9.0%	0	681	\$0.00	\$0.00	\$0.00	0	\$0.0000	\$0.0000
41	9.0% - 9.5%	0	681	\$0.00	\$0.00	\$0.00	0	\$0.0000	\$0.0000
42	9.5% - 10.0%	0	681	\$0.00	\$0.00	\$0.00	0	\$0.0000	\$0.0000
43	10.0% - ...	0	681	\$0.00	\$0.00	\$0.00	0	\$0.0000	\$0.0000

City of Seaford

Customer Rate Impacts

Commercial Non-Demand Rate Class
*Electric Committee Endorsed Option: \$10.50 CC &
 Decr. New 3rd*

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
Location ID	Customer Name	# of Billing Months	Monthly Avg. kWh	Current Rates Monthly Avg. Cost	Revised Rates Monthly Avg. Cost	Monthly Avg. Impact	
1		12	0	\$15.00	\$15.00	\$0.00	0.0%
2		12	0	\$15.00	\$15.00	\$0.00	0.0%
3		12	0	\$15.00	\$15.00	\$0.00	0.0%
4		12	0	\$15.00	\$15.00	\$0.00	0.0%
5		12	0	\$15.00	\$15.00	\$0.00	0.0%
6		12	0	\$15.00	\$15.00	\$0.00	0.0%
7		12	0	\$15.00	\$15.00	\$0.00	0.0%
8		12	0	\$15.00	\$15.00	\$0.00	0.0%
9		12	0	\$15.00	\$15.00	\$0.00	0.0%
10		12	0	\$15.00	\$15.00	\$0.00	0.0%
646		12	42	\$17.11	\$17.62	\$0.52	3.0%
647		12	116	\$28.18	\$29.04	\$0.85	3.0%
648		5	40	\$16.79	\$17.30	\$0.51	3.0%
649		1	114	\$27.89	\$28.74	\$0.85	3.0%
650		12	114	\$27.88	\$28.73	\$0.85	3.0%
651		12	112	\$27.51	\$28.35	\$0.84	3.0%
652		12	109	\$27.18	\$28.02	\$0.83	3.1%
653		12	108	\$26.92	\$27.74	\$0.83	3.1%
654		7	51	\$18.99	\$19.58	\$0.58	3.1%
655		1	105	\$26.53	\$27.34	\$0.82	3.1%
656		12	60	\$19.98	\$20.60	\$0.62	3.1%
657		12	102	\$26.02	\$26.83	\$0.81	3.1%
658		12	101	\$25.98	\$26.79	\$0.81	3.1%
659		12	101	\$25.84	\$26.65	\$0.80	3.1%
660		1	100	\$25.77	\$26.57	\$0.80	3.1%
661		12	97	\$25.31	\$26.10	\$0.79	3.1%
662		12	96	\$25.20	\$25.99	\$0.79	3.1%
663		12	96	\$25.09	\$25.88	\$0.79	3.1%
664		12	95	\$24.98	\$25.76	\$0.79	3.2%
665		12	88	\$23.98	\$24.75	\$0.77	3.2%
666		12	82	\$23.02	\$23.77	\$0.75	3.3%
667		1	81	\$22.88	\$23.62	\$0.75	3.3%
668		12	54	\$18.82	\$19.44	\$0.62	3.3%
669		5	77	\$22.20	\$22.94	\$0.73	3.3%
670		12	50	\$18.49	\$19.10	\$0.61	3.3%
671		1	73	\$21.66	\$22.38	\$0.72	3.3%
672		12	72	\$21.51	\$22.23	\$0.72	3.3%
673		12	67	\$20.80	\$21.50	\$0.70	3.4%
674		12	66	\$20.59	\$21.28	\$0.70	3.4%
675		12	65	\$20.48	\$21.18	\$0.70	3.4%
676		3	64	\$20.31	\$21.00	\$0.70	3.4%
677		12	64	\$20.23	\$20.92	\$0.69	3.4%
678		2	64	\$20.20	\$20.89	\$0.69	3.4%
679		12	41	\$16.79	\$17.37	\$0.58	3.4%
680		12	63	\$20.12	\$20.81	\$0.69	3.4%
681		1	37	\$16.09	\$16.70	\$0.61	3.8%

City of Seaford

Rate Calculation Revenue Proof

Commercial Non-Demand Rate Class

Electric Committee Endorsed Option:
\$10.50 CC & Decr. New 3rd

	(A) Determinants	(B) Current Rates	(C) Proposed Rates	(D) Difference
1	Customer Charge			
2	Cust. Charge	\$10.00	\$10.50	
3	Cust. Bills	7,242	7,242	
4	Total Revenue	\$72,420.00	\$76,041.00	\$3,621.00
5				
6	1st Block			
7	Max kWh	45	45	
8	Total kWh	282,223	282,223	
9	\$/kWh	\$0.170000	\$0.170000	
10	Total Revenue	\$47,977.91	\$47,977.91	\$0.00
11				
12	2nd Block			
13	Max kWh		705	
14	Total kWh	5,872,433	2,912,958	
15	\$/kWh	\$0.157411	\$0.157411	
16	Total Revenue	\$924,385.55	\$458,531.63	(\$465,853.92)
17				
18	3rd Block			
19	Max kWh			
20	Total kWh	-	2,959,475	
21	\$/kWh		\$0.156370	
22	Total Revenue	\$0.00	\$462,772.93	\$462,772.93
23				
24	All Energy			
25	Total kWh	6,154,656	6,154,656	
26	PCAC	(\$0.00560)	(\$0.00257)	
27	Green Energy	\$0.000178	\$0.000178	
28	Total Revenue	(\$33,370.54)	(\$14,718.91)	\$18,651.64
29				
30	Minimum Bill	\$15.00	\$15.00	
31	Minimum Bill Impact	\$4,460.66	\$3,920.65	(\$540.01)
32				
33	Total Revenue	\$1,015,873.58	\$1,034,525.21	\$18,651.64

N.B. 3a.
2/14/17

CITY OF SEAFORD, DELAWARE

RESOLUTION

A RESOLUTION APPROVING AN ADVANCED METERING INFRASTRUCTURE PROGRAM; AUTHORIZING THE EXECUTION OF A CONTRACT RELATING TO THE ADVANCED METERING INFRASTRUCTURE PROGRAM AND A PROJECT PURCHASE AGREEMENT RELATING TO THE ADVANCE METERING INFRASTRUCTURE PROGRAM, EACH BETWEEN THE CITY OF SEAFORD AND THE DELAWARE MUNICIPAL ELECTRIC CORPORATION; AND AUTHORIZING OTHER MATTERS RELATED THERETO.

WHEREAS, the City of Seaford (the “Participating Member”) is a municipality, duly organized and validly existing under the laws of the State of Delaware (the “State”); and

WHEREAS, The Delaware Municipal Electric Corporation (“DEMEC”) is a municipal electric company incorporated in the State, established by certain cities and towns, and formed pursuant to Chapter 13 of Title 22 of the Delaware Code (the “Act”); and

WHEREAS, DEMEC and the Participating Member have determined to undertake a project consisting of DEMEC’s acquisition, installation and development of Advanced Metering Infrastructure (“AMI”) for the Participating Member and the provision of AMI services for the Participating Member under a hosted solution strategy (the “AMI Program”) utilizing American Municipal Power, Inc. (“AMP”), a not for profit corporation, to provide certain of the related services on a subcontracted basis; and

WHEREAS, AMP has engaged in an RFP selection process and entered into resulting agreements with Silver Spring Networks, Inc. and ElectSolve Technology Solutions and Services, Inc. (collectively, the “Vendors”) to provide certain AMI field equipment, communication components, and associated back office systems in connection with the AMI Program in order to provide a comprehensive AMI Program that has the advantages to participating AMP members of economies of scale, mitigation of risk from local technology deployment and support, and reduced burden of ongoing support; and

WHEREAS, DEMEC is a member of AMP and shall contract with AMP to provide the AMI Program and certain AMI Services, as described in the “Schedule to Master Services Agreement between DEMEC and AMP for Participation in the Advanced Metering Infrastructure Program;” and

WHEREAS, the Participating Member and DEMEC desire to enter into a “Contract Relating To Advanced Metering Infrastructure Program” (the “DEMEC – Member AMI Contract”) pursuant to which DEMEC will provide, or cause to be provided by AMP and the Vendors, the AMI Program and certain AMI Services, as more fully described therein; and

WHEREAS, the parties intend that the obligations of the Participating Member under the DEMEC – Member AMI Contract shall be payable solely from the revenues derived from the Participating Member’s Electric System (the “System”); and

WHEREAS, the Participating Member and DEMEC desire to enter into a Project Purchase Agreement (the “Project Purchase Agreement”), pursuant to which DEMEC will finance the up-front costs necessary to acquire and install the equipment for the AMI Program (the “AMI Capital Project”), and will convey the AMI Capital Project to the Participating Member in exchange for project payments to be made by the Participating Member to DEMEC pursuant to the Project Purchase Agreement; and

WHEREAS, the AMI Capital Project represents a “Project” as defined in the Act, and the Project Purchase Agreement represents a contract with respect to an interest in a Project within the meaning of Section 1307(a) of the Act, and thus is considered to be a “purchase agreement” providing for the “purchase of electric power and energy” within the meaning of Section 1307 of the Act; and

WHEREAS, the parties intend that the Project Purchase Agreement shall constitute a “purchase agreement” providing for the “purchase of electric power and energy” for all purposes of Section 1307 of the Act and the obligations of the Participating Member under the Project Purchase Agreement shall not constitute debt, but rather shall constitute special obligations of the Participating Member payable solely from the revenues derived from the Participating Member’s System and shall be treated as expenses of operating the System, all in accordance with Section 1307(b) of the Act; and

WHEREAS, by the adoption of this Resolution the Participating Member desires to authorize the execution of the DEMEC – Member AMI Contract and the Project Purchase Agreement and undertake the obligations described therein.

NOW, THEREFORE, BE IT RESOLVED by the Council of the Participating Member as follows:

Section 1. Approval of AMI Program and AMI Capital Project. The Participating Member hereby approves the AMI Program and the AMI Capital Project, as further described in the schedules to the DEMEC – Member AMI Contract and in the Project Purchase Agreement, and requests DEMEC to provide, or cause to be provided, for the benefit of the Participating Member, the AMI Program, the AMI Capital Project and the AMI Services.

Section 2. Authorization of DEMEC – Member AMI Contract. The Participating Member hereby authorizes the execution of the DEMEC – Member AMI Contract, and authorizes and directs the Mayor and the Secretary to Council of the Participating Member to execute and acknowledge the DEMEC – Member AMI Contract on behalf of the Participating Member. The DEMEC – Member AMI Contract shall be in substantially the form presented to this meeting, which is hereby approved, subject only to such changes and modifications as counsel may recommend and the Mayor of the Participating Member may approve, such approval to be conclusively evidenced by his or her execution thereof.

The Participating Member acknowledges that under the terms of the DEMEC – Member AMI Contract, in the event the Participating Member terminates the DEMEC – Member AMI Contract for convenience during the Initial Term (as defined therein), any unpaid portion of the Initial Services Fee and/or the On-going Services Fees (as such terms are defined therein) shall remain payable as if such services were provided throughout the Initial Term, and no portion shall be refunded. Notwithstanding the foregoing, to the extent that AMP is able, through commercially reasonable efforts, to mitigate its costs and expenses related to the expected provision of the aforementioned services, and the amounts payable by DEMEC to AMP in light of the early termination is reduced, DEMEC shall make a similar adjustment with respect to the amounts that remain payable from the Participating Member to DEMEC in such circumstances.

The obligations of the Participating Member under the DEMEC – Member AMI Contract shall be payable solely from the revenues and other available funds of the System.

Section 3. Authorization of Project Purchase Agreement. The Participating Member hereby authorizes the execution of the Project Purchase Agreement, and authorizes and directs the Mayor and the Secretary to Council of the Participating Member to execute and acknowledge the Project Purchase Agreement on behalf of the Participating Member. The Project Purchase Agreement shall be in substantially the form presented to this meeting, which is hereby approved, subject only to such changes and modifications as counsel may recommend and the Mayor of the Participating Member may approve, such approval to be conclusively evidenced by his or her execution thereof.

The Participating Member acknowledges that under the terms of the Project Purchase Agreement, the Participating Member is obligated to make payments (the “Project Payments”) for all of DEMEC's Project Costs (including debt service, reserves for debt service, the requirements of any rate covenant with respect to debt service coverage, step-up payments as a result of defaults of other DEMEC members participating in common financing and other amounts as set forth in the Project Purchase Agreement) irrespective of whether the AMI Capital Project is completed, operable or operating, and notwithstanding suspension, interruption, interference, reduction or curtailment of the operation of the AMI Capital Project, and shall not be subject to any reduction, whether by offset, counterclaim, or otherwise, and shall not be otherwise conditioned upon performance by DEMEC under the Project Purchase Agreement.

The obligation of the Participating Member to make Project Payments under the Project Purchase Agreement shall not constitute a debt of the Participating Member or a general obligation of or pledge of the full faith and credit of the Participating Member, and the Participating Member shall not be obligated or compelled to levy *ad valorem* taxes to make the Project Payments provided for in the Project Purchase Agreement. The obligation to make Project Payments shall constitute an operating expense of the Participating Member's System payable solely from the revenues and other available funds of the System.

Section 4. Authorization of Further Action. The Participating Member hereby authorizes the Mayor, the Secretary to Council and any other appropriate officers or employees of the Participating Member to take all other actions and sign any other documents or agreements

necessary or appropriate in connection with the AMI Program, the AMI Capital Project, the DEMEC – Member AMI Contract or the Project Purchase Agreement or otherwise in furtherance of the purposes of this Resolution.

Section 5. Effective Date. This Resolution shall go into effect immediately upon its adoption by Council.

Dated: February 14, 2017.

N. B. 36.
2/14/17

PROJECT PURCHASE AGREEMENT
BETWEEN THE CITY OF SEAFORD, DELAWARE
AND
THE DELAWARE MUNICIPAL ELECTRIC CORPORATION
DATED AS OF MARCH 1, 2017
RELATING TO
AMI CAPITAL PROJECT

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PROJECT PURCHASE AGREEMENT

This PROJECT PURCHASE AGREEMENT (this “Agreement”) is made and entered into as of March 1, 2017, by and between THE DELAWARE MUNICIPAL ELECTRIC CORPORATION, a corporation organized under the laws of the State of Delaware (“DEMEC”) and THE CITY OF SEAFORD, an incorporated municipality of the State of Delaware (the “Participating Member” or “Participant”).

WHEREAS, DEMEC is a “municipal electric company” incorporated in the State of Delaware established by certain cities and towns pursuant to Section 1303 of Chapter 13 of Title 22 of the Delaware Code (the “Act”); and

WHEREAS, Participating Member is a member of, and “contracting municipality” (as defined in the Act) with respect to, DEMEC; and

WHEREAS, DEMEC is authorized and empowered, among other things, (i) to plan, develop, acquire, construct, reconstruct, operate, manage, dispose of, participate in, maintain, repair, extend or improve one or more “projects” (as defined in the Act); (ii) to issue its bonds, notes or other evidences of indebtedness to pay all or part of the costs of acquiring and developing such projects; and (iii) to exercise all other powers which may be necessary and convenient by DEMEC to effectuate the purposes of DEMEC; and

WHEREAS, DEMEC and the Participating Member have determined to undertake a project consisting of DEMEC’s acquisition, installation and development of Advanced Metering Infrastructure (“AMI”) for the Participating Member and the provision of AMI services for the Participating Member under a hosted solution strategy (the “AMI Program”) utilizing American Municipal Power, Inc. (“AMP”), a not for profit corporation, to provide certain of the related services on a subcontracted basis; and

WHEREAS, AMP has engaged in an RFP selection process and entered into resulting agreements with Silver Spring Networks, Inc. and ElectSolve Technology Solutions and Services, Inc. (collectively, the “Vendors”) to provide certain AMI field equipment, communication components, and associated back office systems in connection with the AMI Program in order to provide a comprehensive AMI Program that has the advantages to participating AMP members of economies of scale, mitigation of risk from local technology deployment and support, and reduced burden of ongoing support; and

WHEREAS, DEMEC is a member of AMP and shall contract with AMP to provide the AMI Program and certain AMI Services, as described in the “Schedule to Master Services Agreement between DEMEC and AMP for Participation in the Advanced Metering Infrastructure Program;” and

WHEREAS, the Participating Member and DEMEC shall enter into a “Contract Relating To Advanced Metering Infrastructure Program” (the “DEMEC – Member AMI Contract”)

pursuant to which DEMEC will provide, or cause to be provided by AMP and the Vendors, the AMI Program and certain AMI Services, as more fully described therein; and

WHEREAS, the Participating Member and DEMEC have determined to undertake a project consisting of the acquisition and installation of the equipment for the AMI Program by DEMEC for the benefit of the Participating Member (the "Project"); and

WHEREAS, DEMEC will take or cause to be taken all steps necessary to effect the acquisition and installation of the Project and the consummation of the contractual arrangements and agreements described herein, and during the term hereof, will own, operate and maintain, or cause to be operated or maintained, the Project; and

WHEREAS, pursuant to this Agreement, DEMEC will convey the Project to the Participating Member in exchange for Monthly Project Payments (as described herein) to be made by the Participating Member to DEMEC; and

WHEREAS, the development of projects such as the Project for the benefit of the Participating Member has been authorized by DEMEC's Agreement and Articles of Incorporation, dated July 9, 1979 (the "Joint Action Agreement"); and

WHEREAS, the Project represents a "project" as defined in the Act and this Agreement is an agreement with respect to the Participating Member's interest in the Project and therefore shall constitute a "purchase agreement" providing for the "purchase of electric power and energy" for all purposes of Section 1307 of the Act, and the obligations of the Participating Member under this Agreement shall not constitute debt, but rather shall constitute special obligations of the Participating Member payable solely from the revenues derived from the Participating Member's electric utility system, and shall be treated as expenses of operating the system, all in accordance with Section 1307(b) of the Act; and

WHEREAS, in order to enable DEMEC to issue its bonds or bond anticipation notes to pay the cost of developing the Project, it is necessary for DEMEC to have a binding contract with the Participating Member and to pledge such contract and the payments required to be made in accordance with such contract as security for the payment of such bonds or bond anticipation notes; and

WHEREAS, DEMEC and the Participating Member are duly authorized under applicable provisions of law, including but not limited to the Act, to execute, deliver and perform this Agreement and their respective governing bodies and any regulatory agencies having jurisdiction have taken all necessary actions and given all necessary approvals in order to constitute this Agreement a legal, valid and binding obligation of the parties hereto.

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements herein contained, it is agreed by and between the parties as follows:

SECTION 1. Definitions and Explanations of Terms.

As used in this Agreement, regardless of where initially defined, terms defined in the preamble, or in any Section hereof, shall have the meanings set forth therein, and the following terms shall have the meanings set forth below:

Additional Facilities shall mean one or more of the following: (i) to the extent consistent with Prudent Utility Practices, any renewals, replacements, repairs, additions, betterments, modifications or improvements, necessary, in the opinion of the Consulting Engineer, to keep the Project or any portion thereof in good operating condition, (ii) any additions, improvements, repairs and modifications to the Project or any portion thereof and any retirement or disposal of the Project or any portion thereof required by any governmental agency having jurisdiction over the Project or any portion thereof, and (iii) any amounts relating to the Project which DEMEC is required to pay to any third party or parties by reason of any judgment or order of any court, commission, bureau, board or regulatory authority of competent jurisdiction.

Agreement shall mean this Project Purchase Agreement relating to the Project, as the same may be amended from time to time.

Annual Budget shall mean the budget adopted by the Board of DEMEC pursuant to paragraph (a) of Section 4 hereof which itemizes the estimated Monthly Project Payments for the following Contract Year, or, in the case of an amended Annual Budget adopted by the Board of DEMEC, during the remainder of a Contract Year.

Board shall mean the Board of Directors of DEMEC, acting in accordance with the Act, the Joint Action Agreement and the By-Laws of DEMEC.

Bonds shall mean the Bonds from time to time issued by DEMEC pursuant to the Loan Agreement or similar agreement to pay any part of the Cost of Project, and shall include bond anticipation notes, additional Bonds, refunding Bonds or bank loans issued in accordance with this Agreement and the Loan Agreement.

Consulting Engineer shall mean, as of any date, an engineer or engineering firm or corporation then retained by DEMEC pursuant to the Loan Agreement to perform acts and carry out duties provided for such Consulting Engineer in the Loan Agreement.

Contract Year shall mean the twelve (12) month period commencing at 12:01 a.m. on January 1 of each year, except that the first Contract Year shall commence at 12:01 a.m. on the Operation Date and shall expire at 12:00 a.m. the next succeeding January 1, and the last Contract Year shall commence at 12:01 a.m. on January 1 thereof and shall expire upon the termination of this Agreement in accordance with the terms hereof.

Cost of Project shall mean, to the extent not included in Monthly Project Payments, all costs of planning, engineering, designing, financing, installing, constructing, acquiring, equipping and placing in operation or retirement or disposal of the Project, which shall include, but shall not be limited to, funds for:

(1) interest accruing in whole or in part on Bonds prior to and during construction and for such additional period (not exceeding one year) as DEMEC may reasonably determine to be necessary;

(2) allowance for working capital requirements of the Project in such amounts as shall be deemed reasonably necessary by DEMEC;

(3) the deposit or deposits required to be made under the Loan Agreement from the proceeds of Bonds or other sources into any fund or account established pursuant to the Loan Agreement to meet any debt service reserve requirement for the Bonds;

(4) the deposit or deposits required to be made under the Loan Agreement from the proceeds of Bonds or other sources into any fund or account established pursuant to the Loan Agreement as a reserve for renewals, replacements and contingencies and retirement from service, salvage, discontinuance, sale or disposal of any part of the Project, including restoration of lands with respect thereto, or as a general or other reserve;

(5) all costs and expenses relating to claims or judgments arising out of the construction and operation of the Project;

(6) all planning and development costs, engineering fees, contractors' fees, costs of obtaining governmental or regulatory permits, licenses and approvals, costs of real property, labor, materials, equipment, supplies, training and testing costs, insurance premiums, legal and financing costs, administrative and general costs, and all other costs properly allocable to the acquisition, development, construction and equipping of the Project and placing the same in operation;

(7) all costs and expenses relating to injury and damage claims arising out of the acquisition, construction and operation of the Project;

(8) the costs and expenses, including bond insurance premiums, if any, and lender fees or discounts to the underwriters or other purchasers thereof, if any, incurred in the issuance and sale of bonds, notes or other evidences of indebtedness from time to time issued, the proceeds of which have been or will be required to be applied to one or more purposes for which Bonds could be issued;

(9) payments to DEMEC to reimburse advances and payments made or incurred for costs preliminary or incidental to the acquisition, development, construction or equipping of the Project; and

(10) the payment of principal, premium, if any, and interest when due (whether at the maturity of principal or at the due date of interest or upon redemption) on notes or other evidences of indebtedness from time to time issued in anticipation of the issuance of Bonds, the proceeds of which have been or will be required to be applied to one or more purposes for which Bonds could be issued.

Debt Service shall mean, with respect to any period, the aggregate of the amounts required by the Loan Agreement to be paid or deposited during said period into any fund or account created by the Loan Agreement for the sole purpose of paying the principal (including sinking fund installments) of, premium, if any, and interest on the Bonds from time to time outstanding as the same shall become due; provided, however, that Debt Service shall not include any amount payable as principal or interest solely as a result of acceleration of maturity of Bonds.

Full Requirements Agreement shall mean the Agreement for Full Requirements Power Sales, Transmission and Agency Services, dated as of October 15, 2003, as amended and supplemented.

Initial Facilities shall mean the Project consisting of the acquisition and installation of the equipment for the AMI Program, as initially developed placed in service by DEMEC in Seaford, Delaware.

Lender shall mean the bank or other lender acting under the Loan Agreement, or the bank or trust company acting as trustee under an indenture, as the case may be.

Loan Agreement shall mean the Loan Agreement between DEMEC and the Lender pursuant to which the Bonds are issued and secured, as amended or supplemented from time to time in accordance with its terms. In the event that the Project is financed by way of a trust indenture, any reference herein to "Loan Agreement" shall be deemed to include a trust indenture or similar agreement between DEMEC and a trustee.

Month shall mean a calendar month.

Monthly Project Payments shall mean, with respect to each Month of each Contract Year, all costs attributable to the Project, to the extent not paid from the proceeds of Bonds or notes or other sources (including income from investment of such amounts) which are to be applied in accordance with the then current Annual Budget to the payment of Monthly Project Payments in such Month, that are paid or incurred by DEMEC during such Month resulting from the ownership, financing, operation, maintenance, termination and/or retirement from service of, and repairs, renewals, replacements, additions, improvements, betterments and modifications to, the Project (whether or not the Project is operating), including without limitation, the following items of cost:

(1) the amount required under the Loan Agreement to be paid or deposited during such Month into any fund or account established by the Loan Agreement for the payment of Debt Service on Bonds;

(2) the amount required under the Loan Agreement to be paid or deposited during such Month into any fund or account established by the Loan Agreement (other than funds and accounts referred to in clause (1) above), including any amounts required to be paid or deposited by reason of the transfer of moneys from such funds or accounts to the funds or accounts referred to in clause (1) above;

(3) any amount which DEMEC may be required during such Month to pay for the prevention or correction of any unusual loss or damage or for renewals, replacements, repairs, additions, improvements, betterments and modifications which are necessary to keep the Project in good operating condition, but in each case only to the extent that (a) funds for such payment are not available to DEMEC from any funds or accounts established under the Loan Agreement for such purpose or (b) funds for such payment are not provided by the issuance of Bonds;

(4) if the Bonds, in addition to financing the Project, finance projects for DEMEC members other than the Participating Member, any amount which may be required to satisfy payment deficiencies of such other members, provided that, in no event shall the Participating Member be required to make a payment with respect to such deficiencies in an amount greater than 125% of the respective payment the Participating Member otherwise would have been required to make under this Agreement had the other member(s)' payment deficiencies not occurred;

(5) the costs of operating and maintaining the Project during such Month (including administrative and general expenses, working capital, taxes or payments in lieu thereof), not included in the costs specified in the other items of this definition and properly chargeable to the Project and an equitably allocated portion of DEMEC's general and administrative expenses which are not properly chargeable to any specific project of DEMEC;

(6) all costs incurred or associated with the discontinuance and disposition or sale of properties required to be paid by DEMEC with respect to the Project (whether or not in connection with the issuance of a final accounting statement referred to in Section 13) including, but not limited to, all of DEMEC's accrued costs and liabilities resulting from DEMEC's ownership, acquisition, financing, construction, operation, maintenance and renewals and replacements of the Project;

(7) all costs and expenses relating to injury and damage claims required to be paid by DEMEC in connection with the operation of the Project;

(8) any additional amount not specified in the other items of this definition which must be paid by DEMEC during such Month with respect to the Project or any other costs incurred by DEMEC during such Month relating to the Project which are not otherwise included in any of the costs specified herein; and

(9) any additional amount which must be realized by DEMEC during such Month in order to meet the requirement of any rate covenant of the Loan Agreement with respect to Debt Service coverage or which DEMEC deems advisable in the marketing of the Bonds.

For the avoidance of doubt, Monthly Project Payments is not intended to include, and shall not be duplicative of, amounts payable by the Participating Member for services provided for under the DEMEC – Member AMI Contract.

MW shall mean 1,000 kilowatts.

Operation Date shall mean the date the Initial Facilities commence operations.

Participating Member's Representative shall mean the officer, employee or other agent of the Participating Member designated from time to time by the Participating Member as the Representative of the Participating Member for purposes of this Agreement, to whom all notices and other communications to be given by DEMEC to the Participating Member hereunder shall be sent.

Project shall mean the Initial Facilities, the Additional Facilities and related contractual arrangements and agreements.

Prudent Utility Practice shall mean, as of any particular time, any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry at such time, or which, in the exercise of reasonable judgment in light of facts known at such time, could have been expected to accomplish the desired results at the lowest reasonable cost consistent with good business practices, reliability, safety and expedition. Prudent Utility Practice is not intended to be limited to the optimum practice, method or act to the exclusion of all others or to be limited to the lowest-cost practice, method or act, but rather to be a spectrum of possible practices, methods and acts, having due regard for manufacturers' warranties and the jurisdiction.

SECTION 2. Term of Contract.

This Agreement shall become effective upon execution and delivery hereof and shall, unless this Agreement is terminated pursuant to Section 22 hereof, continue until the date the principal of, premium, if any, and interest on all Bonds have been paid or funds set aside for the payment thereof. The obligation of the Participating Member to pay Monthly Project Payments shall survive termination of the Agreement and shall terminate only upon the final payment of all amounts payable with respect to the Bonds. Neither termination nor expiration of this Agreement shall affect any accrued liability or obligation hereunder.

SECTION 3. Development of Project/Sale of Project.

(a) DEMEC shall use its best efforts to complete the development, construction and equipping of the Project on the Site and to finance the Costs of Project through the issuance of Bonds or other obligations of DEMEC. DEMEC may issue bond anticipation notes or other obligations to finance all or a portion of the costs incurred in its development of the Project, including any item of the Cost of Project. The Costs of Project may be financed by one or more series of Bonds that also finance projects for other members of DEMEC in addition to the Participating Member, as part of a common plan of finance. The Participant and DEMEC understand and agree that there can be no assurance that DEMEC will be successful in its efforts to develop and complete the Project. If DEMEC is not successful in developing the Project, any equipment acquired will be promptly transferred to the Participating Member.

(b) In the event that DEMEC is successful in its efforts to complete the Project, DEMEC agrees to operate and maintain the Project for the benefit of the Participating Member, or cause the Project to be operated and maintained by the Participating Member. The Participating Member shall, in accordance with and subject to the provisions of Section 4 hereof,

pay DEMEC, in consideration for its development, financing, operation and maintenance of the Project, the Monthly Project Payments, as reasonably determined by DEMEC. In accordance with Section 9 hereof, upon the termination of the Agreement, provided that the Participating Member has made all of the required Monthly Project Payments, DEMEC shall transfer its ownership interest in the Project to the Participating Member in exchange for the payment by the Participating Member of the Monthly Project Payments required hereunder. This Agreement shall constitute an agreement for the sale of a full ownership "interest" in the Project, in accordance with the meaning of the term "interest" as used in Section 1307(a) of the Act.

(c) In the event that DEMEC is not successful in its efforts to develop and complete the Project for whatever reason, DEMEC will give notice to the Participating Member. DEMEC will then make a final accounting of all costs and expenses incurred by it with respect to its development of the Project. To the extent such costs and expenses exceed the amounts previously advanced to DEMEC in support of the Project by the Participating Member, DEMEC may bill to and collect from the Participating Member an amount equal to such excess costs and expenses, including any amount necessary to retire the Bonds or any bond anticipation notes. DEMEC will use its best efforts to wind up all matters relating to the Project as promptly as practicable following its determination that it will not be able to complete the Project.

SECTION 4. Method of Payment.

(a) On or before the estimated commencement of the first Contract Year and on or before October 1 prior to the beginning of each Contract Year thereafter, the Board of DEMEC shall adopt and mail or deliver to the Participating Member an Annual Budget for the Contract Year which shall provide an estimate of the Participating Member's monthly payments hereunder and serve as a basis for Participating Member's payments hereunder for Monthly Project Payments for such Contract Year. During each Contract Year, the Board shall review its Annual Budget for the remainder of the Contract Year at the end of each calendar quarter during each Contract Year and at such other time as it shall deem desirable. In the event such or any other review indicates that such Annual Budget will not substantially correspond with actual Monthly Project Payments properly allocable to the Participant, as reasonably determined by DEMEC, or if at any time during such Contract Year there are or are expected to be extraordinary receipts, credits or costs substantially affecting the Monthly Project Payments, the Board of DEMEC shall adopt and mail or deliver to the Participant an amended Annual Budget applicable to the remainder of such Contract Year which shall provide an estimate of the Participating Member's monthly payments hereunder for the remainder of such Contract Year and serve as the basis for the Participating Member's monthly payments for Monthly Project Payments hereunder for the remainder of such Contract Year.

(b) On or before the 10th day of each Month beginning with the second Month of the first Contract Year, DEMEC shall render to the Participating Member a monthly statement showing, in each case with respect to the prior Month, (i) the amount payable by the Participating Member in respect of Monthly Project Payments, as shown in the Annual Budget for such Contract Year or in an amended Annual Budget for the remainder of the Contract Year containing such Month; (ii) the amount, if any, determined in accordance with paragraph (f) of this Section 4 to be credited to or paid by the Participating Member with respect to any adjustment for actual Monthly Project Payments incurred during the next preceding Contract

Year; (iii) the credits, if any, against the Participating Member's Monthly Project Payments determined in accordance with paragraph (h) of this Section 4; and (iv) any other amounts (except amounts in respect of Monthly Project Payments, which amounts are intended to be billed exclusively pursuant to clauses (i) and (ii), respectively) payable by or credited to such Participating Member pursuant to this Agreement or the Loan Agreement not otherwise shown; and such Participating Member shall pay the total of such amounts at the times specified in paragraph (c) of this Section 4. Notwithstanding anything herein to the contrary, DEMEC may bill the Participating Member for Monthly Project Payments in advance of the dates when such amounts are required to be paid by DEMEC pursuant to the Loan Agreement or otherwise.

(c) Monthly payments required to be paid to DEMEC pursuant to this Section 4 shall be due and payable to DEMEC at the principal office of DEMEC, or such other address as DEMEC shall designate in writing to the Participating Member, on the 25th day of the Month in which the monthly statement was rendered.

(d) If payment in full is not made on or before the close of business on the 10th day following the due date, a delayed-payment charge on the unpaid amount due for each day overdue will be imposed at a rate equal to the annual percentage prime rate of interest being charged on such day for 90-day loans to substantial and responsible borrowers by the Lender under the Loan Agreement, plus 2%, or the maximum rate lawfully payable by the Participating Member, whichever is less. If said due date is Saturday, Sunday or a holiday, the next following business day shall be the last day on which payment may be made without the addition of the delayed-payment charge.

(e) In the event of any dispute as to any monthly statement, the Participating Member shall nevertheless pay the full amount of the disputed charges when due and shall give written notice of the dispute to DEMEC not later than the date such payment is due. Such notice shall identify the disputed bill, state the amount in dispute and set forth a full statement of the grounds on which such dispute is based. No adjustment shall be considered or made for disputed charges unless notice is given as aforesaid. DEMEC shall give consideration to such dispute and shall advise the Participating Member with regard to its position relative thereto within thirty (30) days following receipt of such written notice. Upon final determination (whether by agreement, arbitration, adjudication or otherwise) of the correct amount, any difference between such correct amount and such full amount shall be properly reflected in the statement next submitted to the Participating Member after such determination.

(f) On or before one hundred twenty days after the end of each Contract Year, and at such other times as it shall deem desirable, DEMEC will submit to the Participating Member a detailed statement of the actual aggregate Monthly Project Payments and any adjustment thereof or credit thereto pursuant to paragraph (h) of this Section 4 and all other amounts, if any, payable by or credited to the Participating Member pursuant hereto for all of the Months of such Contract Year or for such number of months as DEMEC deems appropriate, and adjustments of the aggregate Monthly Project Payments, if any, for any prior Contract Year and any adjustment thereof or credit thereto pursuant to paragraph (h) of this Section 4, based on the annual audit of accounts provided for in Section 10 hereof or, if for a period other than a full Contract Year, on such other information as DEMEC deems reliable. If, on the basis of the statement submitted as provided in this paragraph (f), the actual aggregate Monthly Project Payments and any

adjustment thereof or credit thereto pursuant to paragraph (h) of this Section 4 allocable to the Participating Member and other amounts payable for any Contract Year exceed the estimate thereof on the basis of which the Participating Member has been billed, the amount of such deficiency shall be divided into six, or fewer, as determined by the Board of DEMEC in its reasonable discretion, equal installments and added to the Participating Member's monthly statement for each of the next succeeding six or fewer months, as appropriate, as provided in clause (ii) of paragraph (b) of this Section 4. If, on the basis of the statement submitted pursuant to this paragraph (f), the actual aggregate Monthly Project Payments and any adjustment thereof or credit thereto pursuant to paragraph (h) of this Section 4, and other amounts payable for any Contract Year are less than the estimate therefor on the basis of which such Participating Member has been billed, the amount of such excess shall be divided into six, or fewer, as determined by the Board of DEMEC in its reasonable discretion, equal installments and credited to the Participating Member's monthly statement for each of the next succeeding six or fewer months, as appropriate, as provided in clause (ii) of paragraph (b) of this Section 4.

(g) Notwithstanding anything to the contrary herein, the obligation of the Participating Member to make the payments under this Section 4 for the Monthly Project Payments and other amounts shall constitute "special obligations" (as defined in Section 1307(b) of the Act) of the Participating Member payable as an operating expense of the Participating Member's electric utility system payable solely from the revenues and other available funds of its electric utility system. In no event shall the Participating Member be required to make payments hereunder from tax revenue. The Participating Member shall be obligated to make payments hereunder from the revenues and other available funds of its electric utility system irrespective of whether the Project is completed, operable or operating, and notwithstanding suspension, interruption, interference, reduction or curtailment of the Project, and shall not be subject to any reduction, whether by offset, counterclaim, or otherwise, and shall not be otherwise conditioned upon performance by DEMEC under this or any other agreement or instrument. Except as otherwise expressly provided in the first sentence of this Section 4(g), the obligation of the Participating Member to make payments under this Section 4 shall not constitute a debt of the Participating Member within the meaning of any constitutional or statutory provision or limitation or a general obligation of or pledge of the full faith and credit of the Participating Member, and neither the Participating Member nor the State of Delaware or any agency or political subdivision thereof shall ever be obligated or compelled to levy *ad valorem* taxes to make the payments provided for in this Section 4, and the obligation of the Participating Member to make payments pursuant to this Section 4 shall not give rise to or constitute a lien upon any property of the Participating Member or any property located within its boundaries or service area.

(h) Subject to the provisions of the Loan Agreement, DEMEC shall apply as a credit against Monthly Project Payments interest earned on investments held under the Loan Agreement and all proper credits against the Cost of Project, including, without limitation, all receipts, revenues and other monies to the extent received by DEMEC or credited to it from insurance proceeds, condemnation awards, damages collected from contractors, subcontractors or others and proceeds from the sale or other disposition of surplus property, all related to the Project, in each case, to the extent not credited against the Cost of Project.

SECTION 5. Insurance.

Subject to the provisions of the Loan Agreement, the Participating Member shall maintain, or cause to be maintained, in force, insurance with responsible insurers with policies, payable to the Participating Member, DEMEC or the Lender, as their interests shall appear, and naming DEMEC as additional insureds, against risk or direct physical loss, damage or destruction of the Project, at least to the extent that similar insurance is usually carried by utilities constructing and operating facilities similar to the Project, including liability insurance, all to the extent available at reasonable cost but in no case less than will satisfy all applicable regulatory requirements.

SECTION 6. Accounting.

DEMEC agrees to keep (and retain for at least five years) accurate records and accounts relating to the Project and relating to Monthly Project Payments and the administration of this Agreement, in accordance with this Agreement and the Loan Agreement and the Uniform System of Accounts, separate and distinct from its other records and accounts, and to make such records available to the Participating Member and its advisors upon reasonable request. Said accounts shall be audited annually, which audit may be conducted as part of and in connection with the normal year-end audit of DEMEC, by a firm of certified public accountants, experienced in public finance and electric utility accounting and of national reputation, to be employed by DEMEC. A copy of each annual audit, including all written comments and recommendations of such accountants, shall be furnished by DEMEC to the Participating Member not later than 180 days after the end of each Contract Year.

The Participating Member agrees to keep accurate records and accounts relating to the conduct of its business and shall supply to DEMEC not later than 180 days after the end of each fiscal year, or at such later date as may be agreed to by DEMEC upon the written request of the Participating Member, such agreement not to be withheld unreasonably, a copy of the annual audit of such records and accounts certified by a firm of certified public accountants, experienced in electric utility accounting. Upon the termination of this Agreement, all records or other documents relating to the Project will be transferred by DEMEC to the Participating Member.

SECTION 7. Information to be Made Available.

(a) DEMEC will prepare and provide to the Participating Member the following reports for each Contract Year:

- (1) financial and operating statement relating to the Project,
- (2) status of the Project annual budget,
- (3) status of construction budget of the Project during construction, and
- (4) operating statistics relating to the Project;

(b) The Participating Member acknowledges that the ability of DEMEC to sell the Bonds depends upon, among other things, the credit standing of the Participating Member and its electric system and that it will be necessary for DEMEC to provide certain information with respect to the Participating Member and its electric system in connection with the sale of the Bonds. Consequently, the Participating Member covenants to and agrees with DEMEC that the Participating Member will, upon request, provide to DEMEC all information with respect to the Participating Member and its electric system, including financial and operating information and all contracts, documents, reports, bond resolutions and indentures, as may be requested by DEMEC or its counsel in connection with the financing of the Project and the issuance of the Bonds.

(c) The Participating Member covenants to and agrees with DEMEC that the Participating Member will furnish to DEMEC (1) concurrently with its execution and delivery of this Agreement not later than 180 days after the end of each fiscal year, or at such later date as may be agreed to by DEMEC upon the written request of the Participating Member, such agreement not to be withheld unreasonably, a copy of the most recent annual financial statements of the Participating Member and its electric enterprise fund, audited by an independent certified public accountant or firm of such accountants, together with copies of all management letters and written recommendations and comments submitted by the accountants making such audit, and (2) such other information and documents as DEMEC may reasonably request from time to time, including any information necessary for DEMEC to comply with its disclosure obligations under any continuing disclosure agreement entered into by DEMEC in connection with the issuance of the Bonds.

(d) Concurrently with its execution and delivery of this Agreement, the Participating Member shall deliver to DEMEC (1) a certificate, executed by authorized officers of the Participating Member, together with attached exhibits, in the form required by DEMEC and the Lender and (2) an opinion of counsel to the Participating Member, in the form required by DEMEC and the Lender.

SECTION 8. Additional Bonds and Refunding Bonds.

(a) DEMEC intends to issue Bonds and/or Bond anticipation notes to finance the Costs of the Project with respect to the Initial Facilities.

(b) Additional Bonds may be sold and issued by DEMEC at any time and from time to time in the event, for any reason, the proceeds derived from the sale of Bonds prior to such time shall be insufficient for the purpose of paying the Cost of Project with respect to the Initial Facilities.

(c) Additional Bonds may be sold and issued by DEMEC at any time and from time to time in the event funds are required to pay all or a portion of the Cost of Project with respect to any Additional Facilities to the extent that sufficient funds are not available therefor in any Fund or Account under the Loan Agreement.

(d) Any such additional Bonds shall be secured by the pledge made pursuant to the provisions of Section 12 hereof of this Agreement and of the payments required to be made by

the Participating Member under Section 4 of this Agreement and all other payments attributable to the Project to be made in accordance with or pursuant to any other provision of this Agreement, as such payments may be increased and extended by reason of the issuance of such additional Bonds, and such additional Bonds may be issued in amounts sufficient to pay the full amount of such costs referred to in clause (a) or (b) above and to provide such reserves as may be reasonably determined by DEMEC to be desirable. Any such additional Bonds issued in accordance with the provisions of this Section 8 and secured by the pledge of payments to be made in accordance with the provisions of this Section 8 may rank *pari passu* as to the security afforded by the provisions of this Agreement with all Bonds theretofore issued pursuant to and secured in accordance with the provisions of this Agreement or the Loan Agreement.

(e) In the event Monthly Project Payments may be reduced by the refunding of any Bonds then outstanding or in the event it shall otherwise be advantageous, in the opinion of DEMEC, to refund any Bonds, DEMEC may issue and sell refunding Bonds to be secured by the pledge made pursuant to the provisions of Section 12 hereof of this Agreement and of the payments required to be made by the Participating Member under Section 4 of this Agreement and all other payments attributable to the Project to be made in accordance with or pursuant to any other provision of this Agreement. Any such refunding Bonds issued in accordance with the provisions of this Section 8 and secured by the pledge of such payments may rank *pari passu* as to the security afforded by the provisions of this Agreement with all Bonds theretofore issued pursuant to and secured in accordance with the provisions of this Agreement.

(e) Notwithstanding anything herein to the contrary, acknowledging the fact that the Participating Member has budgeted its payments to DEMEC hereunder in reliance on the transactions contemplated by this Agreement as they currently are structured, DEMEC agrees not to refund any Bonds or issue any additional Bonds, or take any other action or incur any expense voluntarily that could materially increase the Monthly Project Payments or Cost of Project hereunder without the prior written consent of the Participating Member, such consent to not be withheld unreasonably.

SECTION 9. Transfer to Participating Member Upon Termination of Agreement.

Upon the termination of this Agreement in accordance with Section 22 hereof, DEMEC shall take all necessary action to transfer all of DEMEC's right, title and interest in and to the Project and all of its component parts, to the Participant, and to assign to the Participant all contracts, warranties and plans relating to the Project, in each case free and clear of liens or other encumbrances, in consideration of the payment by the Participating Member of all of the Monthly Project Payments and any other amounts payable by the Participating Member to DEMEC hereunder. DEMEC shall not, and shall have no power or authority to, sell or transfer the Project to any other person or entity without the Participating Member's prior written consent. DEMEC shall, after the Project has been transferred to the Participant, give the Participant a final accounting statement which shall, if all Bonds have been paid in full or provision for such payments shall have been made in accordance with the provisions of the Loan Agreement, credit to the Participant, and deduct from any amount otherwise chargeable to it, any amounts remaining under the Loan Agreement. If any such final accounting statement shows that the costs referred to above exceed such credits after application by DEMEC of all available funds held under the Loan Agreement for such purpose, the Participating Member shall pay

DEMEC the amount shown to be due by such final accounting statement as an adjustment to previously paid Monthly Project Payments, such adjustment to be divided into six, or fewer, as determined by the Board of DEMEC in its reasonable discretion, equal monthly installments payable after such determination. If any such final accounting statement shows that the costs referred to above are less than such credits after application by DEMEC of all other available funds held under the Loan Agreement for such purpose, DEMEC shall, upon payment or provision for payment of all Bonds being made as provided in the Loan Agreement, pay the Participating Member, as an adjustment for overpayments of its share of Monthly Project Payments, an amount equal to the amount of the excess credit, such adjustment to be divided into six, or fewer, as determined by the Board of DEMEC in its reasonable discretion, equal monthly installments payable after such determination.

SECTION 10. Participating Member Covenants.

(a) Subject to the limitation of liability set forth in Section 4(g), the Participating Member agrees, in accordance with Prudent Utility Practice (1) to maintain its electric utility system in good repair and operating condition; (2) at all times operate its electric utility system and the business thereof in an efficient manner; (3) to cooperate with DEMEC in the performance of the respective obligations of such Participating Member and DEMEC under this Agreement; and (4) to establish, levy and collect rents, rates and other charges for the products and services provided by its electric utility system, which rents, rates, and other charges shall be at least sufficient (i) to meet the operation and maintenance expenses of such electric utility system, (ii) to comply with all covenants pertaining thereto contained in, and all other provisions of, any resolution, trust indenture, or other security agreement relating to any bonds or other evidence of indebtedness issued or to be issued by the Participating Member, (iii) to generate funds sufficient to fulfill the terms of all other contracts and agreements made by the Participating Member, including, without limitation, this Agreement, and (iv) to pay all other amounts payable from or constituting a lien or charge on the revenues of its electric utility system.

(b) The Participating Member further agrees that it will not take any action, except as permitted by Section 21(c) hereof, which will lead to its withdrawal as a member of DEMEC or other termination of its membership in DEMEC during the term of this Agreement and that it will not vote for or otherwise participate in any action to dissolve or otherwise terminate the existence of DEMEC during the term of this Agreement.

(c) (1) The Participating Member shall not use or permit to be used the Project developed and operated under this Agreement or operate its system in any manner or for any purpose or take or omit to take any action which could, either alone or in conjunction with any other similar actions by the Participating Member, result in loss of the exclusion from gross income for federal income tax purposes of the interest on any Bond or Bonds theretofore issued or thereafter issuable by DEMEC as tax exempt obligations pursuant to the provisions of the Internal Revenue Code of 1986, as amended, and applicable regulations and rulings thereunder.

(2) At the time of execution of this Agreement, the Participating Member has no contracts and has no current expectation of entering into any contracts whereby any person, corporation, partnership or other non-governmental entity agrees to purchase electric service

from the Participating Member on a basis different from that on which the Participating Member provides electric service to the public generally. At least sixty (60) days prior to entering into any contract whereby any person, corporation, partnership or other nongovernmental entity agrees to purchase electric service from the Participating Member on a basis different from that on which the Participating Member provides electric service to the public generally, the Participating Member shall notify DEMEC of its intent to enter into such contract and provide copies of such contract to DEMEC. Within sixty (60) days after receipt of such notice, DEMEC shall advise the Participating Member as to whether, in the opinion of counsel of recognized standing in the field of law relating to municipal bonds selected by DEMEC, the entering into of such contract would result in a violation of the covenant in clause (1) above. The reasonable cost of such opinion and other reports necessary in connection therewith shall be borne by the Participating Member. Any determination by DEMEC that any such contract would violate the covenant set forth in clause (1) above shall be made by DEMEC based upon the aforementioned opinion and such other reports as DEMEC deems necessary. In the event that allocations are necessary to determine whether entering into any such contract violates the covenant set forth in clause (1) above, DEMEC shall make such allocations, in its reasonable discretion, after receipt of an opinion of counsel of recognized standing in the field of law relating to municipal bonds selected by DEMEC and other reports necessary in connection therewith and paid for by the Participant.

SECTION 11. Operation and Maintenance.

DEMEC covenants and agrees that it will use its best efforts to operate, maintain and manage the Project or cause the same to be operated, maintained and managed in an efficient and economical manner, and at all times in accordance with Prudent Utility Practices.

SECTION 12. Pledge of Payments.

All right, title and interest of DEMEC in, to and under this Agreement and all payments required to be made by the Participating Member pursuant to the provisions of Section 4 hereof, and all other payments attributable to the Project to be made in accordance with or pursuant to any other provision of this Agreement, may be pledged, subject to application in accordance with the provisions of the Loan Agreement, to secure the payment of Bonds. DEMEC may reserve certain of its rights under this Agreement in connection with any such pledge, at its discretion.

SECTION 13. Payment Default.

Failure of the Participating Member to make to DEMEC when due any of the payments for which provision is made in this Agreement shall constitute an immediate default on the part of the Participating Member; provided that if such failure does not relate to a payment required under the Loan Agreement and the Bonds, such failure will not constitute a default hereunder until 30 days following written notice provided by DEMEC to the Participating Member.

SECTION 14. Continuing Obligation, Right to Discontinue Service.

In the event of any default referred to in Section 13 hereof, the Participating Member shall not be relieved of its liability for payment of the amounts in default and DEMEC shall have

the right to recover from the Participating Member any amount in default. In enforcement of any such right of recovery, DEMEC may bring any suit, action, or proceeding available to it in law or in equity, including mandamus, injunction, specific performance, declaratory judgment, or any combination thereof, as may be necessary or appropriate to enforce any covenant, agreement or obligation to make any payment for which provision is made in this Agreement against the Participating Member, and DEMEC may, upon thirty days written notice to the Participating Member, cease and discontinue, either permanently or on a temporary basis, providing all or any portion of the services provided pursuant to this Agreement.

SECTION 15. Other Default by Participating Member.

In the event of any default by the Participating Member under any other covenant, agreement or obligation of this Agreement, other than Section 13 hereof, if such default shall continue uncured for more than thirty (30) days (or, if incurable during such period, if a cure is not commenced and diligently pursued during such period) after the Participating Member receives written notice from DEMEC describing such default with specificity and with reference to the provision(s) hereof the performance of which the default relates, DEMEC may bring any suit, action, or proceeding available to it in law or in equity, including mandamus, injunction, specific performance, declaratory judgment, or any combination thereof, as may be necessary or appropriate to enforce any covenant, agreement or obligation of this Agreement against the Participating Member. Such remedies shall be in addition to all other remedies provided for herein.

SECTION 16. Default by DEMEC.

In the event of any default by DEMEC under any covenant, agreement or obligation of this Agreement, the Participating Member's remedy for such default shall be limited to mandamus, injunction, action for specific performance or any other available equitable remedy designed to enforce any covenant, obligation or agreement of DEMEC hereunder as may be necessary or appropriate. DEMEC hereby acknowledges that any default under this Agreement would cause irreparable harm and injury to the Participating Member for which monetary damages at law would be an inadequate remedy, and DEMEC hereby agrees to submit to the jurisdiction of the Delaware Court of Chancery for the purposes of being enjoined to specifically perform its obligations under the Agreement upon the Court's determination of a default.

SECTION 17. Abandonment of Remedy.

In case any proceeding taken on account of any default shall have been discontinued or abandoned (whether by settlement, release, dismissal or otherwise) for any reason, the parties to such proceedings shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of DEMEC and the Participating Member shall continue as though no such proceedings had been taken.

SECTION 18. Waiver of Default.

Any waiver at any time by either DEMEC or the Participating Member of its rights with respect to any default of the other party hereto, or with respect to any other matter arising in

connection with this Agreement, shall not be a waiver with respect to any subsequent default, right or matter.

SECTION 19. Relationship to and Compliance with Other Instruments.

(a) It is recognized by the parties hereto that DEMEC, in undertaking, or causing to be undertaken, the planning, financing, construction, acquisition, operation and maintenance of the Project, must comply with the requirements of the Loan Agreement and all licenses, permits and regulatory approvals necessary therefor, and it is therefore agreed that the performance of DEMEC under this Agreement is made subject to the terms and provisions of the Loan Agreement and all such licenses, permits and regulatory approvals.

(b) DEMEC covenants and agrees to use its best efforts for the benefit of the Participating Member to comply in all material respects with all terms, conditions and covenants of the Loan Agreement and all licenses, permits and regulatory approvals relating thereto.

SECTION 20. Liability of Parties.

DEMEC and the Participating Member shall assume full responsibility and liability for the maintenance and operation of their respective properties and each shall indemnify and save harmless the other from all liability and expense on account of any and all damages, claims, or actions, including injury to or death of persons arising from any act or accident in connection with the installation, presence, maintenance and operation of the property and equipment of the indemnifying party and not caused by the negligence of the other party; provided that any liability which is incurred by DEMEC through the operation and maintenance of the Project and not covered, or not covered sufficiently, by insurance shall be paid solely from the Monthly Project Payments made to DEMEC by the Participating Member, and any payments made by DEMEC, or which DEMEC is obligated to make, to satisfy such liability shall become part of the Cost of Project and shall be borne by the Participating Member.

SECTION 21. Assignment of Agreement; Sale of Participating Member's System.

(a) This Agreement shall inure to the benefit of and shall be binding upon the respective successors and permitted assigns of the parties to this Agreement; provided, however, that in the event of a default and except for the assignment and pledge authorized by paragraph (b) of this Section 21 and for the assignments authorized by paragraph (c) of this Section 21, neither this Agreement nor any interest herein shall be transferred or assigned by either party hereto except with the consent in writing of the other party hereto, which consent shall not be unreasonably withheld. No assignment or transfer of this Agreement shall relieve the parties of any obligation hereunder.

(b) The Participating Member acknowledges and agrees that DEMEC may assign and pledge to the Lender (or any trustee, as the case may be), all its right, title, and interest in, to and under this Agreement and all payments to be made to DEMEC under the provisions of this Agreement as security for the payment of the principal (including sinking fund installments) of, premium, if any, and interest on Bonds and may deliver possession of this Agreement to such

Lender (or any trustee, as the case may be) in connection therewith, and, upon such assignment and pledge, DEMEC may grant to such Lender (or any trustee, as the case may be) any rights and remedies herein provided to DEMEC, and thereupon any reference herein to DEMEC shall be deemed, with the necessary changes in detail, to include such Lender or trustee which shall be a third party beneficiary of the covenants and agreements of the Participating Member herein contained. DEMEC may reserve certain rights, at its discretion, in connection with such an assignment.

(c) The Participating Member agrees that it will not sell, lease, abandon or otherwise dispose of all or substantially all of its electric utility system except upon ninety (90) days prior written notice to DEMEC and, in any event, will not sell, lease, abandon or otherwise dispose of the same unless the following conditions are met: (i) the Participating Member shall assign this Agreement and its rights and interest hereunder to the purchaser or lessee of said electric system, if any, and any such purchaser or lessee shall assume all obligations of the Participating Member under this Agreement; (ii) DEMEC shall be permitted by then applicable law to provide services as provided herein to said purchaser or lessee, if any; and (iii) DEMEC shall by appropriate action determine, in its reasonable discretion, that such sale, lease, abandonment or other disposition will not materially adversely affect the value of this Agreement as security for the payment of Bonds and interest thereon or affect the eligibility of interest on Bonds then outstanding or which could be issued in the future for federal tax-exempt status.

SECTION 22. Termination or Amendment of Contract.

(a) This Agreement shall not be terminated by either party under any circumstances, whether based upon the default of the other party under this Agreement or any other instrument or otherwise except as specifically provided in this Agreement. The Participating Member may terminate this Agreement at any time upon 30 days notice to DEMEC; provided that the Participating Member pays, defeases and discharges the Bonds immediately upon such termination, whereupon the Project shall be transferred to the Participating Member as provided in Section 9 hereof.

(b) This Agreement shall not be terminated, amended, modified, or otherwise altered in any manner that will materially adversely affect the security for the Bonds afforded by the provisions of this Agreement upon which the owners from time to time of the Bonds should have relied as an inducement to purchase and hold the Bonds. So long as any of the Bonds are outstanding or until adequate provisions for the payment thereof have been made in accordance with the provisions of the Loan Agreement, this Agreement shall not be terminated, amended, modified, or otherwise altered in any manner which will reduce the payments pledged as security for the Bonds or extend the time of such payments provided herein or which will in any manner impair or materially adversely affect the rights of the owners from time to time of the Bonds.

SECTION 23. Notice and Computation of Time.

Any notice or demand by the Participating Member to DEMEC under this Agreement shall be deemed properly given if mailed, certified mail, postage prepaid, return receipt requested or if given by overnight delivery or if given by confirmed facsimile transmission, and addressed to DEMEC at its operational office; any notice or demand by DEMEC to the

Participating Member under this Agreement shall be deemed properly given if mailed, certified mail, postage prepaid return receipt requested, or if given by overnight delivery or if given by confirmed facsimile transmission, and addressed to the Participating Member at the address set forth below:

[Insert notice information]

In computing any period of time from such notice, such period shall commence at noon on the date mailed. The designations of the name and address to which any such notice or demand is directed may be changed at any time and from time to time by either party giving notice as above provided.

SECTION 24. Applicable Law; Construction.

This Agreement is made under and shall be governed by the laws of the State of Delaware. Headings herein are for convenience only and shall not influence the construction hereof.

SECTION 25. Severability.

If any section, paragraph, clause or provision of this Agreement shall be finally adjudicated by a court of competent jurisdiction to be invalid, the remainder of this Agreement shall remain in full force and effect as though such section, paragraph, clause or provision or any part thereof so adjudicated to be invalid had not been included herein. In the event that any provision of this Agreement is held to be invalid or unenforceable, the parties hereto will negotiate in good faith to formulate a substitute provision that preserves the overall substance of the business deal.

SECTION 26. Miscellaneous.

This Agreement embodies the entire agreement and understanding of the parties and supersedes any and all prior agreements, arrangements and understandings relating to matters provided for herein. The captions used herein are for convenience only and shall not control or affect the meaning or construction of the provisions of this Agreement. This Agreement may be executed in one or more counterparts and all such counterparts shall constitute one and the same instrument. This Agreement may only be amended by a written instrument signed by both parties.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their proper officers respectively, being thereunto duly authorized, as of the day and year first above written.

THE DELAWARE MUNICIPAL
ELECTRIC CORPORATION

Attest:

By: _____
President

Secretary

THE CITY OF SEAFORD

Attest:

By: _____
Mayor

Title: Secretary to Council

N.B. 3c
2-14-17

CONTRACT RELATING TO ADVANCED METERING INFRASTRUCTURE PROGRAM

BETWEEN

THE DELAWARE MUNICIPAL ELECTRIC CORPORATION

AND

THE CITY OF SEAFORD, DELAWARE

WHEREAS, The City of Seaford, Delaware (the "Participating Member") is a municipality, duly organized and validly existing under the laws of the State of Delaware (the "State"); and

WHEREAS, The Delaware Municipal Electric Corporation ("DEMEC") is a municipal electric company incorporated in the State, established by certain cities and towns, and formed pursuant to Chapter 13 of Title 22 of the Delaware Code (the "Act"); and

WHEREAS, DEMEC and the Participating Member have determined to undertake a project consisting of DEMEC's acquisition, installation and development of Advanced Metering Infrastructure ("AMI") and the provision of AMI services for the Participating Member under a hosted solution strategy (the "AMI Program") utilizing American Municipal Power, Inc. ("AMP"), a not for profit corporation, to provide certain of the related services on a subcontracted basis; and

WHEREAS, AMP has engaged in an RFP selection process and entered into resulting agreements (the "Vendor Agreement") with Silver Spring Networks, Inc. and ElectSolve Technology Solutions and Services, Inc. (collectively, the "Vendors") to provide certain AMI field equipment, communication components, and associated back office systems in connection with the AMI Program in order to provide a comprehensive AMI Program that has the advantages to participating AMP members of economies of scale, mitigation of risk from local technology deployment and support, and reduced burden of ongoing support; and

WHEREAS, DEMEC is a member of AMP and shall contract with AMP to provide the AMI Program and certain AMI Services, as described in the "Contract to Master Services Agreement between DEMEC and AMP for Participation in the Advanced Metering Infrastructure Program" (the "AMP – DEMEC Agreement"); and

WHEREAS, the Participating Member and DEMEC desire to enter into this "Contract Relating To Advanced Metering Infrastructure Program" (this "Contract") pursuant to which DEMEC will provide, or cause to be provided by AMP and the Vendors, the AMI Program and certain AMI Services, as more fully described herein; and

WHEREAS, DEMEC and the Participating Member are duly authorized under applicable provisions of law, including but not limited to the Act, to execute, deliver and perform this Contract and their respective governing bodies have taken all necessary actions and given all necessary approvals in order to constitute this Contract a legal, valid and binding obligation of the parties hereto.

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements herein contained, as of this ____ day of _____, 2017 (the "Effective Date"), it is agreed by and between DEMEC and the Participating Member (referred to herein as the "Parties") as follows:

ARTICLE I. SERVICES

A. For the term of this Contract, DEMEC agrees to provide to Participating Member, and Participating Member agrees to take and pay for, the services set forth in Exhibit A – Scope of Initial Services (the “Initial Services”) and Exhibit B – Scope of On-going Services (“On-going Services”, and together with the Initial Services, the “Services”). Both Exhibit A and Exhibit B are attached hereto and incorporated by reference herein.

B. The Initial Services shall be completed in a timely manner in consultation with the Participating Member. The Initial Services shall begin on a mutually agreeable date.

C. DEMEC’s obligations to provide Services hereunder are contingent upon, and subject to, the delivery to DEMEC of Services by AMP and the Vendors, in accordance with the AMP – DEMEC Agreement and the Vendor Agreements, or DEMEC’s ability to secure replacement Services in the event of a failure or inability to deliver or default by AMP or one or more of the Vendors.

D. DEMEC shall, in the event of a failure or inability to deliver or default by AMP or one or more Vendors, and whether or not such failure or default leads to termination of the AMP – DEMEC Agreement or a Vendor Agreement, in good faith use its best efforts to substitute for actual delivery replacement Services in a timely and reasonable manner.

E. All Services shall be provided in accordance with all applicable laws, rules, regulations and codes. DEMEC shall, or shall require AMP and the applicable Vendor to, comply with any prevailing wage requirements applicable to the Services set forth in Exhibit A and any attachments thereto.

F. Definitions for all capitalized terms used but not defined in Exhibits have the meanings given them in Exhibit C.

G. It is understood and agreed that DEMEC intends to, and Participating Member agrees that DEMEC shall be permitted to, cause AMP and the Vendors to perform certain of its obligations hereunder on a subcontracted basis. Notwithstanding that AMP and the Vendors will perform certain of DEMEC’s obligations hereunder, Participating Member agrees to look solely to DEMEC for performance of DEMEC’s obligations hereunder, and Participating Member agrees that Participating Member shall have no privity of contract or direct recourse against AMP or the Vendors for any breach of this Contract.

ARTICLE II. STANDARD OF CARE AND LIABILITY

A. The standard of care for all services performed or furnished by DEMEC under this Contract will be the care and skill ordinarily used by professionals practicing under similar conditions at the same time and in the same locality as services performed pursuant to this Contract. DEMEC shall not be responsible for the accuracy or completeness of (a) any information reported or supplied by Participating Member pursuant hereto or (b) any reports derived from any inaccurate or incomplete information reported or supplied by Participating Member pursuant hereto.

B. In connection with the Services, DEMEC shall use reasonable diligence in assuring the equipment and facilities provided in connection with the Services sufficiently perform in accordance with

applicable industry standards and coordinate with Participating Member's property that is integrated with Participating Member's AMI system as of the date of commencement of On-going Services.

C. Exhibit D attached hereto sets forth Vendor-provided service levels and credits and warranties. In the event of termination of any Vendor Agreement, DEMEC shall use reasonable diligence to cause AMP to procure from the replacement vendor(s) warranties, performance guarantees and/or service level credits for the Services performed by such vendor(s) that provide Participating Member with benefits no less favorable than those described in Exhibit D. To the extent permitted, DEMEC will assign to Participating Member all Vendor or other third-party warranties, guarantees and service level credits related to the Services. If DEMEC is not permitted to assign such warranties, guarantees and service level credits, it will otherwise provide to Participating Member the financial benefit thereof. However, DEMEC does not warrant or guarantee any specified level of performance with respect to the equipment and facilities provided in connection with the Services beyond the warranties and performance guarantees DEMEC receives from AMP and the Vendors and assigns to the Participating Member. If the equipment and/or facilities provided in connection with the Services fail or are rendered partially or completely inoperable for any reason whatsoever, except to the extent caused by DEMEC's willful, wanton or intentional acts or omissions or recklessness, DEMEC shall not be liable for damages caused thereby to Participating Member and such events shall not constitute a breach of DEMEC's obligations under this Contract. In the case of a material AMP or Vendor default, DEMEC shall promptly exercise its rights under the AMP – DEMEC Agreement, the relevant Vendor Agreement, or otherwise under the law, for the benefit of Participating Member, provided that out-of-pocket costs and expenses associated with DEMEC's exercise of such rights will constitute On-going Services Fees which are not subject to the annual cap set forth in Article V.

D. Subject to the provisions of this Article II, DEMEC assumes no responsibilities of any kind with respect to the construction, operation or maintenance of Participating Member's electric system or other property owned or used by Participating Member other than the equipment and/or facilities provided in connection with the Services.

E. DEMEC shall carry, and shall require AMP and the Vendors to carry, appropriate amounts of property and casualty insurance for their respective employees and equipment used in performing the Services. The Vendors are contractually required to meet the insurance requirements set forth in Exhibit G.

ARTICLE III. MUNICIPALITY'S RESPONSIBILITIES

A. Participating Member shall designate in writing an employee of Participating Member to act as Participating Member's representative with respect to its responsibilities and the Services (the "Participating Member Representative"). Such person shall have complete authority to transmit instructions, receive information, and interpret and define Participating Member's policies and decisions with respect to the Services. The Participating Member Representative shall attend any pre-implementation, progress and other related meetings and inspections. A detailed matrix of the roles and responsibilities for project implementation held by Participating Member, DEMEC, AMP and the Vendors is attached hereto as Exhibit E, Overview of Roles and Responsibilities for AMI and MDMS Systems.

B. Participating Member shall provide information, comments and approvals as required in a timely manner to DEMEC when such input is necessary for DEMEC to perform the Services. The Participating Member Representative shall give prompt written notice to DEMEC whenever he or she observes or otherwise becomes aware of any development that affects the scope or time of performance or furnishing of the Services or any defect or nonconformance in the Services, or in the work of any Vendor

or other contractor pursuant to this Contract. Participating Member shall reasonably cooperate with DEMEC in such a manner as to facilitate DEMEC's performance of its obligations under any Vendor Agreements.

C. Participating Member shall arrange access to and make all provisions for DEMEC, AMP and the Vendors to enter upon public and private property as required to perform the Services.

D. In the event that Participating Member determines that payment of prevailing wage is required in connection with all or any part of the Services, Participating Member shall designate a Participating Member employee or representative to serve as the prevailing wage coordinator. Municipality shall be solely required to assure prevailing wage requirements are satisfied.

E. In accordance with Vendor requirements, Participating Member shall comply with all applicable export laws; and not directly or indirectly provide, export or re-export, or otherwise make available (in any form, including visual access), AMI products or technology in violation of any such laws, restrictions, or regulations, without all necessary approvals or licenses. Products and technology may not be provided or made available either directly or indirectly, (i) into Cuba, Iran, North Korea, Sudan, Syria or any other country subject to United States trade sanctions, or to individuals or entities controlled by such countries or to nationals or residents of such countries (other than nationals who are lawfully admitted permanent residents of countries not subject to such sanctions); or (ii) to anyone on any denied, prohibited, or unverified list maintained by the United States Government, including the Office of Foreign Assets Control (OFAC) Specially Designated Nationals (SDN) List.

F. As used in this Section: "Equipment" means all hardware and related accessories provided to Participating Member under this Contract; "Software" means any DEMEC, AMP or Vendor proprietary software used in connection with the AMI Program, including firmware and third party software embedded in any of the foregoing; "Services" means project management services, Software-as-a-Service ("SaaS"), support services and any other services provided pursuant to this Contract; "Products" means, collectively, Equipment and Software; and "Authorized Users" means Participating Member's employees, contractors and agents.

G. Participating Member will not: (a) modify or create derivative works of any Product or SaaS; (b) assign, transfer, lease or sublicense any firmware or SaaS; (c) allow any third party, other than Authorized Users, to access the SaaS without DEMEC's prior written consent; (d) use any SaaS to provide processing services to third parties, or otherwise use any SaaS on a "service bureau" or "timesharing" or subscription basis; (e) reverse engineer, disassemble, decrypt, extract or otherwise reduce any firmware or SaaS to a human perceivable form or otherwise attempt to determine the source code or algorithms of any Product or SaaS (except to the extent the foregoing restriction is expressly prohibited by applicable law); (f) infringe any Vendor's intellectual property rights; or (g) publically publish the results of any benchmark tests run on any Product or SaaS.

H. Participating Member's Authorized Users shall not distribute, download, or place on any Vendor website or server or use with any SaaS, any content that: (a) Authorized Users know or have reason to believe infringes the intellectual property rights of any third party or violates any rights of publicity or privacy; (b) violates any law, statute, ordinance or regulation (including without limitation the laws and regulations governing export control, unfair competition, antidiscrimination or false advertising); (c) is defamatory, trade libelous, unlawfully threatening or unlawfully harassing; (d) is obscene, pornographic or indecent; or (e) contains any viruses, trojan horses, worms, time bombs, cancelbots or other computer programming routines that are intended to damage, detrimentally interfere with, surreptitiously intercept or expropriate any system, data or personal information (items (a) – (e) are collectively referred to as "Prohibited Content"). DEMEC and AMP reserve the right to remove or cause

to be removed any Prohibited Content from the server without prior notice to Participating Member. If any such action is taken without prior notice to Participating Member, DEMEC shall provide prompt notice to Participating Member following (y) DEMEC's removal of Prohibited Content or (z) receipt of a Vendor's notice of their removal of Prohibited Content.

I. Participating Member hereby agrees that, except for the payment of fees and expenses (which shall be governed by Article V hereof) or as otherwise expressly provided in this Contract or specifically requested by DEMEC in a particular instance, all obligations of DEMEC under the AMP - DEMEC Agreement (the terms of which are hereby incorporated by reference) shall be performed by Participating Member on behalf of DEMEC. In the event of any amendment to the AMP - DEMEC Agreement, the Parties agree that this Contract may be amended unilaterally by DEMEC, with the consent of the Participating Member (but upon not less than 30 days' notice to Participating Member), to the extent reasonably necessary in order to render this Contract consistent in all respects with the AMP - DEMEC Agreement. Consent of the Participating Member shall not be unreasonably withheld.

ARTICLE IV. DEMEC'S RESPONSIBILITIES

A. DEMEC shall designate in writing an employee of DEMEC to act as DEMEC's representative with respect to its responsibilities and the Services (the "DEMEC Representative"). Such person shall have authority to transmit instructions, receive information, and relay DEMEC's policies and decisions with respect to the Services. The DEMEC Representative will attend pre-implementation, progress and other related meetings and inspections on an as-needed basis. A detailed matrix of the roles and responsibilities for project implementation held by Participating Member, DEMEC, AMP and the Vendors is attached hereto as Exhibit E, Overview of Roles and Responsibilities for AMI and MDMS Systems.

B. The DEMEC Representative shall give prompt written notice to Participating Member whenever he or she observes or otherwise becomes aware of any development that affects the scope or time of performance or furnishing of the Services or any defect or nonconformance in the Services, or in the work of any Vendor or other contractor pursuant to this Contract.

ARTICLE V. FEES AND EXPENSES

A. DEMEC shall be compensated for the Initial Services in accordance with the Initial Services Pricing Contract as set forth in Exhibit F. The Participating Member will be charged fees for the provision of Initial Services ("Initial Services Fees") which shall be determined based on the amount of equipment and services provided by DEMEC and the corresponding price for such equipment and services as delineated in Exhibit F. The Participating Member acknowledges and agrees, in connection with its entry into this Contract, it shall enter into a Project Purchase Agreement with DEMEC relating to the acquisition and installation of equipment and other services that comprise the Initial Services, pursuant to which the Participating Member will agree to make Monthly Project Payments (as defined therein) to DEMEC. The Monthly Project Payments shall be in addition to, and not duplicative of, the On-Going Services Fees described herein.

B. Participating Member shall pay DEMEC fees ("On-going Services Fees") for DEMEC's provision of On-going Services in accordance with the On-going Services Pricing Contract, attached as Exhibit F. Notwithstanding anything to the contrary in Exhibit F, each monthly payment due from Participating Member shall be made in advance, and not in arrears, with reconciliation of any over payment or under payment to occur no less frequently than annually.

C. The On-going services Fee may be increased annually by DEMEC by an amount calculated to compensate DEMEC for its expenses necessary to perform the On-going Services, provided such increase may not exceed 3% per year. Participating Member acknowledges and agrees that certain actions or inactions of Participating Member may lead to an increase in DEMEC's costs, such as those described in Exhibits A and B hereto, and that all such costs will be reimbursed to DEMEC by Participating Member. DEMEC will provide the Participating Member with reasonable notice of any increases in DEMEC's costs and, upon the Participating Member's request, DEMEC shall provide the Participating Member with a line item description of those costs.

D. All other provisions and terms for billing and payment for services rendered under this Contract shall be made in accordance with DEMEC's billing practices established under the Agreement Between The Delaware Municipal Electric Corporation And The City of Seaford For Full Requirements Power Sales, Transmission, and Agency Services.

ARTICLE VI. TERM

The term of this Contract shall begin upon execution of this Contract by the Parties and continue for an initial term of ten (10) years (the "Initial Term"). After the Initial Term, this Contract shall renew for consecutive one (1) year terms until either Party notifies the other in writing, no less than sixty (60) days prior to the end of the then-current term, of its intent not to renew. Pricing for any renewal term shall be established by agreement of the Parties prior to the commencement of such renewal term.

ARTICLE VII. TERMINATION

A. Either Party may terminate this Contract for cause upon sixty (60) days' written notice in the event of substantial failure by the other Party to perform in accordance with the terms hereof through no fault of the terminating Party. Notwithstanding the foregoing, this Contract will not terminate as a result of such substantial failure if the Party receiving such notice begins, within ten (10) days of receipt of such notice, to correct its failure to perform and proceeds diligently to cure such failure within no more than thirty (30) days of receipt thereof; provided however, that if and to the extent such substantial failure cannot be reasonably cured within such thirty (30) day period, and if such Party has diligently attempted to cure the same and thereafter continues diligently to cure the same, the cure period provided for herein shall extend up to, but in no case more than, sixty (60) days after the date of receipt of the notice.

B. Participating Member or DEMEC may terminate this Contract for convenience upon sixty (60) days' written notice.

C. In the event of termination for any reason, DEMEC shall be entitled to compensation pursuant to the terms of this Contract for Services provided until the termination date. In the event that Participating Member terminates this Contract for convenience during the Initial Term, any unpaid portion of the Initial Services Fee and/or the On-going Services Fees shall remain payable as if such Services were provided throughout the Initial Term, and no portion shall be refunded. Notwithstanding the foregoing, to the extent that AMP is able, through commercially reasonable efforts, to mitigate its costs and expenses related to the expected provision of the services under the AMP – DEMEC Agreement, and the amount payable by DEMEC to AMP following a termination is thereby reduced, the amount payable by Participating Member to DEMEC following a termination for convenience by the Participating Member shall be reduced accordingly.

ARTICLE VIII. MODIFICATION

Modifications to this Contract may, from time to time, be necessary. Except in the case of a unilateral amendment by DEMEC in accordance with Section 3.G. above, in the event either Party believes such a modification is required, both Parties agree to negotiate any such modifications in good faith. This Contract may only be amended, supplemented, modified, or cancelled by a duly executed written instrument.

ARTICLE IX. NOTICES

A. Any notice required pursuant to this Contract will be in writing via U.S. mail, addressed to the Party and address listed below:

If to DEMEC:

If to Participating Member:

B. Any notice given in writing under this Contract shall be deemed to have been given by either Party to the other Party upon the date received or rejected by the other Party if sent by registered or certified mail, as shown in the Post Office receipt, or if not mailed by registered or certified mail, upon the date of receipt thereof by such other Party.

ARTICLE X. MISCELLANEOUS

A. It is recognized by Participating Member that DEMEC, in undertaking or causing to be undertaken the administration of the AMI Program, must comply with the requirements of the AMP – DEMEC Agreement, the Vendor Agreements and other related agreements; it is therefore agreed that this Contract should be construed in a manner consistent with compliance with the provisions of all such agreements.

B. Any provision or part of this Contract held to be void or unenforceable under any law or regulation shall be deemed stricken, and all remaining provisions shall continue to be valid and binding upon the Parties, who agree that the Contract shall be reformed to replace such stricken provision or part thereof with a valid and enforceable provision that comes as close as possible to expressing the intention of the stricken provision.

C. The Parties recognize that information exchanged pursuant to this Contract may be proprietary, trade secret and/or confidential and agree, to the extent consistent with law, to treat the same as such.

D. This Contract, including the Exhibits attached hereto constitutes the entire agreement between Participating Member and DEMEC relating to the Services and supersedes all prior written or oral understandings, which shall terminate upon the effectiveness of this Contract.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties warrant and represent that all actions and authorizations necessary to authorize them to affix their signature to this Contract have duly occurred and that they have been duly authorized to execute this Contract on behalf of their respective Party, and hereto have executed this Contract to be effective as of the Effective Date.

DELAWARE MUNICIPAL ELECTRIC CORPORATION

Attest:

By: _____
President

Secretary

(SEAL)

THE CITY OF SEAFORD, DELAWARE

Attest:

By: _____
Mayor

Secretary to Council

EXHIBIT A – SCOPE OF INITIAL SERVICES

AMP's Advanced Metering Program enables the Participating Member to acquire Advanced Metering Infrastructure (AMI) equipment and services under contracts AMP has in place with its Vendors - Silver Spring Networks (Silver Spring), and ElectSolve Technology Solutions and Services (ElectSolve). The Program includes an operating model and associated roles and responsibilities for the deployment, operation and maintenance of all the components necessary to operate a fully functional AMI system.

A general description of the operating model can be described as follows:

- **Participating Member's AMI Field Equipment.** The Participating Member will deploy advanced meters, AMI Communications network components and related equipment and system integrations. These tasks are described more fully in this Exhibit.
- **AMI applications, systems, and related technologies.** The applications, servers and related infrastructure will be deployed by AMP and provided to the Participating Member as a service more fully described in Exhibit B – Ongoing Services
- **Integration(s) to local system(s):** An integration to the Participating Member's billing system will be completed, enabling the meter-to-cash processes. Additional integrations to other operational system are provided as required.

This Exhibit describes the initial services required for the Participating Member to participate in the Program, including advanced meters, communications network components and related field equipment, system integrations, training and project management. The Participating Member will not need AMI software and hardware as those will be provided by AMP as Ongoing Services.

Except as otherwise identified below as a responsibility of Participating Member, AMP will provide the following Initial Services to the Participating Member which will be performed by Vendor Silver Springs Network and Vendor Electsolve Technology Solutions and Services:

1. Equipment purchase

- 1.1. AMP will purchase for Participating Member, for the Fees specified in Exhibit F (which shall be paid by DEMEC and reimbursed by the Participating Member), Equipment and Tools requested by Participating Member.
- 1.2. If quantities change pursuant to the Enhanced Field Network Design described in Task 2.1.1.4 or the Final Field Network Design resulting from Optimization as described in Task 2.5, Participating Member will purchase the additional quantities of Equipment as are identified at each of those steps. Participating Member will reimburse DEMEC or AMP for any such purchases made by DEMEC or AMP, respectively. To enable Silver Spring to meet its component order lead times, AMP must provide Silver Spring with timely information about the configuration of the Equipment so that deliveries may be made within required lead time.

- 1.3. AMP will maintain an AMI backoffice test environment at their Columbus, OH headquarters location that includes Access Points, meters and field service units for the purposes of testing and trouble shooting.
 - 1.4. Equipment Delivery. Except any expedited deliveries that may be mutually agreed to in writing, the requested delivery date of Equipment must be no less than sixteen (16) weeks from Silver Spring receipt of the applicable Purchase Order. Silver Spring will ship Equipment FCA (Incoterms 2010), Silver Spring's production facility. Participating Member may not cancel or modify a Purchase Order after Silver Spring's acceptance without Silver Spring's prior written consent.
 - 1.5. Equipment Changes; End of Life. Silver Spring may, upon notice, add, replace, or change Equipment it offers for sale and, without prior notice but with prompt subsequent notice, implement engineering changes needed to satisfy governmental requirements, protect Equipment or system security and integrity, or for environmental, health or safety reasons. Silver Spring may cease production of Equipment upon advance written notice at least six (6) months before the last delivery date for such Equipment ("**Last Order Date**"). AMP may issue a final Purchase Order for the discontinued Equipment prior to the Last Order Date. AMP may not cancel any portion of a Purchase Order issued for the discontinued Equipment.
 - 1.6. Equipment warranties are described in Exhibit D.
2. Field Network (RF System) Design and Deployment – The deliverables included in this scope are to setup a Participating Member field area network, equipment, and meters needed to provide AMI services and connect into the back-office systems. These services are more particularly described below.
- 2.1. **Field Network Design**
 - 2.1.1. **Silver Spring Responsibilities.** Silver Spring will provide field network design services in the following order to yield (1) an Initial Field Network Design, (2) an Enhanced Field Network Design and (3) a Final Field Network Design. Silver Spring will:
 - 2.1.1.1. Develop an initial estimate of the number of Access Points and Relays required for the deployment area, based on the number, density, and coverage area of Endpoints, RF Mesh bandwidth requirements and acceptance criteria (the "Initial Field Network Design"). Typically, the Initial Field Network Design does not consider topography, land use, type of buildings, vegetation, etc.
 - 2.1.1.2. Develop recommended installation locations based on applicable location data (pole data) supplied and validated by Participating Member.
 - 2.1.1.3. Complete a Site Survey to validate the Initial Field Network Design. Silver Spring may extend the Site Survey to include the recommended locations for installing additional Access Point or Relay that Silver Spring may recommend. Although AMP and Participating Member will review and approve any such additional locations as described below, these additional locations will not be used during the initial installation. Rather, these additional locations will be available for additional Access Points or Relays that may be determined to be necessary when Silver Spring prepares the final Field Network Design.
 - 2.1.1.4. Following the Site Survey and AMP and Participating Member's review of the pole locations, Silver Spring will incorporate recommended changes (i.e., those most useful to an effective and efficient Field Network Design) into the site survey results to yield an enhanced field network design for the deployment area ("Enhanced Field Network Design").
 - 2.1.1.5. It is understood that Participating Member expects to use its local fiber optic network for backhaul to the AMI headend. However, If cellular APs are intended to be used, Silver Spring will investigate cellular coverage during field network design by reviewing coverage maps provided by the cellular carrier(s), taking into account AMP and Participating Member's preference for any particular cellular carrier(s), and testing the location during the site survey to assess the preferred carrier's or carriers' coverage.
 - 2.1.2. **Participating Member Responsibilities.** Participating Member will perform each of the following tasks.

- 2.1.2.1. To enable Silver Spring to generate the Field Network Design, provide the most accurate data available that can be used to determine where Access Points and Relays should be attached, including without limitation, the furnishing of documents, maps and other material that depict the location, address (including zip code, if available), elevation above/below ground, and latitude and longitude position coordinates (required) of all meter locations, any field conditions about which Participating Member is aware that may be expected to create RF interference between a service point and exterior locations of Access Points and Relays (including, without limitation, service point descriptions of the number of meters located in meter rooms with a significant amount of metal enclosures, meter rooms located in basements or other non-ground-floor locations), Participating Member facilities, transmission and distribution rights of way, substations and administrative buildings.
- 2.1.2.2. Provide the specific placement criteria and installation techniques acceptable to Participating Member for the installation of Access Points and Relays on Participating Member facilities.
- 2.1.2.3. Review the Site Survey and recommended installation locations and propose changes to these locations if necessary.
- 2.1.2.4. Secure and pay for all internal and external approvals, improvements, modifications, for attachment of Access Points and Relays, including local construction permits, franchises, licenses, or other fees. This step must be completed prior to Field Network deployment.
- 2.1.2.5. Determine the method of power connection (direct line connect or photo cell adaptor) for Access Points and Relays at any given location.
- 2.1.2.6. If necessary, install additional poles to satisfy Silver Spring requirements.
- 2.1.2.7. Obtain the services of any third party WAN provider(s) (e.g., cellular operators), and provide coverage maps to Silver Spring for use during the design of the Field Network, unless Participating Member intends to use its fiber optic network for backhaul, in which case fiber optic network system diagrams and asset locations will be provided. Upon Participating Member's acceptance of Silver Spring's Enhanced Field Network Design, AMP will work with Participating Member to acquire the WAN facilities necessary to provide backhaul capabilities consistent with the Field Network Design. AMP will work with Participating Member to ensure that all WAN communication links are installed and maintained in accordance with Silver Spring's specifications, including establishing a VPN connection from the WAN backhaul to the appropriate data center(s) housing the UIQ System to carry traffic between the Access Points and the Back Office.
- 2.1.2.8. Submit a Letter of Agency to a third party WAN provider(s) in a form reasonably acceptable to Silver Spring that authorizes Silver Spring to act as an agent for AMP and/or Participating Member and directly communicate with and instruct WAN provider(s) on behalf of AMP and /or Participating Member regarding operational issues.

2.2. Field Network Deployment Support

2.2.1. Silver Spring Responsibilities. Silver Spring will perform each of the following tasks.

2.2.1.1. Silver Spring will provide the following in-field support:

- a During the Deployment Period, conduct in-field troubleshooting of installed Access Points and Relays in the following order:
 - (i) Participating Member will contact the Silver Spring customer support staff for remote diagnostics assistance for problems with Access Points and Relays.
 - (ii) If the remote diagnostic assistance is unsuccessful, a Silver Spring field technician will accompany Participating Member's designated representative's field support personnel to perform in-field diagnostics within five (5) Business Days of the unsuccessful diagnosis.
 - (iii) In order to facilitate knowledge transfer to Municipalities distribution personnel, on a mutually agreed schedule, Silver Spring will accompany Participating

Member and/or its designated representatives to install and troubleshoot the first two (2) installations of Equipment requiring a typical device or installation methodology. Subsequent in-field assistance by Silver Spring will be at an additional charge.

- 2.2.1.2. Silver Spring will provide the following remote support for the Deployment Period:
 - a Assist with device configuration planning, including meter programs.
 - b Configure read schedules, exports, ping schedules and UIQ background jobs.
 - c Create and test device information files for import into UIQ (until the Integrated Meter Provider is empowered by Silver Spring to perform this task).
 - d Import the device information files into UIQ (until the Integrated Meter Provider assumes responsibilities for creating and testing the device files, at which time Silver Spring will transition the loading task to AMP and/or its designated representatives after training by Silver Spring).
 - e Create, test and load Access Point and Relay device files into UtilityIQ.
 - f Validate availability of Access Points and Relays. (In-field support required for Access Points or Relays subsequent to this validation of availability is covered in Task 4.1.2.)
 - g Validate the performance and configuration of Access Points and enable routing.
- 2.3. **Field Network Installation.** In any geographic area, prior to installing Integrated Meters, Silver Spring will cause its Installation Subcontractor to install and troubleshoot Access Points and then Relays, in accordance with Silver Spring guidelines. This work is further described in Attachment 1 to Exhibit A.
 - 2.3.1. **Silver Spring Responsibilities.** Silver Spring will perform the following tasks during the Deployment Phase.
 - 2.3.1.1. Train, for a period not to exceed two (2) Business Days, Participating Member and/or its designated representative's field personnel and relevant contractors on the specific aspects of installing Equipment.
 - 2.3.1.2. Perform a field audit of the first three Access Points and first three Relays, and up to 5% of the remaining Access Points and Relays to inspect the quality of work. Identify any omissions or improvements.
 - 2.3.1.3. Provide installation guidelines.
 - 2.3.1.4. Contract with and manage the Installation Subcontractor who will install the Access Points and Relays. Confirm that the contractors follow Silver Spring-provided installation guidelines, including but not limited to installing the Access Points and Relays in a given area prior to Integrated Meter deployment.
 - 2.3.2. **Installation Subcontractor.** Silver Spring will perform the following tasks during the Deployment Phase, which may be performed by an installation Subcontractor.
 - 2.3.2.1. Prior to installing the Integrated Meters, install all Access Points and Relays in the locations recommended in the Enhanced Field Network Design in accordance with Silver Spring's standard guidelines. All installations within this task are assumed to be powered by either direct line connect or photo cell adaptor and placed on an AMP supplied light arm.
 - 2.3.2.2. Perform troubleshooting of installed Access Points and Relays and correct any installation errors prior to acceptance.
 - 2.3.2.3. Neither AMP nor Silver Spring will be responsible for any failure or delay in performing the Installation Services to extent such failure or delay constitutes an Excusable Delay.
 - 2.3.3. **Participating Member Responsibilities.** Participating Member's designated representatives will perform each of the following tasks:
 - 2.3.3.1. Provide specifications for attaching Access Points and Relays to Participating Member poles and other third party poles and define mounting requirements for all possible pole types, including banding, bolts and power tap requirements.

- 2.3.3.2. Secure all approvals required for installation of Access Points and Relays no less than two weeks prior to the scheduled date for installation. Participating Member will pay all additional out-of-pocket costs incurred by Silver Spring for network installation required outside of this period.
 - 2.3.3.3. Provide any 'make-ready' components and consumable supplies needed for completion of the mutually approved installation (e.g., miscellaneous wire and raceways, wiring connectors for secondary voltage connections on utility poles, and through bolts, lag screws, and/or stainless steel banding to mount RF pole-top devices to wood or metal poles).
 - 2.3.3.4. Participating Member and/or its designated representatives will complete all tasks necessary to order, inventory and warehouse equipment needed to install the Access Points and Relays.
 - 2.3.3.5. Participating Member and/or its designated representatives will be deemed to have inspected and accepted the installation of all Access Points and Relays unless Participating Member and/or its designated representatives informs Silver Spring within ten working days of Silver Spring's notification of completed installation (that the installation is noncompliant with the applicable requirements).
- 2.4. **Endpoint Installation.** In any geographic area, Silver Spring will cause its Installation Subcontractor to install and troubleshoot Integrated Meters and then Water IMUs and Water Meters, in accordance with Silver Spring guidelines. This work is further described in Attachment 1 to Exhibit A.
- 2.4.1. **Installation Subcontractor Responsibilities.** Silver Spring will cause its Installation Subcontractor to perform the following tasks during the Deployment Phase and after Access Point and Relays are installed:
- 2.4.1.1. Install Endpoints, in accordance with Integrated Meter Provider guidelines regarding installation procedures and Silver Spring guidelines regarding the sequence of Endpoint installations.
 - 2.4.1.2. Within 24 hours of installation, load into UIQ the location file information of each Integrated Meter.
- 2.5. **Network Optimization.** Endpoints must be Optimized before Silver Spring is liable for Service Level credits related to meter read delivery and on-demand performance (as described in Exhibit D) within the Optimization Area. The Parties must agree upon an overall Optimization schedule, including each Optimization effort and associated area, prior to beginning the initial Optimization effort.
- 2.5.1. **Silver Spring Responsibilities.**
- 2.5.1.1. After ninety-five percent (95%) of the Endpoints have been installed in an Optimization Area, Silver Spring will perform Optimization.
 - 2.5.1.2. After the installation or relocation of Access Points and Relays as recommended during Optimization, Silver Spring will complete the analysis and provide a report to AMP and Participating Member.
 - 2.5.1.3. Repeat Tasks - 2.5.1.1 – 2.5.1.2 with each subsequent Optimization Area.
 - 2.5.1.4. Silver Spring will perform Optimization tests and analysis one time per Optimization Area. Subsequent Optimization activities in the same Optimization Area may incur an additional fee.
 - 2.5.1.5. Silver Spring will review the installed Access Points, Relays, and Endpoints prior to optimization and confirm that the yet to be installed meters are not clustered in a manner that will make Optimization unsuccessful.
- 2.5.2. **Participating Member Responsibilities.** Participating Member will perform each of the following tasks:
- 2.5.2.1. Immediately prior to Optimization, Participating Member will share information with Silver Spring to assure that the locations of installed and yet to be installed endpoints are known. Silver Spring will evaluate this information and should Silver Spring determine that there are clusters of uninstalled meters that would make optimization impossible, Participating Member

will install those additional meters Silver Springs deems are essential to successful optimization.

- 2.5.2.2. Only after the Endpoints have been Optimized, Participating Member may require the payment of Service Level credits related to meter read delivery and on-demand performance, as described in Exhibit D.
 - 2.5.2.3. Identify an individual to coordinate Optimization for Participating Member. This individual will be responsible for scheduling and coordinating Optimization-related tests within Participating Member's organization.
 - 2.5.2.4. Review Silver Spring's recommended locations for relocating or installing new Access Points or Relays and obtain all internal and external approvals for attachment of such additional Access Points and Relays. Participating Member will relocate or install these network devices as soon as practical once Participating Member has secured all pole attachment approvals.
 - 2.5.2.5. Provide location files to Silver Spring, consistent with Silver Spring specifications.
3. **Application Setup and Billing System Integration** – The goal and deliverables here are to describe the process and terms of onboarding Participating Member into the AMP Back-office environment and Integration to Participating Member's billing system sufficient to replace the existing meter reading system, and enable billing determinant transfer to billing system. AMP will provide a work authorization and Participating Member customer profile document which will be referred to as the ORDER and ElectSolve will install the authorized licenses.
- 3.1. **uCentra® Licensing:**
 - 3.1.1. Software licenses & installation fees and payment schedule for each Participating Member installation will be included on the Participating Member ORDER.
 - 3.2. **Participating Member MDMS Installation Procedure:** The following procedure will be used to install licenses authorized by the Participating Member ORDER.
 - 3.2.1. ETSS to provide virtual server specifications for the Participating Member uCentra® software to AMP and AMP will provide for and install the required virtual or physical hardware and operating systems. Servers Required:
 - 3.2.1.1. 1ea. uCentra® Database Server.
 - 3.2.1.2. 1ea. uCentra Application Server.
 - 3.2.2. ETSS will assist AMP staff with hardware sizing, configuration, testing and deployment as needed.
 - 3.2.3. ETSS will install and configure the uCentra® Software License for the Participating Member's required applications. AMP to provide credentials to virtual servers required by ETSS to install software licenses and complete the configuration of the uCentra® software license.
 - 3.2.4. ETSS to install and configure SQL Server software. AMP to provide SQL Server License and media and required credentials to ETSS to complete installation of SQL Server software.
 - 3.2.5. ETSS will configure, integrate and test uCentra® Software, modules and interfaces to the Participating Member utility back-end vendor systems as defined below:
 - 3.2.5.1. CIS Interface Provisioning, Configuration and Testing:
 - a CIS billing determinant files to be provided by the MDMS to the CIS, using the utility's existing meter reading hand-held file format. The utility may optionally use another standard bill file export provided by the MDMS. Meters are currently read manually using Sensus hand-held devices.
 - b Participating Member will provide sample bill files to ElectSolve to support bill file format testing.
 - c CIS synchronization will be by one of the following; direct ODBC read-only connection to CIS tables or by daily CIS master file exports.
 - d CIS Billing Interface and Integration functionality implemented during the implementation phase is determined during a requirements phase jointly with the

Participating Member at the project kick-off. During the requirements phase it will be determined which billing functions as described in Attachment 1 – Billing System Integration Options will be required and the configuration and integration will be performed based on these requirements.

- e Once integration has been completed and the system completes SAT, any future modifications, changes or re-configurations to the CIS integration will require professional services. The CIS Billing Interface and Integration is a one-time effort and future changes to these requirements, requiring new functions to be implemented, re-configured, removed, etc. will be charged at a Time & Material rate or a fixed fee rated to be determined after the new requirements are defined and agreed between all parties.
- f Participating Member requests to change the CIS integration that include changes such as but limited to; changes to configured rate calculations, minor format changes for billing file exports, upgrades to CIS to same CIS new versions, etc. are the types of billing interface and configuration support not deemed to be a “re-configuration” requests since they do not require the CIS Billing interface to be modified or modified substantially.
- g Participating Member requests to change the CIS integration that include changes such as but limited to; Net-Metering, TOU, CP, NCP, Ratchet Rates, Totalized Billing, replacing a CIS vendor to a different CIS vendor, etc. are deemed to be “re-configuration” requests since these configuration changes require the underlying CIS Billing interface to be modified substantially.
- h A Participating Member request that requires changes to the CIS Billing Integration will be evaluated jointly by Electsolve and AMP to determine the level of difficulty and to make a determination if the changes requested by the utility are covered under software maintenance and integration support or if the requested changes require substantial re-configuration. Based on these determination that substantial configuration changes are required, Supplier and AMP will mutually work together to define a new Scope of Work (SOW) that defines the new requirements, deliverables and cost associated with the CIS Billing Integration re-configuration.

3.2.5.2. SSN AMI Interface Provisioning, Configuration and Testing:

- a A single SSN head-end is being implemented by AMP for use by all AMP Municipal utilities.
- b Participating Member AMI meters will be read by the single AMP SSN head-end system.
- c AMI data collected by the single AMP SSN head-end will be staged and processed by the AMP uCentra MDMS system.
- d Data loaded into the Participating Member SSN AMI meters.
- e Supported SSN AMI meter controls (i.e. Read-Meter, Connect-Meter, Disconnect-Meter, Meter-Demand_Reset, etc) will be enabled and accessible using the Participating Member’s uCentra MDMS user interface (“UI”). The uCentra® WebServices & Brokering Module will facilitate all SSN AMI control requests, logging of requests and communications between uCentra® and the AMP SSN head-end. Participating Member SSN AMI meter controls will be allowed from their own uCentra® MDMS UI. No SSN AMI controls will be allowed from the AMP uCentra® MDMS UI or any other non-Participating Member uCentra® MDMS UI.

3.3. Data Center Services Provided by AMP:

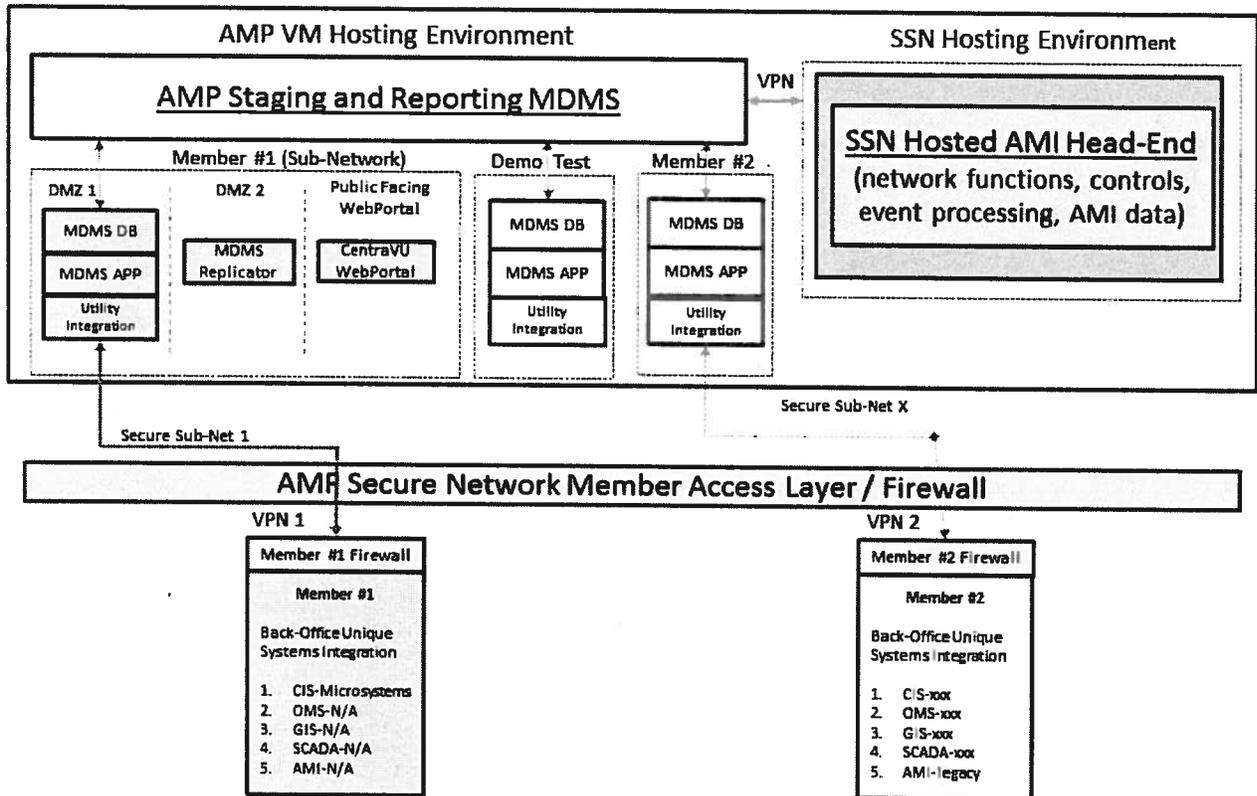
- 3.3.1. Hardware and Hosting services. AMP will provide all hardware and hosting services required for the installation and integration of all uCentra® software licenses. AMP will be responsible for

provisioning the AMP uCentra® MDMS virtual server environment.(Aggregate Instance, Demo Instance and Participating Member Instance.

3.3.2. Microsoft Operating System and Microsoft SQL Database Software licenses. AMP will provide all Microsoft operating system and Microsoft SQL database licenses required.

3.4. **Hardware and Connectivity Diagram:**

3.4.1. Yellow sections will be completed during Participating Member initial setup.



3.5. **Deliverable** - The Participating Member ORDER will authorize the installation of the base set of MDMS features and functionality as defined below as the deliverables. Optional modules and interfaces may also be included on the ORDER.

3.5.1. **5.1 Software License Version and Feature Set.**

uCentra® Version 2.2 MDMS/ODMS System Feature Sets (latest version will be deployed):

3.5.1.1. **Dashboard Module**

a The standard Dashboard package includes 6 default content boxes selected by the customer from an existing inventory of widgets and RSS feeds. Content boxes will display data residing in the MDMS. Additional Dashboard widgets and RSS feeds can be purchased utilizing optional hourly services.

3.5.1.2. **Validation, Editing and Estimation (VEE) Module**

a Provides data validation, editing and estimation functionality.

3.5.1.3. **Messaging & Alerts Module**

a Allows user to schedule reports to be sent via email, such as blink count reporting, daily meter exceptions, negative consumption for active meters, meters not reporting, etc.

- b Allows users to receive predefined alerts via email and/or text messaging.
- 3.5.1.4. Pop 3 or comparable outbound email is responsibility of AMP or Participating Member to provide.
 - a Management and configuration of reports and alerts.
- 3.5.1.5. Contractr Service Module
 - a Allows scheduling of predefined events, such as AMR data processing, SCADA data processing and billing determinant generation for cycle billing reads, etc.
- 3.5.1.6. Advanced Charting Module
 - a Generate charts, graphs using meter interval and register read data residing in uCentra®.
- 3.5.1.7. Importer/Exporter Module
 - a Includes file based importing and exporting functionality for used for integration of data to and from the MDMS application. This functionality supports exporting data into back-office systems such as the Participating Member's CIS and other downstream data processing systems as well as loading data into the MDMS from data collection systems interfaced to the MDMS such as AMI, SCADA, IEDs, JAA's, etc.
- 3.5.1.8. Weather Import Service
 - a Importing and storing weather data provided by a third party weather data source is supported. Weather is displayed in the various charts/graphs when users view data in the MDMS. Free weather service feeds will be used by default, pay-for weather data feeds are available for an additional fee.
- 3.5.1.9. Data View Module
 - a A set of pre-defined, pre-built "data views" are provided with the MDM SQL Server database. These "data views" look very similar to actual database tables and allow Participating Member's users to connect to the database and create their own ad hoc queries. Since the MDM data warehouse model includes a broad range of tables, procedures and functions, these "data views" are included to reduce the complexity for Participating Member's users to access the data for other functions. Users can connect to these views by ODBC connection using MS Access, Crystal Reports or other desktop query and reporting tools.
 - b Views included: ActiveCustomerData, AllCustomerData, BillingReads, IntervalReads, RegisterReads and MeterInventory. Each view includes a set of fields derived from the MDM data warehouse model and a complete field list for each "data view" is provided in the user documentation.
- 3.5.1.10. GIS Reporting Module.
 - a Render report results to a GIS map viewer for meters stored in the MDMS that include GIS coordinate data. Provides maps using OpenStreetMaps by default.
- 3.5.1.11. CSR Web Portal Module.
 - a Visualization of meter read interval and register data. Search by account, customer, meter, meter serial, street, etc. Perform meter controls; connect-disconnect-read request, manage users, security, access level security, perform cycle billing determinant extraction functions, display daily usage charts, link to the optional CentraVU® customer portal for CSR customer support conveniences, View AMI read performance charts, display MDMS system status.
- 3.5.1.12. WebServices and Brokering Module.
 - a Manage webservices (CIM, Multispeak, other), broker webservice request between different vendors, track webservice logs.
- 3.5.1.13. File Manager/sFTP/FTP Module.
 - a Manage file movement, folder operations, file mover function, access FTP sites for file loads, place file extracts on FTP sites.

- 3.5.1.14. Optional CentraVU® Customer Portal has the following feature:
- a Auto-archiving of site configuration, content and pages
 - b Customer access to usage data in both graphical and tabular formats
 - c Customer access to usage information in several units of measure; kWh, kW, kVarh, kVA, PF, gallons, CF, etc...
 - d Customer access to usage in correlation to weather conditions (Hi, Low, Avg.)
 - e Customer access to usage by billing cycle or a custom date range
 - f Customers can manage multiple accounts from a single sign-in
 - g Customers can download usage in CSV or PDF file export formats
 - h Customers can access billing history and actual bill PDF images for up to 3 years (requires access to bill images in PDF form provided by Participating Member)
 - i Customers can set up usage alerts (SMS & email) and received notifications when a customer defined specified dollar amount is reached
 - j Customers can track weekly usage via report by email
 - k Supports configuring additional content pages in CentraVU® to provide additional content for customer access such as; tips for usage conservation, TOU sample scenarios, DR program tips, “Tip of the Day”, etc.
 - l CentraVU® allows customers to submit questions/requests/comments which are routed by email to specified departments via the mail form in CentraVU®
 - m Customers can access account information via Mobi Website on smartphones and tablets
 - n CentraVU® includes an optional API to allow utilities to use other 3rd party CE products and to use the API for data request to uCentra® but using the CentraVU® replicator.
 - o CentraVU® supports token login configurations to allow CentraVU® to sit behind other 3rd party authenticated sites such as “pay online” sites.
 - p CentraVU® supports; Water, Gas and Electricity
 - q CentraVU® supports meter totalization where multiple meters are combined and displayed as a single meter for accounts with multiple meters.
 - r CentraVU® supports both residential and commercial/industrial customers

4. **Project Management** – Provide oversight of AMI deployment operations.

4.1. **Silver Spring Project Implementation**

4.1.1. **Silver Spring Responsibilities.** Silver Spring, through its Project Manager, will manage the AMI Project and Silver Spring deliverables under this Exhibit during the Deployment Period:

- 4.1.1.1. Creating, tracking and updating the Project Contract.
- 4.1.1.2. Providing weekly status reports addressing the progress of the AMI Project, issues and outstanding action items.
- 4.1.1.3. Participate in Participating Member requirements gathering and configuration specifications kickoff
- 4.1.1.4. Attending weekly meetings as agreed to with AMP’s project team to coordinate AMI Project activities between the Parties.
- 4.1.1.5. Coordinating Silver Spring’s deliverables to AMP and Participating Member’s third party contractors.
- 4.1.1.6. Answering general questions and providing overall program facilitation.

4.1.2. **AMP & Participating Member Responsibilities.**

- 4.1.2.1. AMP and Participating Member will each designate a Project Manager to coordinate all AMP & Participating Member activities related to AMI Project.

- 4.1.2.2. AMP and Participating Member's Project Managers will work to create efficient paths of communication with Silver Spring, including prioritizing communication requests made to the Silver Spring team.
- 4.1.3. **Delays.** Additional costs incurred as a direct result of any delay will be the responsibility of the Party who caused such delay.
- 4.2. **Electsolve Project Implementation & System Integration**
 - 4.2.1. **Electsolve Project Implementation Services**
 - 4.2.1.1. Installation and configuration of uCentra® software media and licenses on AMP provided hardware.
 - 4.2.1.2. Support installation and configuration of AMP provided hardware and operating systems.
 - a AMP will procure all hardware required for the @MDMS, and ETSS will assist by reviewing and approving final server specifications for hardware and third party OS and database software. Final server specifications are based on meter counts, AMI interval data requirements and retention periods. After hardware procurement, ETSS will assist AMP staff to configure the server hardware and network to support remote access and support for the MDMS solution.
 - (i) All implementation services will be based on completion of a Customer Profile Document.
 - 4.2.1.3. Provide Project Management for MDMS scope of work.
 - a A PMI® Certified Project Manager will be assigned to the project. The ETSS project manager will be responsible for MDMS Project Initiation, Planning, Execution, Quality Control and Tracking through the MDMS System Acceptance Test and Closing of the project.
 - b Bi-weekly Project calls. Supplier and AMP will work mutually together to schedule more frequent project calls when project activity or issues warrant. Supplier believes bi-weekly project calls will be sufficient based on similar scoped projects with like requirements.
 - 4.2.2. **Electsolve System Integration Services.** - System integration processes for deploying, implementing, testing and rolling out each interface are aligned with the implementation integration and project management groups assigned for the customer project.
 - 4.2.2.1. System Interface with SSN AMI
 - a AMI provisioning, AMI data collection, AMI event handling, and interactive AMI command and control including disconnect/re-connect, on-demand meter reading
 - b Production testing and rollout
 - c Dependency – SSN AMI headend installation and one test meter are required for base installation to begin.
 - 4.2.2.2. System Interface with Participating Member's billing or Customer Information System
 - a Integration to the meter master, customer master, billing history, rates, and location/premise master at a minimum.
 - b Billing determinants will be provided by "To-Host" file format utilizing the existing meter reading file format unless Participating Member would like to select a standard bill file format provided by uCentra®.
 - c Billing process review, evaluation and recommendation based on using AMI and MDMS functionality.
 - d Production planning, testing and rollout.
 - 4.2.2.3. Meter Exchange file integration
 - a Participating Member meter deployment; AMI meter provisioning and meter exchange will be performed jointly by SSN and Participating Member staff.

- b Meter exchange and meter location files produced by the meter deployment process will be made available to the MDMS via FTP, sFTP or posted to a folder on a shared file exchange server to be determined during the project kick-off.

Participating Member Requirement and Dependencies.

1. Participation by Participating Member and its CIS vendor, if necessary, in a planning session to determine methods of CIS data access.
2. Participating Member will need to provide samples and formats for the files imports they are currently using for CIS billing determinants. Provide third party import files and cover any third party cost associated. ETSS will help facilitate this and work with all third party vendors with permission from Participating Member.

AMP Requirements and Dependencies.

1. AMP is required to have full MDMS back-office complete including connectivity to ETSS, SSN Hosted headend and Participating Member CIS

SSN Requirements and Dependencies

1. SSN is required to have AMI headend and one test meter installed for ElectSolve to begin integration

The above are the major ETSS dependencies. A full responsibility matrix is listed in Exhibit E for further clarification of roles and responsibilities.

5. Training – Provide end-user training to the Participating Member to enable a smooth transition to new process and environment.

5.1. Silver Spring Training – Silver Spring will perform the following training services

5.1.1. During Field Network Installation Phase – Silver Spring will train, for a period not to exceed two (2) Business Days, Participating Member and/or its designated representatives on troubleshooting procedures and tools for Access Points, Relays and communication problems with Integrated Meters.

5.1.1.1. Silver Spring will provide special training on enabling RF communication from meter rooms and other interior hard-to-reach service points:

5.1.1.2. Silver Spring will instruct Participating Member and/or its designated representative's staff on how to recognize field conditions that may create RF interference between a service point and exterior locations of Access Points and Relays (e.g., service points with a significant amount of metal enclosures or which are located in deep basements / sub-basements), to enable Participating Member and/or its designated representatives to refrain from installing Integrated Meters at such locations or to plan for continued on-site reading of such meters until later remediation.

5.1.2. During Deployment Phase - Silver Spring will train Participating Member and/or its designated representative's field personnel and relevant contractors on the specific aspects of installing Endpoints. This training will be completed within two (2) Business Days.

5.2. Electsolve MDMS Training – Electsolve will perform the following training services:

5.2.1. Training will be provided according to the size of the Participating Member. AMP may attend Participating Member Training Sessions as well.

5.2.2. Training consists of an in-depth view of the entire uCentra® ODMS for all classes. Every attendee will see every aspect of the uCentra® ODMS including its features, operability and functionality. Attendees with similar responsibilities are encouraged to attend the same class as focus can be centered on features that will be relevant to their job.

5.2.3. Multiple classes can be conducted for the same department when necessary so that the department may maintain a presence for normal business operations.

5.2.3.1. Classes generally last from 2-3 hours depending on class participation. Generally, two sessions

per day are scheduled.

5.2.3.2. In addition to every attendee receiving training on the entire functionality of the MDMS, some roles will receive more specialized training.

- a Customer Service Representatives will learn to:
 - (i) Compare/review customer usage by date range using monthly billing history
 - (ii) Compare/review usage by kWh and kW in relation to temperatures
 - (iii) Compare/review usage by interval time periods
 - (iv) Compare/review usage by interval time periods in relation to interval temperatures
 - (v) Review detailed customer information of an account
 - (vi) Review the outage history of an account
 - (vii) Review the connect/disconnect history of an account
 - (viii) Review the meter event history of an account
 - (ix) Perform on-demand reads
 - (x) Remotely connect and disconnect a meter
 - (xi) View the physical location of a meter
 - (xii) Graphically compare/review customer usage by specified days for a time period
 - (xiii) Run reports relevant to customer accounts
 - (xiv) Contract reports to automatically be delivered to email inbox
 - (xv) Create and maintain Dashboards relevant to customer accounts
- b Billing Agents will learn to:
 - (i) Compare/review customer usage by date range using monthly billing history
 - (ii) Compare/review usage by kWh and kW in relation to temperatures
 - (iii) Compare/review usage by interval time periods
 - (iv) Compare/review usage by interval time periods in relation to interval temperatures
 - (v) Review detailed customer information of an account
 - (vi) Perform on-demand reads
 - (vii) Create an AMI billing file to upload into the billing application
 - (viii) Review/download previous billing cycle reports
 - (ix) Run reports relevant to billing
 - (x) Contract reports to automatically be delivered to email inbox
 - (xi) Create and maintain Dashboards relevant to billing
- c Meter Technicians and Servicemen will learn to:
 - (i) Review detailed customer information of an account
 - (ii) Review the detailed history of a meter
 - (iii) Review the historical locations of a meter
 - (iv) Review the meter event history
 - (v) View the physical location of a meter
 - (vi) Graphically compare/review customer usage by specified days for a time period
 - (vii) Run reports relevant to meter issues
 - (viii) Contract reports to automatically be delivered to email inbox
 - (ix) Create and maintain Dashboards relevant to meter issues
- d Engineering and Operations personnel will learn to:
 - (i) Review detailed customer information of an account
 - (ii) Review the detailed history of a meter
 - (iii) Review the historical locations of a meter
 - (iv) Review the meter event history
 - (v) View the physical location of a meter
 - (vi) Graphically compare/review customer usage by specified days for a time period
 - (vii) Graphically review meter, transformer and substation data

- (viii) Review system loss analysis
- (ix) Review/analyze voltage events
- (x) Run reports relevant to AMI system and system events
- (xi) Contract reports to automatically be delivered to email inbox
- (xii) Create and maintain Dashboards relevant to system events

6. Testing

6.1. **Silver Spring System Acceptance Testing**

6.1.1. **First Article Testing (FAT).** Upon request from Participating Member and using its standard test procedures, Silver Spring will test the first two Integrated Meters of every new form with a unique configuration file at its offices in Redwood City, California, to verify that the meter has been configured per Participating Member's requirements.

6.1.1.1. **Silver Spring Responsibilities.** To facilitate this testing, Silver Spring will direct the Integrated Meter Provider to ship two meters of each form to Silver Springs for testing before shipping the remaining meters to Participating Member. The Integrated Meter Provider will hold the remaining shipment until this testing is complete and Silver Spring will release the shipment once testing has been successfully completed. Participating Member will be responsible for purchasing any Integrated Meters used for FAT, and any Integrated Meters supplied for FAT can be returned to Participating Member.

6.1.1.2. **Silver Spring Field Acceptance Testing.** Acceptance Testing will be conducted on a mutually agreed-upon number of devices in a contiguous geographic area of the deployed Smart Grid network.

6.1.2. **Silver Spring Responsibilities.** Silver Spring will perform the following tasks:

6.1.2.1. Develop test scripts based on the acceptance criteria agreed upon by AMP and Silver Spring.

6.1.2.2. Perform Field Tests immediately following the Optimization of the first Optimization Area. Silver Spring will perform the Field Tests remotely from Redwood City.

6.1.2.3. Silver Spring will review the results of any failed tests with AMP, determine the root cause and propose corrective action to address the root cause. Silver Spring will perform a retest one the root cause is identified and corrected, if requested by AMP

6.1.2.4. Provide documented test results, including Acceptance Test sign off in a written format to be agreed upon and executed by the Parties.

6.1.3. **Participating Member Responsibilities.** Participating Member will perform each of the following tasks:

6.1.3.1. Provide all field work necessary to complete the Field Tests.

6.1.3.2. Provide a lead to coordinate all testing activities with Silver Spring.

6.1.3.3. Provide a schedule for Field Testing prior to the commencement of Acceptance Testing. Field Testing will occur after Optimization is completed in the area in which the Field Tests will be performed.

6.2. **Electsolve System Acceptance Testing (SAT)** - Jointly performed by ETSS, AMP and Participating Member. The objective of the System Acceptance Test is to demonstrate the functionality and operation of ETSS's uCentra® MDMS/ODM before moving into production. Following the base system SAT, any additional modules within the scope of work will follow the same procedure for sign-off.

6.2.1. The System Acceptance Test will be performed after the system has been installed and tested by ETSS. This will be executed after each phase. The process is as follows:

6.2.2. Participating Member will designate one person to sign-off on all functionality. Additional attendees from areas such as Customer Service, Participating Member Services, Metering, Engineering, or Management may all attend to give input to the official designee. Attendance is documented.

6.2.3. Participating Member's designee will pass or fail each item as it is demonstrated using the sign-off sheet provided. Notes may be added throughout.

- 6.2.4. Any items failing test will be fixed and retested at an agreed upon date and time.
- 6.3. **Electsolve Implementation Testing** - As data is mapped into the MDM, the Participating Member staff will be called upon to validate data by assisting in verifying that the data has been mapped according to Participating Member's requirements and business processes. This process entails comparing uCentra® data screens to CIS data screens. This is an iterative process and will be scheduled as required. Generally this should take 2 hours a week over the course of 2-3 weeks.

ATTACHMENT 1 – BILLING SYSTEM INTEGRATION OPTIONS

Integration to Participating Member’s Billing or Customer Information System can be accomplished in one of four methods described in the following chart. Exhibit F provides pricing for the selected methodology.

uCentre® CIS Interface Functionality	No CIS Billing	Base CIS Billing "Meter-To-Cash" Integration	Advanced CIS Billing Integration	Power Billing
Flat File Import (limited data set) CIS vendor to provide exports to ElectSolve	✓	✓	✓	
Flat File Import (expanded data set) CIS vendor to provide exports to ElectSolve		✓	✓	
Data Authentication		✓	✓	
Data Reconciliation		✓	✓	
Data Integration Assistance		✓	✓	
VEE Configuration for Once/Day Billing Determinant exports (All meters, once per day)		✓	✓	
Produce Once/Day Billing Determinant export file in Standard format (All meters, once per day)		✓	✓	
Billing Reads for KWH		✓	✓	
Billing Reads for KW		✓	✓	
Billing Reads for KWH-R		✓	✓	
Billing Reads for KWH-N		✓	✓	
Calculated or derived reads				
Basic Pre-Pay using CMEP		✓	✓	
Single File format to major CIS Vendors (Cogsdale, CSA, Cassel, UAS, Daffron, NISC, etc.)		✓	✓	
"From-Host" and "To-Host" file exchange supported to match legacy meter read processes associated with hand-held use.		✓	✓	
File format for non-standard CIS Vendor			✓	
Single Utility, Electric or Gas or Water		✓	✓	
VEE Configuration to Match Billing read exports by cycle/route/meters process			✓	
Produce individual Billing Read export by cycle/route/meters			✓	
Multi Utility Electric Gas Water		✓		
Custom Billing file formats			✓	
Custom VEE processes			✓	
Support for TOU			✓	
Support for Demand Billing			✓	
Support for net billing			✓	
Batched Rates			✓	
Totalized Meters				✓
High End Meters			✓	
Calculated Reads or billing determinates due to limitation of CIS			✓	
Multiple AMI Systems (Aclara plus non-Aclara)			✓	
Large Commercial & Industrial (CP, NCP, Unique Contracts) other complex billing determinant generation			✓	
* see detail requirements for additional information				✓
				✓

ATTACHMENT 2 – SILVER SPRING SUBCONTRACTOR INSTALLATION SCOPE OF WORK

General Notes

- 1.1 The description of the Installation Subcontractor's work herein will be performed pursuant to an agreement between Silver Spring and its Installation Subcontractor. Although AMP acknowledges that Silver Spring will engage a subcontractor for certain services, Silver Spring will remain liable for all duties designated herein as responsibilities of either Silver Spring or the Installation Subcontractor.
- 1.2 Pricing reflected in Exhibit F includes the use of the Installation Subcontractor's work order management system, handheld devices, GPS collection, photograph capabilities, data management, and work order reports.
- 1.3 The price reflected in Exhibit F does not include the supply or installation of AC power supply disconnect switches for Access Points and Relays.
- 1.4 Pricing does not include cutting, drilling or grinding of locking devices and agreed to in writing and signed by Silver Spring and the Installation Subcontractor.
- 1.5 Pricing assumes seamless flow of work with full utilization of each installation crew at all times. Contractor will be fully engaged in deployment planning and development of proposed work flow, recognizing specific requirements of individual installations, including those meters behind locked doors.
- 1.6 Hours of operation are defined in local time as:
 - 1.6.1 Regular Business Hours >> 8:00 a.m. – 6 p.m., Mon-Fri. (excludes AMP's recognized holidays)
 - 1.6.2 After-Hours >> All other times

Safety

- 1.7 All Installation Subcontractor safety procedures implemented for this program will be in accordance with Silver Spring, AMP and Participating Member safety procedures as well as state and local ordinances. Installation Subcontractor will also provide all safety equipment needed to protect installation personnel, motorists and the general public from injury. All Installation Subcontractor personnel will strictly enforce and adhere to all safety rules and procedures. Subcontractor to comply with Participating Member's safety procedures.
- 1.8 All employees assigned to work on Participating Member's endpoints installation shall comply with all applicable federal, state, and local laws and regulations in the performance of the Services.
- 1.9 Installation Subcontractor will manage and run employee training and safety programs.
- 1.10 Installation Subcontractor will provide personal protective equipment, tools & equipment for all employees.
- 1.11 Installation Subcontractor will provide appropriate identification, as agreed to with Silver Spring, AMP and Participating Member.
- 1.12 Installation Subcontractor will perform ongoing field safety audits.
- 1.13 Installation Subcontractor shall comply with OSHA, and provide periodic reporting of OSHA recordable injuries and motor vehicle incidents.
- 1.14 Silver Spring shall be responsible for the cost of repair or replacement to Property damaged by Installation Subcontractor; AMP and Participating Member recognize that Silver Spring may recover such costs from the Installation Subcontractor.

Project Management

- 1.15 AMP and Participating Member will assign a single project manager to serve as the main point of accountability and contact for Silver Spring and the Installation Subcontractor. The project manager will also attend weekly deployment meetings during the Project and provide comprehensive daily, weekly, monthly and quarterly updates on action items and deliverables.
- 1.16 The plan is based on a five-day work week; however, Installation Subcontractor, Silver Spring, or Participating Member may request to have the installer work Saturdays and evenings as necessary in the event of delays. Such changes to work hours shall be as mutually agreed to between Silver Spring, the Installation Subcontractor and Participating Member, approved by AMP and Participating Member in advance, and this may impact pricing.

- 1.17 The Installation Subcontractor plans to continuously perform the installation of the Equipment, and there will be no work stoppages other than Participating Member-designated holidays and weather days.
- 1.18 All endpoints will be released in route-read order. Participating Member will provide a meter-reading schedule prior to the Project start date. AMP and Participating Member will ensure a seamless flow of work that allows for full utilization of each installation crew.
- 1.19 Installation Subcontractor will manage all Services in accordance with the project schedule, staffing and Silver Spring's or Participating Member's project plan and develop and manage the detailed route saturation plan.

People, Resources and Tools

- 1.20 Installation Subcontractor will implement a hiring plan that includes background checks and pre-employment drug testing.
- 1.21 Installation Subcontractor will ensure its employees meet the appropriate experience, qualifications and requirements for the specified Services. Employees shall maintain the necessary proficiency to safely and accurately perform such Services on an ongoing basis.
- 1.22 Installation Subcontractor will provide a work order management system (WOMS). Provision of WOMS includes typical flat file transfer based integration(s) with AMP's enterprise systems.
- 1.23 Installation Subcontractor will provide work management handheld devices, mobile phones, and data plans for handheld devices and phones.
- 1.24 Installation Subcontractor will provide vehicles and fuel. Participating Member will provide secure parking as required for Installation Subcontractor's fleet.
- 1.25 [The Installation Subcontractor will pay all those working on _____ a prevailing rate of wage as set forth in Attachment 3 to this Exhibit A.]

Warehousing and Inventory Management

- 1.26 Participating Member will provide warehouse and cross dock facilities, labor, material handling equipment, and services (e.g., staging, handling, scrapping, manage consumables, etc.). Provide appropriate office space, crew space, training space, break rooms, bathrooms, etc. Provide satellite [e.g., "remote"] cross dock facilities/locations and related labor, as required.
- 1.27 AMP and Participating Member shall source and store approximately 8 weeks of new Equipment inventory at any given time (i.e., for most Municipalities, 100% of Equipment needed for the deployment, plus 3-5% for spares, shall be procured, delivered, and stored prior to installation commencing).
- 1.28 Participating Member will provide inventory management and tracking for all equipment and accessories provided by/procured for Silver Spring or Installation Subcontractor including Integrated Meters, Water IMUs and water meters; and seals, locking rings and other similar items.
- 1.29 Installation Subcontractor will provide materials forecasts and coordinate with Silver Spring, AMP and Participating Member regarding the delivery of equipment and accessories needed to meet Project requirements. Participating Member will coordinate deliveries at its warehouse.
- 1.30 Removed meters and meter materials will be returned to Participating Member's warehouse. Optionally, Participating Member may have the Installation Subcontractor dispose of all removed meters and meter materials at no additional fee to utility.
- 1.31 At its cost and expense, Participating Member will be responsible for Replacement of all materials damaged or lost from its warehouse.

Installation Considerations – All equipment

- 1.32 Installation Subcontractor will obtain and maintain all necessary licenses that are required to perform the Services, and submit proof of license to AMP and Participating Member.
- 1.33 Installation Subcontractor will submit its proposed installation and inspection processes to Silver Spring, AMP and Participating Member for review with a reasonable opportunity to provide feedback prior to implementation.
- 1.34 Installation Subcontractor will provide a "before" and "after" photograph of all installations. In addition, for the relevant endpoints, provide photographs of register data and the entire Endpoint set. Some of these

- can be done as part of the “before” or “after” photograph. Store and maintain all photos in a manner that allows for retrieval and transfer to AMP and Participating Member, as requested.
- 1.35 Installation Subcontractor will manage keys provided for access. Manage seals, locking devices and barrel locking tools.
 - 1.36 Installation Subcontractor will install ancillary equipment such as external antennas and cables, as required.
 - 1.37 Installation Subcontractor will provide data capture of normal GPS data accuracy of approximately +/- 5 meters of the installed device.
 - 1.38 Installation Subcontractor will provide at least 2 documented field attempts on 2 separate days and 2 documented written attempts (door hangers) , to attempt to complete each meter installation, prior to Returning to Utility (“RTU”).
 - 1.39 Should the installer find tampering or unsafe conditions that require the technician to wait for a Participating Member employee to arrive, the response time under normal conditions will not exceed 30 minutes. Should the installer be required to stay beyond this time, the Installation Subcontractor will be reimbursed at a time and materials rate as listed in Exhibit F.
 - 1.40 It is the sole responsibility of the Participating Member to provide access to installation sites. Additional fees may be charged, with AMP and Participating Member’s prior approval, if installers cannot get access to >5% of attempted sites on any given day, or >3% of attempted sites in a given week. As these thresholds are approached, installation Subcontractor will notify AMP and Participating Member to allow access issues to be resolved in a time manner.
 - 1.41 End Customer Engagement
 - 1.41.1 Installation Subcontractor will schedule an appointment for all life support End Customers.
 - 1.41.2 Participating Member will implement an End Customer claims program. Participating Member will manage and resolve customer claims resulting from the Installation Subcontractor’s products and services.
 - 1.41.3 Installer will leave a door hanger after each visit or completed endpoint installation. Door hangers and all such related customer communications material will be provided by Participating Member.
 - 1.42 AMP and Participating Member will be responsible for all marketing and End Customer communications.
 - 1.43 End Customer contact information will be provided by Participating Member at least 30 days prior to the applicable deployment date and the installer will be allowed to contact End Customer to schedule installation appointments, where necessary. Contractor recognizes that customer contact information may change due to move-ins/move-outs within this 30-day window.

Installation Considerations –Access Point and Relay Installation on Poles

- 1.44 All installation sites will be pre-determined.
- 1.45 The installer will have permission to access all pre-determined installation sites; Participating Member may escort the installer to such sites.
- 1.46 The installer will refer to standard installation guides for type of pole mount installation and not blueprints or drawings.
- 1.47 The installer shall ground the installed device to an existing ground.
- 1.48 The pre-assembled infrastructure node and light arm will be mounted to an existing Participating Member pole 16 to 30 feet above ground level. Device installation distances must meet NESC clearance requirements.
- 1.49 The installer shall make the transformer power tap.
- 1.50 All installation sites will be outdoors and easily accessible by a bucket truck.
- 1.51 No permit fees are required for individual network equipment install locations.
- 1.52 The pricing does not include acquiring access or negotiating leases for new Equipment installation sites.
- 1.53 The pricing does not include determining loading limits to existing poles or elevated structures for Equipment mounting.
- 1.54 The pricing assumes installation on standard utility poles.

- 1.55 For all installations, Installation Subcontractor shall provide required consumable supplies, not included in the equipment provided by Silver Spring or Participating Member, per the installation documentation such as:
 - 1.55.1 Miscellaneous wire and raceway;
 - 1.55.2 Miscellaneous wire connectors for secondary voltage connections on utility poles; and
 - 1.55.3 Through bolts, lag screws, and/or stainless steel banding to mount RF pole-top devices to wood or metal poles, if necessary
 - 1.55.4 For antenna and radio installations at substations and towers, all consumables not identified in Exhibit F will be invoiced at costs to Installation Subcontractor.
- 1.56 The light arms will be provided by Participating Member in such quantities as to not disrupt the network installation schedule.

Specific Installation Considerations – Integrated Meter Exchange

- 1.57 All new Integrated Meter installations are assumed to be in the same form and class as existing meter. Accuracy of data regarding existing meters is the sole responsibility of Participating Member.
- 1.58 Participating Member will provide a list of life support and critical load meters prior to the Project start date. The Installation Subcontractor will not be held responsible for End Customer claims relating to life support or critical load meters where it was not notified in advance of a life support and critical load meter by Participating Member.
- 1.59 AMP will provide keys where meters are located behind locked gates.
- 1.60 Pricing for the installation services assumes that no more than 1% of accounts measured on a monthly basis will result in RTU status.

Specific Installation Considerations – IMU Installation on Water Meters

The pricing assumes that no more than 3% of water meters dispatched to the installer for retrofit will be RTU due to age, damage, or other maintenance related issues.

The pricing does not include any plumbing of service lines.

The unit price for installation does not include broken-screw repairs. Such repairs shall be provided at a time and materials rate listed in Exhibit F.

Participating Member will provide keys and tools for the removal and replacement of locking devices, as needed.

Participating Member will provide assistance with any unsafe situation upon notice by the installer.

Installation Subcontractor will perform IMU programming using Silver Spring approved procedures and tools. Silver Spring is responsible to provide specialty tools, if so required for IMU programming, to the installer.

Pricing does not include painting of meters.

Specific Installation Considerations – Water Meter Replacement

The pricing assumes that no more than 3% of water meters dispatched to the installer will be RTU due to age, damage, or other maintenance related issues.

The pricing does not include any plumbing of service lines.

The unit price for installation does not include broken-screw repairs. Such repairs shall be provided at the rate in Exhibit F.

Participating Member will provide keys and tools for the removal and replacement of locking devices, as needed.

Participating Member will provide assistance with any unsafe situation upon notice by the installer.

Pricing does not include painting of meters.

Optional Barcoding Services

For older and currently non-barcode water meters that exist in the field, optionally and for the incremental fees listed in Exhibit F, install a sticker bar code label. Include a verification step in the

WOMS handheld work flow to capture this activity's performance and verify that the new meter bar code is scanned. The following are the assumptions related to applying the bar code to old water meters: Barcoding service will be performed at the same time as water IMU installation.

No drilling or tapping. Bar code is assumed to be a sticker-type solution or a plastic or metal barcode that could be affixed with an adhesive and held into place with a piece of tape to give it time to set.

Bar codes will be pre-printed and issued to installer. Installer will make the choice to use any one of the pre-issued bar codes to affix to each water meter.

Installer will do a quick "clean" on the meter surface to secure the best opportunity for bar code to properly adhere and remain affixed for the long term.

Installer will scan the new bar code during install to create an "association" with the water meter, as linked via the installation work order.

The installation work flow will have edits to prompt the Installer to perform these steps and not allow the work order to close unless this process is completed.

The completed installation work order record for each water meter that is transacted back to Participating Member will contain the new bar code information.

Quality and Audits

- 1.61 For Access Points and Relays, the Installation Subcontractor shall perform a field audit of the first three Access Points and first three Relays, and up to 5% of the remaining Access Points and Relays to inspect the quality of work.
- 1.62 For Endpoints, the Installation Subcontractor shall audit 100% of each installer's work in the field during the first 10 days and 5% thereafter.
- 1.63 Installation Subcontractor will revisit and correct any problems found by audits of the installer's work.

Reporting

- 1.64 In addition, Installation Subcontractor will provide activity reports on a regular basis to Silver Spring, AMP and Participating Member. Reports and data will include:
 - 1.64.1 Daily and/or weekly summary reports with installation status.
 - 1.64.2 Detail information defining the installation of each device.
 - 1.64.3 Detail monthly report of all installations.

Additional Services and Resources to be Provided by Silver Spring

Silver Spring will:

- 1.65 Perform hardware and firmware troubleshooting of installed Access Points and Relays, and facilitate correction through Installation Subcontractor for any installation errors prior to acceptance.
- 1.66 Interface with AMP and Participating Member team, as needed.
- 1.67 Provide installation locations for all network devices.
- 1.68 Proactively communicate any issues that might/will delay the Project.
- 1.69 Resolve any complaints filed against Installation Subcontractor employees by Silver Spring, AMP, Participating Member, End Customer, or any other external party.
- 1.70 Provide guidelines for attaching Access Points and Relays to Participating Member poles and other third party poles and define mounting requirements for all possible pole types, including banding, bolts and power tap requirements.
- 1.71 Perform any required reviews of installation of each Access Point and Relay, and correction of installations that does not meet the requirements.

Additional Services and Resources to be Provided by AMP and/or Participating Member

AMP will:

- 1.72 Provide a Project manager to coordinate AMP and its Municipalities activities related to the Project.
- 1.73 Proactively communicate any issues that will delay the installation pace or Project.

Participating Member will:

- 1.74 Resolve any complaints filed against Participating Member's employees by Silver Spring or Installation Subcontractor.
- 1.75 Provide rules for attaching Access Points and Relays to Participating Member poles and other third party poles and define mounting requirements for all possible pole types, including banding, bolts and power tap requirements.
- 1.76 Secure all approvals required for installation of Access Points and Relays required no less than two (2) weeks prior to the scheduled installation.
- 1.77 Provide rings and seals; provide barrel locking tools.
- 1.78 Perform new Integrated Meter and IMU sample testing.
- 1.79 Perform removed meter "as-found" calibration testing.
- 1.80 Convert A-base meters to socket based meters. Convert/install K-base meters.
- 1.81 Perform repairs of bad order electric meter sockets in coordination with Silver Spring and the installer; these will likely be Participating Member supplied resources and/or contractors provided at Participating Member's expense.
- 1.82 Provide hazardous waste containers for batteries delivered at its warehouse; remove and replace when full.

Call Center Support

- 1.83 All End Customer calls will be received by Participating Member.
- 1.84 The installer is responsible for follow-up calls as are required to perform and complete its installation services or address installation related issues received by Participating Member's call center.

ATTACHMENT 3
PREVAILING WAGE – APPLICABLE TO _____
[TO BE ATTACHED, AS APPLICABLE]

EXHIBIT B - SCOPE OF ON-GOING SERVICES

AMP's Advanced Metering Program alleviates the need for the Participating Member deploy and operate AMI systems. Instead, AMP will deploy these technologies and provide them to the Participating Member as a service under contracts AMP has in place with its Vendors - Silver Spring Networks (Silver Spring), and ElectSolve Technology Solutions and Services (ElectSolve). This operating model is known as Software-as-a-Service (SaaS).

AMP will provide the following On-going Services in coordination with Vendors:

1. Participating Member Network and WAN Backhaul Ongoing Support
2. AMI Head-End System SaaS Hosting, Operations, Administration, and Support
 - a. Functional Operation of system is handled by AMP AMI operator
3. Meter Data Management System SAAS Hosting, Administration and Support
 - a. Includes support of interfaces from MDMS to other systems (CIS, GIS, OMS, SCADA, etc.)

A general description of the deployed technologies can be described as follows:

- **UtilityIQ AMI Headed.** The AMI headend is a SaaS deployment where Silver Spring has deployed the UtilityIQ headend hardware, software and application its Category III primary & backup data Centers. Silver Spring operates and maintains the hardware, software and databases and is responsible for achieving system performance in accordance with SLAs. AMP is responsible for running the AMI application, such as setting up and maintaining read jobs. The Municipalities are responsible for field activities, such as meter, access point and relay field troubleshooting and replacement.
- **UCentra Application Suite:** The UCentra applications is an owner-operated platform deployed at AMP's primary & backup datacenters. Each Participating Member will have its own UCentra instance and network subnet, however, all systems will run in a single Virtual hardware and database environment provided and provisioned by AMP. Each Participating Member will have access to functions related to billing and the data will be segregated so that each Participating Member will only have access to its own information. AMP will have full administrative responsibility for the system and ElectSolve will provide supplemental services to take responsibility for critical database, application and batch job tasks. ElectSolve will provide on-going consulting assistance for several other administrative tasks to be performed by the Participating Member or AMP.

This operating model, and associated roles and responsibilities (as detailed in Exhibit E), has been selected to achieve the following goals:

- Provide a seamless MDMS/AMI solution.
- Provide the Participating Member the value of advanced metering while providing a barrier to functions that would have the potential to corrupt or otherwise negatively impact the system as a whole.
- Provide a barrier between the Municipalities such that they can only view data associated with their specific customers.

1. Silver Spring Field Network and WAN Backhaul Monitoring and Management

- 1.1. **General.** Silver Spring will remotely monitor from the NOC the Access Points, Relays and WAN Backhaul circuit 24x7. When an Incident triggers an alert, Silver Spring will communicate with AMP as

set forth in Attachment 2 to Exhibit B, track the incident, troubleshoot the problem, and escalate to Silver Spring subject matter experts or third party vendors as needed, pursuant to the agreed incident management process. AMP will cooperate with reasonable requests that Silver Spring makes as part of its efforts to respond to Incidents.

1.1.1. Silver Spring Responsibilities.

1.1.1.1. **Reports.** UIQ will provide built-in reports regarding the health and performance of Access Points and Relays.

1.1.1.2. **System Changes.** For any planned or urgent System Change related to any aspect of monitoring and management of the NAN and WAN backhaul described in this Task, Silver Spring will follow the established change management process per Attachment 3 to Exhibit B. Such change will be implemented during a Maintenance Window, or as the Parties otherwise agree.

1.1.2. **AMP and Participating Member Responsibilities.** AMP and Participating Member will cooperate with reasonable requests that Silver Spring makes as part of its efforts to respond to incidents.

1.2. Remote vs. In-Field Actions.

1.2.1. Silver Spring Responsibilities.

1.2.1.1. Silver Spring will perform its administration, monitoring and investigations (as detailed below) remotely, from its NOC.

1.2.1.2. Notwithstanding Task 1.2.2.1, at AMP or Participating Member's request and assuming that Silver Spring's remote assistance is unable to resolve a problem, Silver Spring resources can be made available on-site at AMP's facilities or in the field as mutually scheduled for an additional fee; *provided, however*, that Silver Spring resources are available in-field at no fee during the Deployment Period.

1.2.2. AMP and Participating Member Responsibilities.

1.2.2.1. Participating Member will perform all in-field investigations of the NAN.

1.2.2.2. **Equipment Replacement.** After in-field investigation or upon Silver Spring's recommendation, Participating Member will promptly remove Equipment experiencing problems and promptly replace such Equipment. AMP and/or Participating Member will communicate promptly with Silver Spring Customer Support when any such Equipment is removed or replaced. AMP and/or Participating Member will seek the replacement of all uninstalled Equipment using Silver Spring's then-current RMA process.

1.2.2.3. AMP will maintain in UIQ the current location information for all devices, including latitude, longitude, and the street address, and the current administrative state of such devices in UIQ (e.g., "maintenance", "retired", etc.).

1.3. **Integrated Meter and Water IMU Support.** AMP and/or its designated representative will be responsible for monitoring and resolving single Endpoint issues, including but not limited to performing in-field troubleshooting of all post-installation problems with Endpoints. To facilitate the identification of single endpoint issues, Silver Spring will provide one or more reports that can be generated automatically to notify Participating Member and AMP of single endpoint issues that require attention. Silver Spring will initiate investigation (remotely) of any Incidents involving Endpoints that fail to initialize and Endpoints or Water IMUs that transition to the "unreachable" state within the Production environment that are caused by a systemic problem (architectural, engineering, software, product design, etc.). Silver Spring will liaise with AMP and Participating Member, as necessary.

1.4. **Access Points and Relays.** Silver Spring will provide configuration management, firmware upgrades, monitoring and remote troubleshooting of Access Points and Relays for the production environment.

1.5. **WAN.** AMP will pay for the services of the WAN provider(s) for Access Point to WAN connectivity and the WAN backhaul circuit. Participating Member will reimburse AMP for this cost. If reasonably requested by Silver Spring or as the Parties otherwise agree, AMP and Participating Member will work directly with the WAN provider(s) to investigate and resolve WAN service incidents.

1.6. **WAN Backhaul Circuit.** Each Party will pay its expenses associated with Internet connectivity at its location. AMP will maintain and pay for a VPN connection from the WAN backhaul provider. As part of its monitoring of the WAN Backhaul circuit pursuant to Task 1.1, Silver Spring will provide ongoing monitoring and management of the VPN termination equipment. If AMP chose to establish and employ a dedicated telecommunications circuit for WAN backhaul connectivity in lieu of or in addition to a VPN, AMP will maintain that connection at AMP's expense and Silver Spring will monitor that connection.

- 1.7. **Firmware Maintenance.** At its discretion, Silver Spring will install Firmware Updates to the Communications Modules in Equipment, as a planned System Change. Equipment receiving a Firmware Update will be unavailable during the final step of the update process. For clarity, installation of meter firmware updates is not included in the Solution Services. Installation of meter firmware updates can be performed under a separate agreement.
2. **Silver Spring Utility IQ (UIQ) AMI Head-End Ongoing Maintenance and Management**
 - 2.1. **Software Support.** Software Support will be provided as set forth in Attachment 1 to this Exhibit B.
 - 2.2. **Application Hosting and Management**
 - 2.2.1. **General.** Silver Spring will administer and monitor the Server, database and storage for the UIQ environments purchased by AMP, and related Back Office network circuits and components. Silver Spring will monitor the UIQ System 24x7 remotely from the NOC. When an Incident triggers an alert, Silver Spring will communicate with AMP as set forth in Attachment 1 to this Exhibit B, track the incident, troubleshoot the problem, and escalate to Silver Spring subject matter experts or third party vendors as needed, pursuant to the agreed Incident management process. AMP will cooperate with reasonable requests that Silver Spring makes as part of its efforts to respond to Incidents.
 - 2.2.1.1. **System Changes.** For any planned or urgent System Change related to any aspect of the Back Office, Silver Spring will follow the established change management process and implement the change during a Maintenance Window as described below, or as the Parties otherwise agree.
 - 2.2.2. **Maintenance by Silver Spring; Back Office Maintenance Windows.** In accordance with the established change management procedures, Silver Spring will perform maintenance on Back Office hardware and software during one maintenance window ("**Maintenance Window**") per week, at a regularly scheduled time and lasting four (4) hours unless otherwise agreed. The Maintenance Window will always be available, but may not always be used. Unless mutually agreed, and for additional fees, all Maintenance Window will take place on a weekday after AMP's and Participating Member's local business hours. Annually, Silver Spring will publish its standard Maintenance Window schedule and, if necessary, work with AMP to align their maintenance window.
 - 2.2.2.1. **Updates.** Silver Spring will provide and install, if applicable, Updates in accordance with Attachment 1 to this Exhibit B.
 - 2.2.3. **Capacity Management.** Before introducing any Non-AMI Traffic into the NAN and/or WAN, AMP and Silver Spring will determine whether Non-AMI Traffic will impact the available capacity of the NAN and WAN and to plan for any such introduction to avoid interference with the timely performance of meter reads and other AMI functions. As part of this analysis, the Parties will determine whether additional Access Points or Relays are required or current Access Points and Relays must be relocated, all of which will be at AMP's expense.
 - 2.2.4. **Backups and Restoration of Data.** Each Business Day, Silver Spring will conduct daily backups of application configuration files and Generated Data. These backups are for operational purposes only and are not a disaster recovery solution or a solution to be used by AMP for testing or analysis purposes.
 - 2.2.5. **Disaster Recovery.** If Silver Spring declares, pursuant to the Disaster Recovery Plan, that an entire data center or other event causing a significant loss of a production system functionality and/or inability to access or read production data is a "disaster," Silver Spring will provide failover between the production and disaster recovery environments in a manner that meets the RTO and RPO, as defined below. Silver Spring will restore the production environment in accordance with the Disaster Recovery Plan.
 - a "Recovery Point Objective" or "RPO" means the point in time from which data can be recovered after the occurrence of an event causing a significant loss of system functionality and/or inability to access or read data. This term is used exclusively in the context of disaster recovery. The RPO for this SOW is four (4) hours.
 - b "Recovery Time Objective" or "RTO" means the time period during which business functions need to be restored after the Parties have agreed that an event causing a significant loss of system functionality and/or inability to access or read data has

occurred. This term is used exclusively in the context of disaster recovery. The RTO for this SOW is twenty-four (24) hours from the time a disaster is declared.

- 2.2.6. **Disaster Recovery Test.** Silver Spring will perform a test of the Disaster Recovery Plan annually to confirm failover capabilities between data centers. The annual Disaster Recovery Test will be conducted in a scheduled maintenance window during which AMP's Production environment will be unavailable. Upon a successful completion of the Disaster Recovery Test a Report will be provided to AMP for AMP's record-keeping. If test is unsuccessful another test will be scheduled and performed within 45 business days. This process will continue until a successful test is performed.
 - 2.2.7. **Alignment of Disaster Recovery with Production.** As System Changes are made to the production environment, Silver Spring will make identical changes to the disaster recovery environment.
3. **Electsolve Applications and System Ongoing Support.**
 - 3.1. Patching, Maintenance, and support of all servers within the Participating Member MDMS System
 - 3.2. Backup Services. - Backup retention will be 4 weeks of daily backups available along with a minimum 1 year of at least one monthly backup (12 total, one per month) available.
 - 3.3. Replication to Disaster Recover (DR) site
 - 3.3.1. Disaster Recovery RTO of 4 to 8 hours.
 - 3.3.2. Annual DR failover test will be performed to validate system recovery
 - 3.4. Refer to Attachment 1 to this Exhibit for detailed information about Electsolve ongoing support services

ATTACHMENT 1 SUPPORT SERVICES

SILVERSPRING SUPPORT SERVICES TERMS

1. Certain Definitions. Capitalized terms used in this Attachment have the following meanings:

“**Error**” means a material failure of the Software to perform in accordance with its Documentation. Errors do not include, and Silver Spring shall have no responsibility for, any failure of the Software caused by any of the following: (i) any alterations, or modifications not made or approved by Silver Spring in writing; (ii) misuse or abuse, including without limitation the failure to operate the Software in accordance with Silver Spring's installation and operating instructions, or Documentation, including without limitation on computing devices or with computer operating systems and/or third party software other than those recommended by Silver Spring in writing; (iii) the Software has been damaged in any manner due to the fault or negligence of any person or entity other than Silver Spring or its authorized contractor; (iv) AMP fails to reasonably assist Silver Spring in verifying, reproducing and correcting error conditions, or Silver Spring is unable, after using reasonable efforts, to verify and reproduce the error condition reported by AMP; (v) any failure of the computer operating systems, hardware environment, and/or third party software utilized by AMP; or (vi) accident, Force Majeure or other types of damage not caused by Silver Spring.

“**Incident**” means an event that is not a standard operation and causes or may cause a disruption to or reduction in the quality of a Service, system or AMP productivity.

“**Major Release**” means a new release of Software supported by Silver Spring that adds features and functionality improving overall product performance, efficiency and usability. Major Releases are denoted by a change in the digit number of the release to the left of the decimal point (e.g., 1.5 to 2.0).

“**Minor Release**” means a new Software release supported by Silver Spring that impacts overall product performance, efficiency and usability. Minor Releases are denoted by a change to the tenths decimal number of the release (e.g., 1.5 to 1.6).

“**Patch Release**” means a Software release that provides Error fixes, and is denoted by a change to the hundredths decimal number of the release (e.g., 1.5.2 to 1.5.3).

“**Questions**” means AMP's requests for general technical support or information.

“**Tier 1 Support**” means support provided to Municipalities by Separate Silver Spring. Issues identified by the Municipalities will be directed to the Separate Silver Spring's (i.e., ElectSolve) Help Desk.

“**Tier 2 Support**” means technical support provided to AMP's support coordinators. UtilityIQ and network connectivity problems identified by AMP will be directed to the Silver Spring Help Desk.

“**Tier 3 Support**” means Silver Spring's support personnel that provide the services described in Section 2 below.

“**Update(s)**” means a Major Release, Minor Release, or Patch Release. Updates do not include stand-alone, plug-in or add-on software products or modules licensed separately that contain new features and functionality for which Silver Spring charges separate license and Support Services fees.

2. SUPPORT SERVICES. Silver Spring will provide Customer with the following Support Services for the term of the AMI Project for which Customer has purchased Support Services:

2.1. Access to Customer Support. Silver Spring will provide 24x7x365 secure access to a web-based customer portal containing Silver Spring product documentation, Updates, and other “self-service” materials, including a ticketing system that allows the customer to open and track the status of issues. Silver Spring Customer

Support will be available to provide the Services described in this Exhibit, on weekdays (excluding Silver Spring holidays as Silver Spring will specify annually in advance), during the hours listed below in Table 1. Except as required for Priority 1 Incidents pursuant to Table 2 below, contact during Customer Support Business Hours may be made by telephone or email using the contact information provided in Table 1, or via a Silver Spring-provided ticketing system.

Table 1 – Customer Support Business Hours and Contact Information

Customer Location	Customer Support Business Hours	Email Support	Telephone Support
North America	5 a.m.– 6 p.m. (Pacific)	support@silverspringnet.com	888.776.9876 (US) 650.298.4298 (Canada)

Calls made after Customer Support Business Hours will be diverted to Silver Spring personnel for Priority 1 Incidents. Customer must centralize its interactions with Silver Spring's Customer Support staff by assigning no more than two (2) persons who are authorized to contact Silver Spring for Support Services ("**Authorized CSR Supervisors**"). Authorized CSR Supervisors will be responsible for relaying information between Silver Spring and other members of Customer's support staff.

Silver Spring's Customer Support personnel will respond to Incidents, Questions and Errors as described below. Unless otherwise mutually agreed on a case by case basis, Silver Spring's Customer Support personnel will be Customer's primary point of contact.

Unless otherwise stated in an applicable SOW, AMP will provide Silver Spring with at least ten (10) Business Days' advance written notice when requesting Silver Spring resources to be on-site.

While Priority 1 issues will always be addressed via Customer Support 24x7, unless otherwise stated, Silver Spring team members other than Customer Support staff will be available during normal local business hours (9am-6pm on Business Days) for that specific resource – for example, Silver Spring team members in Redwood City, CA, are available during those hours Pacific Time, while Silver Spring team members performing in-field assistance are available during those hours in AMP's time zone. Off-hour resources can be arranged during critical periods; additional charges may apply.

2.2. Incidents and Questions. Silver Spring's Customer Support personnel will provide Tier 3 support, and receive and respond to Incidents and Questions. As a result of an Incident or Question being entered into the ticketing system, a new "Service Request" will be generated and referenced from that point forward. As Tier 3 support, Silver Spring's Customer Support personnel will respond only to Incidents and Questions submitted by the Authorized CSR Supervisors after they have attempted to resolve problems from Customer's other staff. Silver Spring will use reasonable efforts to provide support within the timeframes and in the manner specified in Table 2 below. Customer will cooperate with Silver Spring's reasonable requests.

If Customer has purchased SaaS, Silver Spring's Customer Support personnel will proactively alert Customer about Priority 1 Incidents that Silver Spring discovers in the course of its monitoring and management responsibilities under SaaS.

Unless Customer has purchased SaaS, Customer is solely responsible for remediating the root cause of Incidents (including, but not limited to, installing Software or Firmware updates).

2.3. Classification of Incidents and Questions. When Customer submits an Incident or a Question, Customer will reasonably assess its urgency according to the appropriate Priority Levels defined in Table 2. Silver Spring will confirm the Priority Level and the Parties will resolve any disagreement regarding the Priority Level designation as soon as is reasonably practical.

Table 2 –Priority Levels, Response and Resolution Process* Regarding Incidents and Questions

Priority	Description	Response Time and Continuing Communication	Resolution Process	Escalation
1	<p>Mission-critical functions in supported applications or Firmware within a production system are stopped or unavailable such that Customer cannot reasonably continue work.</p>	<p>Silver Spring Detects: Silver Spring will contact Customer by telephone within 30 minutes of initial detection, regardless of time of day.</p> <p>Customer Detects: Customer will contact Silver Spring by telephone to report the incident. If this contact is outside of Customer Support Business Hours, Silver Spring will contact Customer within 30 minutes of receipt of the Incident to acknowledge receipt of the report.</p> <p>Target: Silver Spring will meet the stated Response times for 90% of all Priority 1 Incidents and will respond to 100% within 4 hours of receipt of the Incident.</p> <p>Continuing Communication: Every 2 hours after initial contact, unless the Parties otherwise agree.</p>	<p>Silver Spring will investigate and work on a 24 x 7 basis to provide Customer with a root cause analysis and to:</p> <p>(1) resolve the Incident with a workaround; (2) implement a change to eliminate the root cause; or (3) downgrade the Priority to a P2, P3 or P4, whichever is earlier.</p> <p>Customer must be available 24x7 to work with Silver Spring. If the root cause is found (or suspected) to be due to an Error, Silver Spring will issue an Error Report and track the progress toward the completion of a change which resolves the Error, according to Table 3 below.</p>	<p>If Silver Spring fails to respond within targeted response times, the Incident will be escalated as follows:</p> <p>After 30 minutes: Director, Front Line Support</p> <p>After 1 hour : Senior Director, Customer Support</p> <p>After 4 hours: Client Delivery Executive</p> <p>After 8 hours: SVP, Smart Grid Services and Operations</p>
2	<p>Major functions in supported applications or Firmware within a production system are significantly and adversely affected. The function has major and material business impact to Customer.</p>	<p>Silver Spring Detects: During Customer Support Business Hours, Silver Spring will contact Customer within 90 minutes of initial detection.</p> <p>Customer Detects: Customer will contact Silver Spring to report the Incident during Customer Support Business Hours.</p> <p>Target: Silver Spring will meet the stated Response times for 90% of all Priority 2 Incidents and will respond to 100% within 4 hours of receipt of the Incident.</p> <p>Continuing Communication: Every 6 hours after initial contact during Customer Support Business Hours, unless the Parties otherwise agree, unless the Parties otherwise agree.</p>	<p>Silver Spring will investigate and work during Customer Support Business Hours to:</p> <p>(1) resolve the Incident with a workaround; (2) implement a change to eliminate the root cause; or (3) downgrade the Priority to a P3 or P4, whichever is earlier. If the root cause is found (or suspected) to be due to an Error, Silver Spring will issue an Error Report and track the progress toward the completion of a change which resolves the Error, according to Table 3 below.</p>	<p>If Silver Spring fails to respond within targeted response times, the Incident will be escalated as follows:</p> <p>After 90 minutes: Director, Front Line Support</p> <p>After 4 hours Senior Director, Customer Support</p> <p>After 8 hours: Client Delivery Executive</p> <p>After 24 hours: SVP, Smart Grid Services and Operations</p>

Priority	Description	Response Time and Continuing Communication	Resolution Process	Escalation
3	Minor functions in supported software or Firmware are either severely degraded or inoperable and may have low business impact but do not prevent Customer from performing regular business activity.	Customer will contact Silver Spring to report the Incident during Customer Support Business Hours. Silver Spring will acknowledge the Incident within 1 business day. Target: Silver Spring will respond to 100% within 1 business day of Incident Report receipt. Continuing Communication: Weekly, unless the Parties otherwise agree.	Silver Spring will investigate and work during Customer Support Business Hours to: (1) resolve the Incident with a workaround; (2) implement a change to eliminate the root cause; or (3) downgrade the Priority to a P4, whichever is earlier. If the root cause is found (or suspected) to be due to an Error, Silver Spring will issue an Error Report and track the progress toward the completion of a change which resolves the Error, according to Table 3 below.	On Request
4	Errors with day-to-day use of the product, whether classified as user interface related, errors in documentation, presentation, or functionality that do not prevent Customer from performing daily business.	Customer will contact Silver Spring to report the incident during Customer Support Business Hours. Silver Spring will acknowledge the Incident within one business day of receipt of the Incident. Target: Silver Spring will respond to 100% within one business day of receipt of the Incident. Continuing Communication: Weekly, unless the Parties otherwise agree.	Silver Spring will investigate and work during Customer Support Business Hours to: (1) resolve the Incident with a workaround; or (2) implement a change to eliminate the root cause. If the root cause (or suspected root cause) is due to an Error, Silver Spring will issue an Error Report and track the progress toward the completion of a change which resolves the Error, according to Table 3 below.	On Request

No incident regarding a non-production environment will be considered a Priority 1 incident (i.e., an incident that would be considered Priority 1 if it affected the production environment will be categorized as Priority 2). Moreover, if Customer reports an Incident affecting Equipment or network performance as Priority 1 in any area that has not been Optimized, Silver Spring may, in its sole discretion, categorize such incident as Priority 2. Because such non-Optimized meters may not be used for billing, such an Incident will not be deemed critical to Customer's business operations and Priority 1 classification may not be deemed appropriate.

Silver Spring will close out an Incident, unless Customer objects within ten (10) days of receipt of Silver Spring's resolution of the Incident.

2.4. Error Management. To the extent Silver Spring determines or suspects that the root cause of a reported Incident is an Error, Silver Spring will open a report ("**Error Report**") and use reasonable efforts to investigate and resolve the Error in accordance with Table 3 below. Target resolution timeframes in Table 3 do not include the time that elapsed before a problem was identified as an Error.

2.5. Classification of Errors. When Silver Spring determines that the root cause of an Incident is an Error, it will reasonably classify the Error in accordance with the Severity Levels defined in Table 3. The Parties will resolve any disagreements about the Severity Level designation as soon as is reasonably practical.

Table 3 – Software and Firmware Error Management with Severity Levels, Response and Target Resolution Times

Severity	Technical (System) Error	Operational Error	Target Resolution Time and Continuing Communication preceding Resolution
1	<p><u>Critical Error.</u> Critical functions in supported applications within a production system have stopped or unavailable such that Customer cannot reasonably continue work. The function is mission critical to the Customer's business and has significant material impact. Severity 1 defects are a function of the software application affected, and typical examples would include: (i) correctness of metrology data used for usage derived billing generation purposes; and (ii) major documented functions such as meter read, remote disconnect and meter data export are inoperable. This would also include the system hanging frequently and indefinitely even after repeated restarts, causing unacceptable or indefinite delays for resources or response. An example of a Severity 1 issue for Firmware would be the loss of communication to the network resulting in a large number of estimated bills. For Firmware to qualify as a Severity 1 issue, the Error must impact a significant number of the deployed endpoints.</p>	<p><u>Emergency Priority Operations Error.</u> Stops business from performing essential daily work. Measurement of energy use is not functioning correctly, and a manual workaround is not feasible (e.g., when the system completely fails to collect energy use information).</p>	<p>As soon as possible, with communication after opening of Error Report every 4 hours until resolution. Silver Spring will provide continuous efforts until the earlier of: (a) a change resolves the root cause, or (b) a workaround is provided. Customer must work with Silver Spring continuously until such time. Typically, resolution of Severity 1 Errors requires an emergency Patch Release. Additional time may be required for resolution of Errors resulting from meter firmware bugs.</p>

Severity	Technical (System) Error	Operational Error	Target Resolution Time and Continuing Communication preceding Resolution
2	<p>Major System Error. Major functions in supported applications within a production system are significantly and adversely affected and have a major business impact to the Customer. Severity 2 defects are a function of the application affected and would include major documented functions such as meter read, remote disconnect and severe degradation of the meter data export. For Software, this would also include the system hanging or crashing intermittently, but can be restarted to restore operation.</p>	<p>High Priority Operations Error. The Error has a significant adverse impact on Customer. High risk security errors are considered to be "high priority."</p>	<p>As soon as possible, with daily communication after opening of Error Report until Silver Spring provides a diagnosis and reasonable action plan. Thereafter, every other business day until resolution. Silver Spring will use commercially reasonable efforts to provide a diagnosis and reasonable action plan within 2 Business Days. Customer must work with Silver Spring to facilitate resolution. Typically, resolution of Severity 2 Errors requires an emergency Patch Release.</p>
3	<p>Moderate System Error. Minor functions in the supported application are severely degraded or inoperable and may have low business impact, but do not prevent the Customer from performing regular business activity.</p>	<p>Medium Priority Operations Error. The Error affects system users, but does not stop the performance of Customer's daily business and there is a reasonable workaround.</p>	<p>180 calendar days (based on relative prioritization*) after opening of Error Report with ongoing communication until Silver Spring provides diagnosis and reasonable action plan, or until resolution. * After fixes for higher rated Errors are placed into production, fixes for moderate Errors will be considered for inclusion in the next available Update.</p>
4	<p>Minor System Error. Errors with day-to-day use of the product, whether classified as user interface related, errors in documentation, presentation, or functionality which may have small material business impact but does not prevent the Customer from performing daily business.</p>	<p>Low Priority Operations Error. The Error is an irritant.</p>	<p>Upon mutual agreement, 365 calendar days after opening of Error Report, to be resolved in the normal course of Silver Spring's development activities** unless Silver Spring and Customer agree to close the Error Report without any resolution. Communication after opening of Error Report will be monthly until Silver Spring provides diagnosis and reasonable action plan, then quarterly until resolution. ** After higher rated Errors have been fixed and scheduled for release, fixes for minor Errors will be considered for inclusion in that release or in a subsequent release in the normal course of Silver Spring's development activities.</p>

1.

2.

2.6. On-Site Support. Silver Spring will provide on-site support at a mutually agreed time, at Silver Spring's then-current standard consulting rates, plus all travel, lodging and incidental expenses.

2.7. Remote Support. Silver Spring will provide remote support to customers who have purchased SaaS in accordance with the applicable statement of work. If Customer has not purchased SaaS, Customer will, at its cost, provide Silver Spring with remote access to the UIQ System, and, through it, to the WAN Backhaul and NAN, via a secure VPN connection to facilitate Silver Spring's ability to troubleshoot and support Customer to the extent required to diagnose or address Errors. Any delay in providing such access, or any failure of such access due to acts or omissions of Customer may affect the time required for resolution.

2.8. Device History. As mutually agreed, and for customers who have not purchased SaaS, Customer shall provide Silver Spring with a properly completed monthly report in a reasonable form provided by Silver Spring that addresses the history for all Equipment to distinguish between potential Incidents and hardware issues.

2.9. Updates. At its discretion and upon general release, Silver Spring will provide Updates to Customer, at no additional charge. Silver Spring will install Updates if Customer has purchased SaaS. If Customer has not purchased SaaS, Silver Spring will provide Updates and related documentation electronically for installation and implementation by Customer or by Silver Spring at an additional cost.

2.10. Limits to Software Version Support for Customers with Deployments in Excess of Two Years. If Customer refuses Updates to the version of UIQ Software it is using, Silver Spring will provide Support Services for that Minor Release for a period of the lesser of: (a) the remainder of the SaaS Term or term for which Customer purchased Support Services, or (b) two (2) years from the general availability date of the Minor Release. For the purposes of version support, a Major Release includes a Minor Release by default, and will be treated as such. Customer may purchase an additional two (2) years of Minor Release version support ("Extended Software Support") for the Fee specified in Exhibit F; provided that, Silver Spring's sole obligation with respect to Extended Software Support will be to release Software for purposes of bug fixes and maintenance modifications. Silver Spring will provide Customer with a minimum of six (6) months advanced notice for each of (i) End of Standard Software Support, (ii) End of Extended Software Support, and (iii) End of Life for product.

2.11. Limits to Firmware Version Support for Customers with Deployments in Excess of Two Years. If Customer refuses Updates to the version of Firmware it is using, Silver Spring will provide Support Services for that Minor Release for a period of the lesser of: (a) the remainder of the SaaS Term, or (b) two (2) years from the general availability date of the Minor Release. For the purposes of version support, a Major Release includes a Minor Release by default, and will be treated as such. Customer may purchase an additional two (2) years of Minor Release version support ("Extended Firmware Support") for the fee specified in Exhibit F; provided that, Silver Spring's sole obligation with respect to Extended Firmware Support will be to release Firmware for purposes of bug fixes and maintenance modifications. Silver Spring will provide Customer with a minimum of six (6) months advanced notice for each of (i) End of Standard Firmware Support, (ii) End of Extended Firmware Support, and (iii) End of Life for product.

2.12. Customer's Responsibilities. Customer will provide Tier 1 Support and Tier 2 Support. Customer is responsible for acting on and implementing the support solutions that Silver Spring recommends or provides, including workarounds. In the event of an emergency Software or Firmware Patch Release, which addresses a critical Error that could have material impact, Customer shall implement the emergency patch in a timely manner as directed by Silver Spring. Silver Spring shall have no liability for Customers' failure to implement the emergency Patch Release.

3. TERM AND TERMINATION. Support Services will commence on the initial delivery date of the UIQ Software and remain in full force and effect for an initial term of (a) one (1) year, unless sooner terminated in accordance with this Attachment or (b) in accordance with the Support Services term. Thereafter, Support Services will automatically renew for additional consecutive one (1) year terms, unless either Party has notified the other of its intent not to renew at least ninety (90) days prior to the expiration of the then-current term. Support Services will automatically terminate if the SOW is terminated in accordance with its terms.

ELECTSOLVE SUPPORT SERVICES TERMS

ETSS will provide Tier 1, 2 and 3 support. Integration Support includes:

- Access to software interface and integration upgrades, program patches and documentation updates
- Business hour hotline support, telephone support from 8:00 AM to 5:00 PM CST. After hours support provided for Priority 1 calls.
- Application and data problem diagnosis assistance resulting from third party system integration issues, data management or other related causes.

1. New Releases and Updates

Supplier will notify CUSTOMER 30 days in advance of installing a new certified version of the Software. Supplier will then coordinate with CUSTOMER to install the latest available versions of the Software at a suitable time and will coordinate this installation within any customer required maintenance window(s) following agreed upon change management process. Supplier will provide the SAT procedures to CUSTOMER and conduct the SAT remotely from Supplier offices. CUSTOMER will provide Supplier with SAT testing results within 15 business days of completion of the SAT.

2. Platform Software and Server Software:

Prior to any upgrade/update, the Parties will determine the likely impact of a pending upgrade on CUSTOMER platforms (servers or devices) and applications. Installation date of new Release(s) will be mutually agreed between CUSTOMER and Supplier to ensure that the timing does not adversely impact CUSTOMER.

3. Incident Management

CUSTOMER and Supplier collaboration and communication is a key to mutual success. All entities responsible for Service Availability will follow an agreed matrix for Incident communication and Incident Management to be developed during the project kickoff workshop.

A. Cases and Updates

Supplier will coordinate Incident isolation, testing and repair work for supplier Software and all Software third-party component system errors, defects or problems that are within Supplier's span of control which are covered under the applicable Software Maintenance and Support Agreements. Supplier will proactively inform CUSTOMER when an issue or condition arises that may cause potential system anomalies and additional Cases.

B. CUSTOMER Notification to Supplier

CUSTOMER may communicate Incidents to Supplier by email or telephone at any time. In each case, SUPPLIER will open a Case with information to assist in Incident Resolution and will assign a Case number to the Incident. Supplier will generate a single response by email for each Case regardless of initial Incident notification method.

C. Incident Classifications

Supplier assigns incidents/cases to a specific category based on the following matrix below:

Category	Definition
Severity 1 – Urgent	Complete Software failure, severe Software instability, or the loss or failure of any major subsystem or Software component such as to cause a significant adverse impact to Software availability, performance, or operational capability.
Severity 2 – Serious	Degradation of Software or critical functions such as to negatively impact Software operation.
Severity 3 – Minor	Any other Software defect, failure, or unexpected operation.
Severity 4 – General/Technical Help	Request for Software information, technical configuration assistance, “how to” guidance, and enhancement requests.

3. D. Escalation Procedure

CUSTOMER may elect to escalate a support Severity 2, 3 or 4 problem if and when Supplier proposed action plan or solution to a problem is unsatisfactory, the reported severity of a problem has changed, and/or the Supplier has not provided a response within the stated response time set forth in (G) below.

4. E. Business Hours Support

Support Email Address - ElectSolve_Support@electsolve.com

Regular Business Hours Phone - 318-221-2055

- Supplier will provide assistance with service requests 8 hours per day, 5 days per week excluding holidays. Support shall be provided during normal working hours (8:00 am – 5:00 pm Central Time). After hours support outlined below.
- The Support team shall include all key technical competencies so that any aspect of a system failure can be investigated and shall comprise experienced technical staff that is skilled in troubleshooting Supplier delivered system.
- Each case entered by Customer shall be logged, given a unique case number, and assigned to a Supplier support resource for investigation and analysis.
- Severity 1 problems shall be reported by telephone for rapid response; target response times are stated below.
- For severity 1 problems, the key objective shall be to restore the system to an operational state as quickly as possible, which may be achieved by a temporary workaround. Resolution of the defect shall then be completed during Supplier standard working hours.
- Severity 2 problems shall be reported in the same manner as for 8X5 Support but shall have shorter target response times as stated below.
- The Support service goals shall be to meet these targets for greater than 95% of all incoming requests.

Support Service Targets	Support Invoice Credit for Availability Shortfall (against Total Monthly Service Fee)
95.00% - 100%	0%
93.50% - 94.99%	5%
90.50% - 93.49%	7.5%
< 90.49%	10%

- Severity 3 and 4 problems shall be treated in the same manner as for 8X5 Support.

5. F. After Hours and Holiday Support (Severity 1 – Urgent only)

6. After Hours Phone – 888-407-1621

- After Hours Support is defined as incidents that occur Monday – Friday before 8am Central time or after 5pm Central Time or on Saturdays, Sundays or holidays
- After Hours Support should only be used for incidents that would be considered Severity Level 1 problems
- To report a Severity Level 1 incident after regular hours, call the Supplier’s on-call number listed above
- In the event the customer is unable to talk to a support representative directly, the customer should leave a detailed message and they will be contacted within the allotted timeframe for a Severity Level 1 issue as outlined in section G.

7. G. Standard Support Target Problem Response Times

Severity	Initial Response Time (call back by Technician)	Action Response Time (work will begin)	Action
1	60 minutes (For after hours/holiday support, customer must call after hours number in section F to guarantee response time)	4 hours	An urgent or emergency situation requiring continuous attention from necessary support staff until system operation is restored – may be a workaround.
2	1 day	1 day	Attempt to find a solution acceptable to the customer as quickly as practical. Resolution

Severity	Initial Response Time (call back by Technician)	Action Response Time (work will begin)	Action
			may be a workaround. Resolution time is dependent on reproducibility, ability to gather data, and customer's prioritization.
3	2 days	5 days	Evaluation and action plan. Resolution may be by workaround. Resolution time is dependent on reproducibility, ability to gather data, and customer's prioritization.
4	2 days	10 days	Statement of when problem or question is likely to be resolved.

**ATTACHMENT 3
SILVER SPRING CHANGE MANAGEMENT PROCESS**

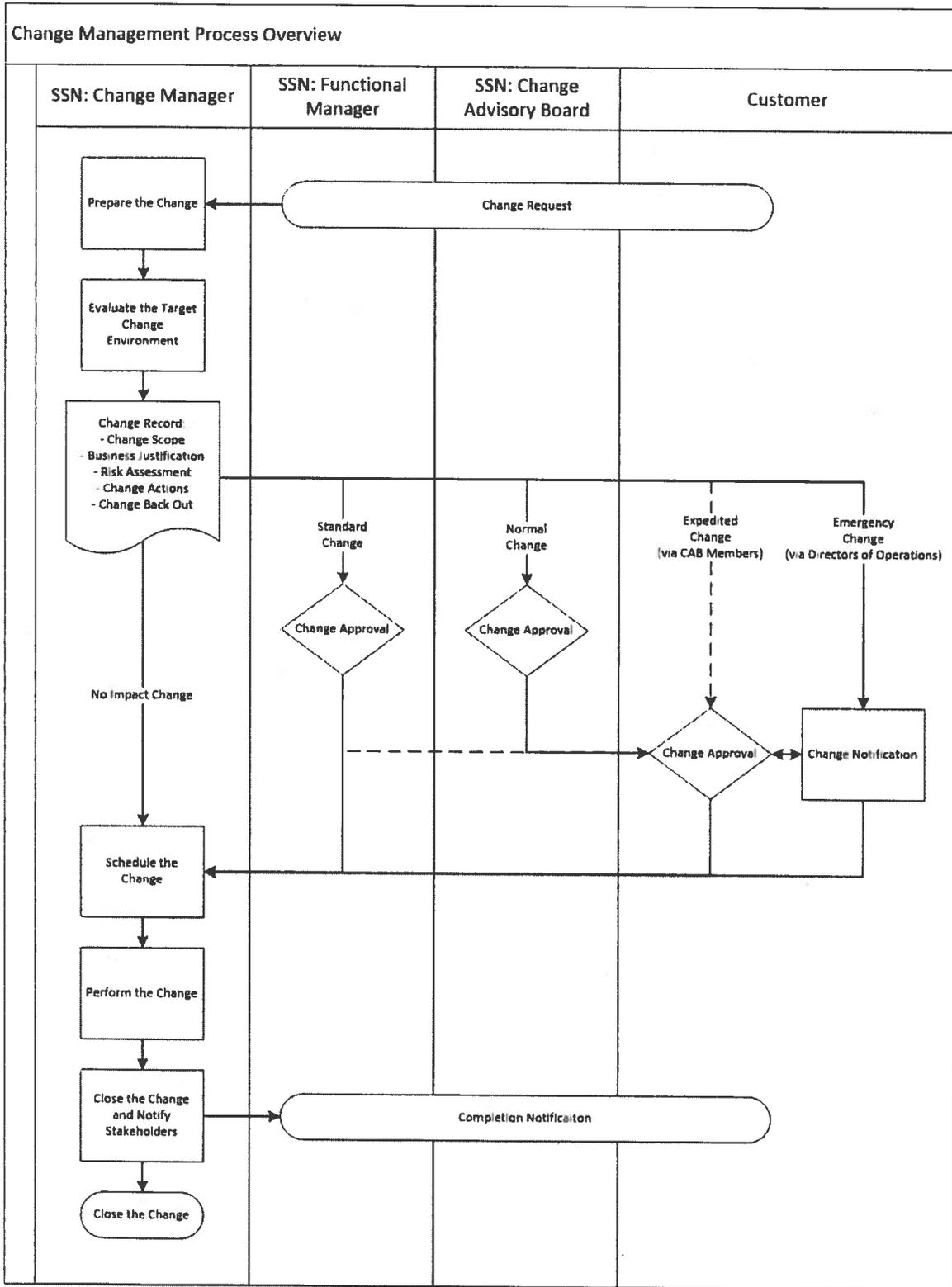


EXHIBIT C – DEFINITIONS

1. “Acceptance Testing” means the procedure by which the Parties perform a series of tests to validate, measure and verify Product functionality.
2. “Access Points” or “APs” means Equipment that acts as an interface between the NAN and the WAN that allows UIQ to communicate with the Endpoints.
3. “AMI” or “Advanced Metering Infrastructure” means hardware and software that, along with communications services, enable automated meter reading and other capabilities.
4. “AMI Project” means AMP’s AMI project as described in the applicable SOW, excluding materials, equipment, software or services provided by third parties not under Silver Spring’s direction or control.
5. “AMI System” means the AMI products and technologies that Silver Spring will provide, including: (a) the Back Office, (b) WAN connections to/from Access Points, (c) the NAN, exclusive of eBridges, and (d) the data center infrastructure, facilities, and environmental and power resources where the Back Office equipment is located.
6. “AMI Traffic” means (i) communications between and among the UIQ System and Access Points, Relays and Integrated Meters associated with routine network management and diagnostic functions; and (ii) data and communications flowing between the UIQ System and Integrated Meters through Silver Spring RF mesh network, provided that the same are related to meter reading, meter configuration, meter maintenance, meter status, and remote disconnect switch operation or status.
7. “Anchor Read” means the “register value” stored once daily in a register in the Communication Module as installed in the Integrated Meter (usually at midnight).
8. “Application Server” means the hosted server and web based interface that is used by End Users to access and utilize the Service.
9. “Authorized CSR Supervisors” means the CSR Representatives who are authorized to contact Silver Spring for Support Services.
10. “Availability” means the percentage resulting from the following calculation: $[1 - (\text{Down Time} / \text{Total Time})] \times 100$. Availability percentages must be expressed to two decimal points with the second decimal place rounded up or down to the nearest one-hundredth of a percentage point.
11. “Backhaul” means the WAN between the Access Points and the data center (e.g., cellular 3G networks, broadband over power line (BPL), Wi-Fi, fibermux over Ethernet, etc.).
12. “Back Office” means and includes the UIQ System.
13. “Business Day” means weekdays excluding Silver Spring holidays as Silver Spring will specify annually in advance.
14. “Capacity” means the maximum System capability that is available to support the software.
15. “Case” means a numbered record that documents a significant event, enquiry or incident. The tracking document for an incident, enquiry or scheduled maintenance.
16. “Communication Module” means Silver Spring’s network interface card (sometimes also referred to a “NIC”), that is installed in Equipment and meters.
17. “Customer Support Representative” or “CSR” means a member of AMP’s customer service staff who provides telephone, email, or other remote support to End Customers.
18. “CSR Supervisors” means Customer personnel who supervise the CSRs.
19. “Deployed Endpoint” means an Endpoint that is in any operational state within the UIQ system, except “New”, which is a UIQ operational state used to track Endpoints shipped to the Purchaser and not yet installed (eg. Inventory for spares).
20. “Deployment Period” means the period under the applicable SOW commencing on SOW Effective Date, or date on which an applicable notice to proceed is issued, whichever is later, and ending upon completion of Acceptance Testing.
21. “Disaster Recovery Plan” means Silver Spring’s disaster recovery plan for SaaS.
22. “Documentation” means an electronic version of the then-current installation instructions and user manuals Silver Spring customarily provides to its customers.
23. “Down Time” means the number of minutes the Service is not operational during a calendar month and excludes scheduled downtime.
24. “Emergency Maintenance” means maintenance required outside the agreed-upon Contractd Maintenance or necessary within Contractd Maintenance but not scheduled more than 24 hours in advance.

25. "End Customer" means a residential or commercial customer of any Participating Member.
26. "Enhanced Field Network Design" means the field network design that incorporates recommended changes (i.e., those most useful to an effective and efficient Field Network Design) based on Site Survey results and AMP's review of pole locations.
27. "Endpoints" means and includes Integrated Meters, Water IMUs and any other device that the Parties agree in writing is an Endpoint.
28. "Equipment" means all hardware and related accessories Silver Spring provides to Participating Member under this Contract that is identified as such in an exhibit.
29. "Error" has the meaning set forth in Attachment 1 to Exhibit B.
30. "ETSS" means ElectSolve Technology Solutions and Services, a Separate Vendors.
31. "Excusable Delay" means conditions beyond a party's reasonable control, including, without limitation, Acts of God, accidents, fires, floods, earthquakes, severe weather, labor disputes, acts of civil or military authorities, or scheduling delays or delays in providing necessary resources by the other Party, or the other Party's contractors.
32. "Fees" means, with respect to any SOW, all amounts payable thereunder.
33. "Field Network Design" means a design created by Silver Spring that identifies the number and proposed locations of Relays and Access Points that will be required for the deployment area, based on the number, density, and coverage area of Endpoints, RF Mesh bandwidth requirements and acceptance criteria. The Field Network Design is dependent upon information that AMP provides under the applicable SOW.
34. "Field Service Unit (FSU)" means a 900MHz Frequency Hopping Spread Spectrum ("FHSS") radio provided by Silver Spring that works with a laptop or handheld computer to provide field service personnel the ability to wirelessly interrogate Silver Spring's radio communication network devices.
35. "Field Tests" or "Field Testing" means the tests for Equipment deployed in an area of AMP's service territory as set forth in the applicable SOW.
36. "Final Field Network Design" means the document that Silver Spring provides to AMP after each Optimization, and which describes the design, size, capacity and configuration of the Participating Member NAN, and the number and location of Access Points and Relays.
37. "Firmware" means the object code version of Silver Spring proprietary software that is embedded in Equipment.
38. "Force Majeure" means any event giving rise to an Excusable Delay.
39. "Fronthaul" means the connection between AMP's data center or corporate network and the Back Office, which enables (1) AMP's staff to access the UIQ System's user interface and (2) communications between AMP's backend systems (e.g. MDMS) and the UIQ System. Fronthaul connectivity can be established via VPN, dedicated telecommunications circuit, MPLS circuit or other mutually agreed transport.
40. "Gas IMU" means Silver Spring's gas interface management unit.
41. "Generated Data" means all information, data, analyses and reports generated by the UIQ System and stored in the UIQ System database.
42. "Hours of Operation" means 8 hours a day, 5 days a week, U.S. Central Time, Monday through Friday, excluding up to 10 holidays ("Support Hours").
43. "Incident" has the meaning set forth in Attachment 1 to Exhibit B and results in a Tier 1 Support Request.
44. "Initial Field Network Design" means the field network design that sets forth the initial estimate of the number of Access Points and Relays required for the deployment area, based on the number, density, and coverage area of Endpoints, RF mesh bandwidth requirements and acceptance criteria, without consideration of topography, land use, type of buildings, vegetation, etc.
45. "Installation Subcontractor" means a subcontractor to Silver Spring that performs installation services of Access Points, Relays, and Endpoints.
46. "Instance" means a copy of UIQ installed on a Silver Spring Server.
47. "Integrated Meter" means an electricity metering endpoint provided by the Integrated Meter Provider into which the Communications Module has been integrated in accordance with applicable specifications.
48. "Integrated Meter Provider" means a supplier of Integrated Meters for AMP, as agreed to by the Parties in writing.
49. "Interval Read" means, for Integrated Meters, the "interval values" stored in the channels in the Communication Module, which are recorded on the Communication Module on a periodic basis (e.g., every 15 or 60 minutes).
50. "IP" means Internet Protocol.
51. "Maintenance Window" has the meaning set forth in the applicable SOW.

52. "Major Release" has the meaning set forth in Attachment 1 to Exhibit B.
53. "Meter Data Management System (MDMS)" means a meter data management system provided by AMP.
54. "Minor Release" has the meaning set forth in Attachment 1 to Exhibit B.
55. "NAN" or "Neighborhood Area Network" means and includes Endpoints, Relays, Access Points and the wireless mesh network established as a result of such devices running UIQ. There will be a NAN for each AMP Participating Member
56. "NOC" means Silver Spring's network operations center.
57. "Non-AMI Traffic" means any network communications or information that does not constitute AMI Traffic.
58. "Optimization" means the procedure by which the field network design, Equipment configuration and implementation have been validated for the Endpoint locations installed under the applicable SOW by performing active and passive tests to (1) identify Endpoints / service points for which performance and data return redundancy meets the design specifications upon which the Parties have agreed (such Endpoints / service points would be considered "Optimized"), and (2) identify Endpoints / service points that do not meet such specifications so that they will be managed subsequent to Optimization. Optimization will be executed in a given area of the service territory (i.e., the area will be "Optimized") after initial Endpoint installation exceeds 95% complete in such area and all Access Points and Relays required by the Enhanced Field Network Design for the area have been installed and validated. Optimization may result in the placement of additional, or relocation of existing, Relays and Access Points in the area, to yield the Final Field Network Design.
59. "Optimization Area" means a collection of approximately 1-100,000 Integrated Meters spanning one Participating Member used for Optimization.
60. "Patch Release" has the meaning set forth in Attachment 1 to Exhibit B.
61. "Preventive Maintenance" means activities performed by Silver Spring that are necessary or desirable for the continuous provision of SaaS at their stated Service Levels, including, but not limited to, those activities that require the temporary cessation of one or more SaaS.
62. "Product(s)" means a combination of Equipment and Software.
63. "Project Management Services" means Silver Spring's project management services for project coordination and deployment of UtilityIQ as described in the applicable SOW.
64. "Project Manager" means the person each Party appoints to handle the day-to-day management of the Parties' respective responsibilities described in the applicable SOW.
65. "Project Plan" means a document prepared by Silver Spring and agreed to in writing by AMP, describing the Parties' respective tasks and responsibilities, milestones, deliverables, testing and Project Contract under an applicable SOW.
66. "Project Contract" means the schedule for delivery of the Products and completion of Services under an applicable SOW, as the Parties mutually agree in writing.
67. "Provisioned" means an Endpoint that is located in an area of the NAN and which is in any of the following operational states within the UIQ System: "active," "inactive," or "disconnected," and which has been Optimized, but which is not: (i) in a "discovered," "installed," "initializing," "unreachable" or "init failed" state; or (ii) considered to be in the process of being deployed.
68. "Purchase Order" means AMP's ordering document referencing this Contract.
69. "Questions" has the meaning set forth in Attachment 1 to Exhibit B.
70. "Relay" means Silver Spring's wireless receiver that routes and forwards information through the Silver Spring mesh network.
71. "Resolution" means the permanent correction of the error, defect or condition giving rise to the Incident/outage.
72. "RF" means radio frequency.
73. "Root Cause Analysis" means the process of identifying the core events that resulted in failure to meet performance requirements.
74. "SaaS (Software as a Service)" means the Service where Silver Spring operates Software on Silver Spring servers at a Silver Spring data center and makes such Software accessible to AMP, and AMP's Authorized Users, on a subscription basis.
75. "SAT" means System Acceptance Test.
76. "Contractd Maintenance" means the number of minutes of maintenance that is scheduled in advance and occurs within the Contractd Maintenance Window.

77. "Contractd Maintenance Window" means a three hour window of time in which Supplier may perform Contractd Maintenance.
78. "Server(s)" means the physical machine or computer on which UIQ will be installed.
79. "Service Availability" means the ability to sign on to the uCentra® Application.
80. "Service Level Agreement (SLA)" and "Service Level Credit" SLAs and Service Level Credits:
- a. Unless otherwise provided for in a SOW, Consultant will provide SaaS in accordance with the applicable service levels agreements ("SLAs") set forth in Exhibit D attached hereto. Unless otherwise provided for in a SOW, Consultant will issue AMP a credit in the amount set forth in Exhibit D for Consultant's failure to meet the applicable SLAs ("Service Level Credit"); provided, however, the total Service Level Credits awarded to AMP for any single month may not exceed twenty percent (20%) of the associated monthly SaaS Fees. Notwithstanding the foregoing, if a single event results in Consultant's failure to meet more than one SLA, only the SLA associated with the single greatest Service Level Credit shall apply for the purposes of calculating the total Service Level Credits. The Service Level Credits are the Purchasers' sole and exclusive remedy, and Consultant's sole liability, for the failure to meet the applicable SLA.
 - b. To receive a Service Level Credit, AMP must issue a written request to Consultant no later than thirty (30) calendar days after the circumstances giving rise to such Service Level Credit occurred. Each Service Level Credit request will be confirmed by Consultant's monitoring software. No Service Level Credits will be issued or accrue if AMP is not current in its payment obligations. SLAs will only apply to Provisioned Endpoints and only when those Provisioned Endpoints are fully powered and actively communicating. Service Level Credits shall not issue or accrue in connection with Consultant's failure to meet any SLA to the extent such failure is associated with any of the following: (i) prior to the completion of Optimization; (ii) during scheduled maintenance and emergency maintenance (including the installation of Firmware and for seventy-two (72) hours thereafter as the NAN returns to normal operating ranges); (iii) failure of any backhaul between Endpoints and the Server environment; (iv) failures in external Internet or VPN configurations not managed by Consultant; (v) any event that falls in the category of "Excusable Delays" as part of the applicable Vendor Agreement; (vi) incorrect metric reporting as a result of outages or errors of any Consultant measurement system; (vii) an act or omission of AMP, Participating Member, or other third parties beyond the reasonable control of Consultant; and (viii) failures of third-party equipment, hardware, software or services.
81. "Service Level/Priority" means priority set to each case by Supplier to determine what the resolution ETA should be.
82. "Site Survey" means an in-field inspection (generally by Silver Spring or its authorized agents) of the location where the Relays and Access Points will be deployed. The Site Survey includes the recording of information regarding the location, including, but not limited to, Longitude/Latitude coordinates, pole ID, mounting height, cellular signal strength and overall suitability of the location.
83. "Software" means any Silver Spring proprietary software and associated documentation identified as such in an exhibit to this Contract, including firmware and third party software embedded in any of the foregoing (Equipment and Software are referred to collectively as "Products");
84. "SOW" means an amendment to a Vendor Agreement which specifically addresses work to be performed for Participating Member.
85. "SOW Effective Date" means the date when an SOW becomes effective, which is the date of last signature of either Party to execute such SOW.
86. "Specifications" means the technical specifications for the Product upon which the Parties mutually agree in writing.
87. "Supplier's Span of Control" means Application Software used in connection with providing MDMS services to CUSTOMER. Exceptions that are out of Supplier's Span of Control:
- Common Carrier and telecommunication Issues
 - Backup Services
 - Off-site backup storage
 - Third Party software, data integrated problem resolution for non- Supplier software (CIS, AMI, SCADA, OMS, MWF, Pre-Pay, etc.)
 - Hardware/Servers/Switches/Routers/Firewalls/Storage Devices/etc.
 - Hardware Redundancy

Networks/Physical/Virtual/WAN/LAN/VPN, etc.
Network Performance
Participating Member Networks/Customer Network Performance
Participating Member Network Latency
Participating Member Provided Data Quality
Customer Network Security
Co-Location Security
Co-Location Service/Rack Space/Environmental Services/etc.
Telecom Latency
Infrastructure Disaster Recovery Services
Regional Power Outages

88. "Support Services" means any technical, informational and maintenance support services provided by Silver Spring in accordance with Attachment 1 to Exhibit B and Attachment 2 to Exhibit B.
89. "System" means any or all of Supplier's platforms, databases, software, product modules and API(s), both Third Party, and not Third party, that support the Service.
90. "System Change" means any change or modification to any infrastructure components of the UIQ System and the NANs.
91. "Tier 1 Support" has the meaning set forth in Attachment 1 to Exhibit B.
92. "Tier 2 Support" has the meaning set forth in Attachment 1 to Exhibit B.
93. "Tier 3 Support" has the meaning set forth in Attachment 1 to Exhibit B.
94. "Update(s)" has the meaning set forth in Attachment 1 to Exhibit B.
95. "UtilityIQ Software", "UtilityIQ" or "UIQ" means the object code version of Silver Spring's UtilityIQ® software. The UIQ modules must be licensed individually.
96. "UIQ System" means Silver Spring's head end system, including without limitation, Servers, Software and the following network and application components: (a) routers terminating IPSEC/RFC2893 tunnels; (b) VPN tunnel (or other circuit) connecting AMP to a UIQ environment; and (c) a data center infrastructure (including network, power and facilities).
97. "VPN" means a Virtual Private Network, which is a secure LAN-to-LAN tunnel based on the IPsec protocol, used to connect AMP and the NOC providing access to the Smart Grid System from AMP corporate location(s).
98. "WAN" means a Wide Area Network, which is the network supporting communications between the Access Points and the UIQ System.
99. "Water IMU" means Silver Spring's water interface management unit.

EXHIBIT D - SERVICE LEVELS AND CREDITS AND WARRANTIES

I. SERVICE LEVELS AND CREDITS

1. **SLA Triggers.** Each Service Level listed below will start to be enforceable, and to be reported on, upon the satisfaction of the condition noted below (each an "SLA Trigger").
2. **SLAs and Service Level Credits.**
 - 2.1. **Participating Member-level SLAs and Service Level Credits.** The SLAs described in this Section 2.1 will be measured on a per-Participating Member basis. Similarly, the Service Level Credits associated with the SLAs described in this Section 2.1 will be issued on a per-Participating Member basis, as a proportion of the SaaS Fees attributable to each Participating Member entitled to such Service Level Credits (each, an "Affected Participating Member").
 - 2.1.1. **Participating Member SLA for Endpoint Read Data.** For newly available data on the Communication Module, the UIQ System will gather and process Anchor Reads and Interval Reads from Provisioned Endpoints deployed within each Participating Member's territory at the applicable rate set forth in the tables below with respect to Anchor Reads captured at midnight and Interval Reads captured each day, by 10.00 a.m. local time the next day.
 - (a) **Endpoint Read Data SLA Applicable to Integrated Meters:**

SLAs for Meter Read Data	
# of Participating Member's Provisioned Integrated Meters	SLA
<500	No SLA
500-1,999	≥ 90%
2,000-4,999	≥ 95%
5,000-9,999	≥ 98%
>10,000	≥ 99%

- (b) **Endpoint Read Data SLA Applicable to Gas and Water IMUs:**

SLAs for Gas IMU and Water IMU Read Data	
# of Participating Member's Provisioned Gas IMUs and Water IMUs	SLA
<500	No SLA
500-1,999	≥ 89.5%
2,000-4,999	≥ 94.5%
5,000-9,999	≥ 97.5%
>10,000	≥ 98.5%

- 2.1.1.1. **SLA Trigger.** The SLA Trigger related to the SLA for Endpoint Read Data is the Optimization of Endpoints within a given Participating Member's Optimization Area. As each additional Area is Optimized, Silver Spring will identify the

Endpoints that are Optimized, and such Endpoints will be added to the set of Endpoints (either (i) Integrated Meters, or (ii) Gas and Water IMUs) subject to the applicable SLA above.

2.1.1.2. **Service Level Credits for Affected Participating Member.** If Silver Spring fails to meet the SLA defined in Section 2.1.1 above with respect to any given Affected Participating Member, AMP (on behalf of each Affected Participating Member) will be entitled to the following Service Level Credits, which shall be calculated based on the portion of the quarterly SaaS Fees attributable to such Affected Participating Member:

Service Level Credits for Failure to meet SLA for Endpoint Read Data	
Affected Participating Member's No. of Daily Failures in the Applicable Quarter	Service Level Credit <i>(% of affected Participating Member's attributable quarterly SaaS fee associated with the UIQ production environment)</i>
1 – 15	0%
16 – 30	4%
31-45	10%
46 – 60	15%
61 +	20%

2.1.2. **Participating Member SLA for On-Demand Requests.** The UIQ System will successfully execute at least ninety-eight percent (98.0%) of all (a) on-demand read, (b) on-demand remote connect and (c) on-demand remote disconnect requests made by each Participating Member for Provisioned Integrated Meters which are actively communicating. An on-demand request is a single transaction to a single Integrated Meter, initiated by a single user of the UIQ system. An on-demand read request does not include batch read jobs targeted at multiple Integrated Meters (e.g. “read all unread meters”). For the purposes of calculating this Service Level, multiple attempts to connect with a single device within a twenty-four (24) hour period will count as one failed attempt; on-demand read requests (single or batch) targeted at an Integrated Meter which was not read in the previous 24 hours will be excluded; and on-demand read jobs initiated by system-level accounts (“root” and “UIQ”) will be excluded.

2.1.2.1. **SLA Trigger.** The Service Level Trigger related to the SLA for on-demand performance is the Optimization of more than 10,000 Integrated Meters within a Participating Member’s given Optimization Area. Once this threshold is met, and as each additional Area is Optimized, Silver Spring will identify the Integrated Meters that are Optimized, and such Integrated Meters will be added to the set of Integrated Meters subject to the SLAs.

2.1.2.2. **Service Level Credits for Affected Municipalities.** If Silver Spring fails to meet the SLA defined in Section 2.1.2 above with respect to any given Affected Participating Member, AMP (on behalf of each Affected Participating Member) will be entitled to the following Service Level Credits, which shall be calculated based on the portion of the quarterly SaaS Fees attributable to such Affected Participating Member:

Service Level Credits for Failure to Meet SLA for On-Demand Requests	
Affected Participating Member's % of On-demand Requests Successfully Executed in the Applicable Quarter	Service Level Credit* <i>(% of affected Participating Member's attributable quarterly SaaS fee associated with the UIQ production environment)</i>
≥98.0% and 100.0%	0%
≥95.0% and <98.0%	5%
≥90.0% and <95.0%	10%
≤90.0%	20%
<i>*Service Level Credits will apply only if there is a minimum of 1,500 on-demand requests in the applicable quarter.</i>	

3. **Consecutive Failures to Meeting Minimum SLAs.** In the event that any minimum quarterly SLA (defined as 90.0% for on-demand requests and 95.0% for UIQ availability) is not be met in two consecutive quarters then, with respect to the second such quarter, the cap on cumulative Service Level Credits will be 30% of the applicable SaaS Fees. This 30% cap will continue to apply for each subsequent consecutive quarter in which the minimum quarterly SLAs defined above are not met.
4. **Reporting.** Notwithstanding the quarterly basis of measuring SLAs and issuing of any associated Service Level Credits described above, Silver Spring will measure and report on-going SLAs on a monthly basis, each calendar month, starting with the Service Level Triggers defined herein. That report will list performance against all SLAs in the prior month and an estimate of any Service Level Credits that may apply. Following each such report, the Parties will discuss such performance and the extent to which the estimated Service Level Credits either are appropriate or should be modified due to circumstances not captured by the reporting methodology. Upon agreement concerning the Service Level Credits due, such credits will be applied against Silver Spring's charges for the second month following the month in which the credits were incurred.
5. **Inconclusive Analyses.** Silver Spring will conduct root cause analyses of SLA failures to the extent that such analyses can be conducted remotely and do not require a field visit. If a field visit is required, then AMP will perform the work under direction from Silver Spring. If Silver Spring's analysis is inconclusive or if the Parties agree that circumstances outside Silver Spring's control caused the SLA failure (e.g., known or expected unreachable meter patterns in a given area), AMP will not be entitled to a Service Level Credit.

II. WARRANTIES

Vendor Silver Spring has contractually provided to AMP the following warranties:

Product Warranties.

1. **Equipment Warranty.** For a period of one (1) year from the delivery date of Equipment ("Equipment Warranty Period"), Silver Spring warrants that such Equipment provided by Silver Spring shall be: (i) new unless AMP and the Participating Member give prior written approval otherwise; (ii) in conformity with the requirements of the Vendor Agreement; and (iii) free from defects in materials and workmanship. An extended warranty is available to the municipality as an extra cost option. If selected by the Participating Member, pricing for the extended warranty is provided in Exhibit F. As the sole and exclusive remedy, Silver Spring will, at its option and

expense, repair or replace the non-conforming Equipment during the warranty period described in this Section. Prior to returning a unit of Equipment for repair or replacement, AMP or Participating Member will obtain from Silver Spring a return manufacturer's authorization ("RMA") number, which shall be placed on all packaging, labeling, and other communications relating to the return. Silver Spring may require that the Equipment be evaluated prior to issuing an RMA number. Once Silver Spring confirms the nonconformity or defect and determines that it cannot be repaired at Purchaser's site, Silver Spring will accept return of such Equipment for repair or replacement and return the Equipment as promptly as possible and in accordance with Silver Spring's standard RMA procedures. The warranty period for replaced or repaired Equipment shall be the greater of (i) the remaining warranty period of the nonconforming Equipment that was repaired or replaced, or (ii) six (6) months from the delivery date of such replaced or repaired Equipment. Should Silver Spring fail or be unable to perform the necessary repairs, replacements, and tests in accordance with Silver Spring's RMA procedures, AMP may perform or cause to be performed the necessary work at Silver Spring's expense. The Equipment warranty does not cover Equipment in poor operating condition due to: (a) changes to the Equipment not made or approved by Silver Spring in writing; (b) use with cables, mounting kits, antennas, battery backups and other devices connected to Equipment or third party software or firmware that Silver Spring has not provided to AMP or Participating Member or approved for use with such Equipment in writing; (c) Participating Member's or a third party's misuse, abuse, negligence, or failure to install, test, handle or operate the Equipment in accordance with the applicable documentation; (d) certain force majeure events; or (e) incorrect data, or data entry or output by Participating Member or a third party.

2. *Water IMU Battery Warranty.* Silver Spring warrants that any Water IMU with an external transmitter installed shall be free from battery defects in manufacturing and design for a period of twenty (20) years from the delivery date of such Water IMU ("**Water Battery Warranty Period**"). Silver Spring or its suppliers will repair or replace a Water IMU product that is non-performing due to battery failure free of charge for the first ten (10) years of the Water Battery Warranty Period and at a prorated replacement cost based on the current list price during the remaining ten (10) years of the Water Battery Warranty Period as follows:

Water Battery Warranty Period Year #	Prorated Replacement Cost (per non-conforming water IMU product)
11	30% of then-current price of the replacement water IMU product
12	35% of then-current price of the replacement water IMU product
13	40% of then-current price of the replacement water IMU product
14	45% of then-current price of the replacement water IMU product
15	50% of then-current price of the replacement water IMU product
16	55% of then-current price of the replacement water IMU product
17	60% of then-current price of the replacement water IMU product
18	65% of then-current price of the replacement water IMU product
19	70% of then-current price of the replacement water IMU product
20	75% of then-current price of the replacement water IMU product

3. *Extended Gas IMU Battery Warranty.* Subject to certain contractual limitations, Silver Spring warrants to AMP that, for a period of ten (10) years from the delivery date of any Gas IMU ("**Gas Battery Warranty Period**") purchased by AMP under the Vendor Agreement, the battery contained in such Gas IMU will conform in all material respects to the applicable Documentation. For the avoidance of doubt, the warranty provided in this Section only applies to the extent AMP (i) purchases the underlying Gas IMU from Silver Spring, and (ii) pays Silver Spring the additional Fee associated with the Gas IMU battery warranty as set forth in the applicable Order. As the sole and exclusive remedy, (i) for any failure of a Gas IMU battery that occurs during the initial five (5) years of the Gas Battery Warranty Period, Silver Spring will replace such non-conforming Gas IMU battery at Silver Spring's expense; and (ii) for any failure of a Gas IMU battery occurring during the final five (5) years of the Gas Battery Warranty Period, AMP shall be entitled to a credit against the purchase of a replacement Gas IMU battery. The amount of such credit shall be determined as follows:

Gas Battery Warranty Period Year #	Credit Amount (per non-conforming Gas IMU battery)
6	80% of then-current price of the replacement gas IMU battery
7	60% of then-current price of the replacement gas IMU battery
8	40% of then-current price of the replacement gas IMU battery
9	20% of then-current price of the replacement gas IMU battery
10	10% of then-current price of the replacement gas IMU battery

Services Warranty. For a period of six (6) months from the completion date of the Services, Silver Spring warrants to AMP that any Services performed pursuant to any SOW shall be free from defect or failure due to faulty workmanship. The sole and exclusive remedy, and Silver Spring's entire liability, for any breach of this warranty will be for Silver Spring to correct or re-perform any nonconforming Services during the warranty period described in this Section, at Silver Spring's expense, provided that Silver Spring shall have no obligation to re-perform any non-conforming Services if the Vendor Agreement with Silver Spring has terminated or expired.

ARTICLE XI. EXHIBIT E - Overview of Roles and Responsibilities for AMI and MDMS Systems
Associated system operating model and associated roles and responsibilities for the operation and maintenance of the AMI application called UtilityIQ, provided by Silver Spring Networks (Silver Spring), and UCentra MDMS, provided by ElectSolve Technology Solutions and Services (ElectSolve).

Legends for Role and Responsibility Matrices

The matrices refer to four primary participants

- AMP (American Municipal Power), typically an IT systems person
- ETSS (ElectSolve): ElectSolve’s Services team member assigned to AMP
- Participating Member (any participating Participating Member): typically an AMI lead at the Participating Member
- SSN (Silver Spring Networks): Silver Spring’s Network Operations Center

The matrices define the roles and responsibilities for all headend and network tasks. It is meant to be applicable once the system goes into operation. (Responsibilities during deployment and test are defined in our responses to the AMP RFP.) The nomenclature used in the table is as follows:

- **R** = Responsible, the organization responsible for carrying out the task
- **P** = Participate, the organization responsible for providing the responsible party any needed support or coordination.
- **A** = Approving, the organization responsible for approving the intended actions of the responsible party in advance of the actions being executed. Approval also means that the Silver Spring and ElectSolve inform one another in advance of the pending activity to assure the activity does not impact the other party’s platform or operations.
- **N** = Notification, the organization will be notified in advance by the responsible party before the activity takes place.

ARTICLE XII. Roles and Responsibilities for SaaS UtilityIQ AMI Head

AMI 1. Back Office Network Administration		Muni	AMP	SSN
a.	Maintain customer data center network and customer corporate network connections to support UtilityIQ environments.			R
b.	Maintain WAN backhaul network connections (APs to UtilityIQ system), monitoring and troubleshooting (including escalating to relevant provider (public WAN provider, utility, etc.).			R
c.	Maintain utility LAN-to-UtilityIQ connectivity, including monitoring and troubleshooting (fronthaul).			R
d.	Maintain monitors to enable the SSN NOC to respond to alerts and escalate internally and externally, as necessary.			R
e.	Maintain B2B network connections (VPN/DSL) and associated security and access control measures to enable SSN Remote Management			R
f.	Maintain back office network configuration management.			R
g.	Provide network connections capacity planning.			R
h.	Provide capacity planning procurement.			R
AMI 2. Server Administration/Operating System (OS)		Muni	AMP	SSN
a.	Troubleshoot OS problems.			R
b.	Manage file systems			R
c.	Maintain monitors to enable the NOC to respond to alerts and escalate internally and externally, as necessary.			R
d.	Apply OS patches and updates, and test.		A	R
e.	Create user (shell) accounts, as required.			R
f.	Maintain all current software licensing requirements for applicable third-party software (Oracle, Red Hat Enterprise Linux, and so on).			R
g.	Maintain current hardware maintenance agreements for all equipment and servers in customer data center(s).			R
h.	Provide remote for activities requiring physical presence (power cycle hardware, escort vendors, etc.)			R
i.	Maintain server and OS configuration management			R
j.	Provide server capacity planning.			R
k.	Provide capacity planning procurement.			R
AMI 3. Storage Administration		Muni	AMP	SSN
a.	Maintain external storage systems (SAN hardware and software), including updates, patches, and fixes.			R
b.	Maintain current maintenance agreements for SAN hardware and software			R
c.	Implement and maintain storage file system for UtilityIQ, according to Silver Spring performance specifications.			R
d.	Maintain monitors to enable the NOC to respond to alerts and escalate internally and externally, as necessary.			R
e.	Maintain SAN configuration management.			R
f.	Provide storage capacity planning			R
g.	Provide capacity planning procurement			R
AMI 4. Database Administration		Muni	AMP	SSN

a.	Maintain monitors to enable the NOC to respond to alerts and escalate internally and externally, as necessary.			R
b.	Manage database table space usage and next extent sizes.			R
c.	Perform database reorganizations.		A	R
d.	Backup database redo (archive) logs			R
e.	Resolve database problems			R
f.	Apply database updates and patches, and test.		A	R
g.	Perform regular (typically weekly) database purge/archive tasks (“retention”).		A	R
h.	Maintain current all software licensing requirements for applicable third-party software (Oracle).			R
i.	Maintain database configuration management.			R
j.	Provide database capacity planning.			R
k.	Provide capacity planning procurement			R
AMI 5.	Backups	Muni	AMP	SSN
a.	Provide backup infrastructure (hardware/software).			R
b.	Perform regular backups.			R
c.	Manage off-site backups.			R
d.	Monitor backup jobs.			R
e.	Restore from backup media, as necessary.			R
f.	Periodically validate/test backup restore procedure.			R
g.	Maintain backup configuration management.			R
AMI 6.	Application Administration	Muni	AMP	SSN
a.	Install and configure application updates, patches, and fixes.	N	A	R
b.	Maintain application tuning (configuration management).			R
c.	Maintain monitors to enable the NOC to respond to alerts and escalate internally and externally, as necessary.			R
d.	Monitor and respond to alerts, and escalate internally and externally, as necessary.			R
e.	Support testing of new UtilityIQ releases in test environments, and approve updates to upper environments (Production and Rapid Recovery), if applicable.			R
AMI 7.	UIQ Administrative Tasks	Muni	AMP	SSN
a.	Perform adds/deletes/change to UtilityIQ user accounts (user administration)		A	R
b.	Contract/Run UtilityIQ Application batch jobs.			R
c.	Monitor critical-identified read and export batch jobs.			R
d.	Coordinate batch jobs and backups.			R
AMI 8.	Security	Muni	AMP	SSN
a.	Provide physical and logical security of equipment.			R
b.	Provide physical and logical security of data.		P	R
c.	Maintain VPN connection firewall.			R

d.	Create and maintain security policies to equipment and data.		A	R
e.	Maintain security of configuration management.		A	R
f.	Monitor and assess security strategies.			R
g.	Support and participate in system security reviews and audits.			R
h.	Conduct security penetration test of all critical Silver Spring components.			R
AMI 9.	Operations Policies and Procedures	Muni	AMP	SSN
a.	Tier 1 Support (<i>Note: UtilityIQ and network connectivity problems identified by AMP will be directed to the Silver Spring Help Desk. Issues identified by the Participating Members will be directed to the ElectSolve Help Desk.</i>)	See Note	See Note	See Note
b.	Maintain Application Support Desk, Tier 2 (technical support to customer's support coordinators).			R
c.	Provide onsite coordination and tracking of Customer Support issues			R
d.	Allow direct escalation to Tier 3 (TAC and NOC) support personnel (via onsite Smart Grid Engineers)			R
e.	Modify Management policies and procedures.		A	R
f.	Update Incident Management policies and procedures.		A	R
g.	Monitor logs for non-security events.			R
h.	Report on SLA and other performance measurements.			R
i.	Review monthly performance and agree on Service Level credits.		P	R
AMI 10.	Meter Deployment Management	Muni	AMP	SSN
a.	Procure new meters as required.	R		
b.	Provide meter installation (post initial deployment).	R		
c.	Provide meter hardware replacement and maintenance.	R		
d.	Provide regular updates on Integrated meter deployment progress and plans.	R		
e.	Provide properly formatted device files for all meters.	P		R
f.	Manage import of device files for all meters into UtilityIQ.			R
g.	Provide properly formatted location files for all meter installations, including GPS coordinates. (<i>Note: operation to be performed via ElectSolve MDMS.</i>)	R		
h.	Manage import of location files for all meters into the MDMS.. (<i>Note: operation to be performed via ElectSolve MDMS and the MDMS will post the properly formatted data to SSN for UtilityIQ processing.</i>)	R		
i.	Provide field troubleshooting of meters.	R		
j.	Deploy NIC firmware updates (included in SaaS fees)		A	R
k.	Deploy meter firmware updates (service provided as a fee for service)		A	R
l.	Deploy meter program updates files (service provided as a fee for service)		A	R
AMI 11.	Mesh Network Operations	Muni	AMP	SSN
a.	Provision and install any new APs and Relays in accordance with operating procedures, installation guides and design documents. (post	R		P

	initial deployment).			
b.	Provide properly formatted device files for all APs and Relays	P		R
c.	Provide properly formatted location files for all meter installations, including GPS coordinates (for all such devices moved or added after the deployment period or optimization)	R		P
d.	Manage import of device and location files for all APs and Relays into UtilityIQ (for all such devices moved or added after the deployment period and optimization.	P		R
e.	Validate APs after installation (after the deployment period and optimization, relevant for organic growth of meter locations or device replacement).			R
f.	Manage procurement/billing of WAN carrier (cellular operators).		R	P
g.	Perform AP and Relay firmware upgrades.		A	R
h.	Perform regular "network sweeps" to update firmware and configure newly deployed devices covered in the scope of the agreement.			R
i.	Monitor reachability of APs and Relays.			R
j.	Troubleshoot reachability of APs and Relays.			R
k.	Perform network operation statistics gathering, analysis, trending and reporting.			R
l.	Provide field investigation of meters, APs, and Relays (as requested) to help determine root cause of meter deployment issues.	R		P
m.	Provide AP and Relay hardware replacement and maintenance.	R		
n.	Provide AP and Relay configuration management.			R
o.	Provide AP and Relay capacity planning.	P		R
p.	Procure new APs and Relays as required.	R		
q.	Initiate remote disconnects/reconnects. (Note: this would be initiated in the MDMS by the Participating Member and executed via a integration with the UtilityIQ headend.)	R		
r.	Perform export verification via deployed SSN monitors			R
s.	Perform meter read verification via deployed SSN monitors			R
t.	Conduct performance reporting auditing.		N	R
u.	Perform SLA tracking.		N	R
v.	Perform data maintenance within the application, incorporating both meter and installation (location) information.			R
w.	Perform device swaps within the application.			R
x.	Coordinate field visits for faulty/suspect devices.	P		R
AMI 12.	Disaster Recovery	Muni	AMP	SSN
a.	Conduct annual Rapid Recovery walk-through exercise, and test failover drills.		P	R
b.	Maintain and provide an overall customer Rapid Recovery Plan, encompassing UtilityIQ and MDMS dependencies (including acceptance criteria).		R	P
c.	Maintain and update Rapid Recovery Plan, in accordance with changes to the environment.		P	R
d.	Test customer data connections and backup communications with Silver Spring.		R	
e.	Maintain network connectivity between data center(s) to meet the design requirements (RPO).			R

f.	Provide adequate notice of Rapid Recovery walk-through schedule.		R	P
g.	Maintain and provide an overall customer Rapid Recovery Plan, encompassing UtilityIQ dependencies (including acceptance criteria).		R	P
h.	Install and configure application updates, patches, and fixes.	N	A	R
AMI 13.	AMI/MDMS System DAILY Operations	Muni	AMP	SSN
a.	Monitor MDMS daily to assure that all expected meter data has been properly feed to MDMS system.	R		
b.	Monitor CIS daily to assure that all expected meter data has been properly feed to CIS system.	R		
c.	Run the Communication Network Devices Status Report and investigates and troubleshoots issues found. Notify Participating Member if in field assistance is needed.			R
d.	Runs read performance reports in the head-end, investigates causes and analyzes data in the MDM Notify Participating Member if in field assistance is needed.			R
e.	Removes warehoused meters from read schedules and deletes retired meters from the AMI head-end.			R
f.	Resolve the meter edits	P		R
g.	Runs orphan meter and register read report for electric, investigates and resolves. Notify Participating Member if in field assistance is needed.			R
h.	Runs unknown node report and leak reports for water, troubleshoots and resolves. Notify Participating Member if in field assistance is needed.			R
i.	Runs the Gap and VEE reports to analyze estimated reads. Notify Participating Member if in field assistance is needed.	R		
j.	Runs and reviews the MDM Consecutive Days Zero Consumption Report, Consumption on Inactive Meters Report, Exception Report for "Zero" reads, Negative Consumption Report, SQL Job Activity Report, and the Tamper Reads Report.	R		
k.	Contact Participating Member to request field troubleshooting and repairs when required. Support field troubleshooting from the NOC. Test repairs when required.			R
l.	Monitor the list of open troubleshooting and repair requests.	N		R
m.	Conduct field troubleshooting and repairs on APs and relays when requested by Silver Spring NOC. Notify NOC of completion and coordinate with NOC for any required testing	R		
n.	Compiles and distributes AMI system information to Utility staff in the form of statistical reports to track system performance, growth and productivity.	N	N	R

Responsibilities for On-premise MDMS

MDM 1. Back Office Network Administration		Muni	AMP	ETSS
a.	Maintain customer data center network and customer corporate network connections to support UCentra environments.		R	
b.	Maintain WAN backhaul network connections (APs to UCentra system), monitoring and troubleshooting (including escalating to relevant provider (public WAN provider, utility, etc.).		R	
c.	Maintain utility LAN-to-UCentra connectivity, including monitoring and troubleshooting (fronthaul).		R	
d.	Maintain monitors to enable the NOC to respond to alerts and escalate internally and externally, as necessary.		R	
e.	Maintain B2B network connections (VPN/DSL) and associated security and access control measures to enable SSN Remote Management		R	
f.	Maintain back office network configuration management.		R	
g.	Provide network connections capacity planning.	P	R	P
h.	Provide capacity planning procurement.		R	
MDM 2. Server Administration/Operating System (OS)		Muni	AMP	ETSS
a.	Troubleshoot OS problems.		R	P
b.	Manage file systems		R	P
c.	Maintain monitors to enable the NOC to respond to alerts and escalate internally and externally, as necessary.		R	
d.	Apply OS patches and updates, and test.		R	P
e.	Create user (shell) accounts, as required.		P	R
f.	Maintain all current software licensing requirements for applicable third-party software (Oracle, SQL Server, Red Hat Enterprise Linux, and so on).		R	
g.	Maintain current hardware maintenance agreements for all equipment and servers in customer data center(s).		R	
h.	Provide remote for activities requiring physical presence (power cycle hardware, escort vendors, etc.)		R	
i.	Maintain server and OS configuration management		R	P
j.	Provide server capacity planning.		R	P
k.	Provide capacity planning procurement.	P	R	P
MDM 3. Storage Administration		Muni	AMP	ETSS
a.	Maintain external storage systems (SAN hardware and software), including updates, patches, and fixes.		R	P
b.	Maintain current maintenance agreements for SAN hardware and software		R	
c.	Implement and maintain storage file system for UCentra, according to ETSS performance specifications.		R	P
d.	Maintain monitors to enable the NOC to respond to alerts and escalate internally and externally, as necessary.		R	
e.	Maintain SAN configuration management.		R	P
f.	Provide storage capacity planning		R	P
g.	Provide capacity planning procurement	P	R	P

MDM 4. Database Administration		Muni	AMP	ETSS
a.	Maintain monitors to enable the NOC to respond to alerts and escalate internally and externally, as necessary.		P	R
b.	Manage database table space usage and next extent sizes.		P	R
c.	Perform database reorganizations.			R
d.	Backup database redo (archive) logs			R
e.	Resolve database problems			R
f.	Apply database updates and patches, and test.			R
g.	Perform regular (typically weekly) database purge/archive tasks ("retention").			R
h.	Maintain current all software licensing requirements for applicable third-party software (SQL).		R	
i.	Maintain database configuration management.			R
j.	Provide database capacity planning.	P	P	R
k.	Provide capacity planning procurement	P	P	R
MDM 5. Backups		Muni	AMP	ETSS
a.	Provide backup infrastructure (hardware/software).		R	
b.	Perform regular backups.		R	P
c.	Manage off-site backups.		R	
d.	Monitor backup jobs.		R	
e.	Restore from backup media, as necessary.		R	P
f.	Periodically validate/test backup restore procedure.		R	P
g.	Maintain backup configuration management.		R	P
MDM 6. Application Administration		Muni	AMP	ETSS
a.	Install and configure application updates, patches, and fixes.		A	R
b.	Maintain application tuning (configuration management).			R
c.	Maintain monitors to enable the NOC to respond to alerts and escalate internally and externally, as necessary.			R
d.	Monitor and respond to alerts, and escalate internally and externally, as necessary.			R
e.	Support customer's testing of new UCentra releases in lower environments (such as test), and approve updates to upper environments (Production and Rapid Recovery), if applicable.		A	R
MDM 7. UCentra Administrative Tasks		Muni	AMP	ETSS
a.	Perform adds/deletes/change to UCentra user accounts (user administration)	R	P	P
b.	Contract/Run UCentra Application batch jobs.			R
c.	Monitor critical-identified read and export batch jobs.			R
d.	Coordinate batch jobs and backups.			R
MDM 8. Security		Muni	AMP	ETSS
a.	Provide physical and logical security of equipment.	R	R	
b.	Provide physical and logical security of data.	R	R	

c.	Maintain VPN connection firewall.	R	R	
d.	Create and maintain security policies to equipment and data.		R	
e.	Maintain security of configuration management.		R	
f.	Monitor and assess security strategies.		R	
g.	Support and participate in system security reviews and audits.	P	R	P
h.	Conduct security penetration test of all critical Silver Spring components.		R	
MDM 9. Operations Policies and Procedures		Muni	AMP	ETSS
a.	Tier 1 Support (<i>Note: UtilityIQ and network connectivity problems identified by AMP will be directed to the Silver Spring Help Desk. Issues identified by the Participating Member will be directed to the ElectSolve Help Desk.</i>)	See Note	See Note	See Note
b.	Maintain Application Support Desk, Tier 2 (technical support to customer's support coordinators).		P	R
c.	Provide coordination and tracking of Customer Support issues		P	R
d.	Modify Management policies and procedures.		R	P
e.	Update Incident Management policies and procedures.		P	R
f.	Monitor logs for non-security events.		P	R
g.	Report on SLA and other performance measurements.		P	R
h.	Review monthly performance and agree on Service Level credits.		R	P
MDM 10. Disaster Recovery		Muni	AMP	ETSS
a.	Participate in annual Rapid Recovery walk-through exercise, and test failover drills.	P	R	P
b.	Maintain and update Rapid Recovery Plan, in accordance with changes to the environment.	P	R	P
c.	Test customer data connections and backup communications	P	R	
d.	Maintain network connectivity between data center(s) to meet the design requirements (RPO).	R	R	
e.	Provide adequate notice of Rapid Recovery walk-through schedule.	P	R	
f.	Maintain and provide an overall customer Rapid Recovery Plan, encompassing UCentra dependencies (including acceptance criteria).	P	R	

ARTICLE XIII.

EXHIBIT F - PRICING SCHEDULE

II. INITIAL SERVICES

[TO BE INSERTED]

III. ON-GOING SERVICES

[TO BE INSERTED]

EXHIBIT G – VENDOR INSURANCE REQUIREMENTS

Article 1 General Insurance Requirements

- 1.1 Throughout the performance of the Work or longer as may be described below, Vendors must obtain, pay for, and keep in force, the minimum insurance coverage described in this Contract of Insurance.
- 1.2 Before starting the performance of any Work, upon renewal of any policy, and upon a change of any insurance carrier, Vendors must deliver to AMP certificates evidencing that the required insurance is in force.
- 1.3 With the exception of government-controlled workers compensation coverage:
 - 1.3.1 Vendors must place the insurance with companies that (1) are satisfactory to AMP, (2) hold an A.M. Best Rating of A-, VII, or higher, and (3) are authorized to conduct business in the state where the Work will be performed;
 - 1.3.2 Vendors will (1) provide at least 30 days' written notice to AMP (as certificate holder) of the cancellation or non-renewal of the insurance and (2) provide at least 10 days' written notice to AMP (as certificate holder) of the cancellation of the insurance for non-payment of premium; and
 - 1.3.3 within 30 days of AMP's request, Vendors must submit insurance-company certified copies of policy endorsements.
- 1.4 Vendors must pay all deductibles, or self-insured retentions, or both contained in Vendors' policies of insurance required or provided in connection with the Vendor Agreement or any task order or statement of work. AMP reserves the right to approve or reject all levels of self-insured retention, captive insurance programs, or other alternative risk financing Vendors may use to comply with any insurance requirement.
- 1.5 AMP does not represent that required coverage or limits are adequate to protect Vendors.
- 1.6 Failure of AMP to demand a certificate or other evidence of full compliance with the insurance requirements or failure of AMP to identify a deficiency from evidence that is provided will not be construed as a waiver of Vendors' obligation to maintain the required insurance.
- 1.7 To the fullest extent permitted by applicable law, Vendors waive all rights against AMP and its agents and employees for damages to the extent covered by insurance, except rights to the proceeds of the insurance. This waiver shall not apply to any professional liability policy maintained in connection with the Work.
- 1.8 Upon AMP's request, Vendors shall add any AMP Participating Member(s) as additional insured(s) on those policies which AMP is named as an additional insured pursuant to the requirements herein.

Article 2 Vendors' Minimum Coverage Requirements

- 2.1 Workers Compensation. Vendors must maintain workers compensation coverage meeting the requirements of applicable law.
- 2.2 Employers Liability / Stop Gap Coverage. Vendors must maintain employers liability / stop gap coverage with (1) an each-accident limit of not less than \$1,000,000, (2) a disease each-employee limit of not less than \$1,000,000, and (3) a disease policy limit of not less than \$1,000,000.
- 2.3 Commercial General Liability. Vendors must maintain commercial general liability ("CGL") coverage which provides (1) an each-occurrence limit of not less than \$2,000,000, (2) a general-aggregate limit of not less than \$2,000,000, and (3) a products and completed-operations aggregate limit of not less than \$2,000,000.
 - 2.3.1 The CGL insurance must be written on ISO occurrence form CG 00 01 10 01 or a substitute form, providing at least equivalent coverage for liability arising from premises, operations, independent contractors, products/completed-operations, personal and advertising injury, and liability assumed under an insured contract.
 - 2.3.2 Vendors must include American Municipal Power, Inc. as an additional insured(s) under the CGL policy using ISO endorsement CG 20 10 07 04 and ISO endorsement CG 20 37 07 04 or a substitute form(s) providing equivalent coverage.
 - 2.3.3 The CGL insurance must apply as primary and non-contributory insurance with respect to any other insurance or self-insurance programs which cover the additional insured(s).
 - 2.3.4 The CGL policy must not exclude coverage to the additional insured(s) for bodily injury or property damage arising out of the products/completed-operations hazard.
 - 2.3.5 Vendors must maintain the CGL insurance in effect for no less than 5 years after the earlier of the termination the Vendor Agreement or completion of all Work.

- 2.4** Business Automobile Liability. Vendors must maintain business automobile (“BA”) coverage written on ISO form CA 00 01 10 01 or a substitute form, providing at least equivalent coverage with a limit of not less than \$1,000,000 each accident.
- 2.4.1** The coverage must extend to any auto owned (if any), non-owned, leased, rented, hired, or borrowed.
- 2.4.2** Vendors must include American Municipal Power, Inc. as an additional insured(s) under the BA policy.
- 2.5** Umbrella/Excess Liability. Vendors may employ an umbrella/excess liability policy to achieve the above-required minimum coverage.
- 2.6** Professional Liability. If the Work include any professional services, Vendors must maintain professional liability insurance which provides (1) an each-claim limit of not less than \$2,000,000, and (2) an annual-aggregate limit of not less than \$2,000,000.
- 2.6.1** The professional liability policy must have an effective date which is on or before the date on which Vendors first started to provide any Work.
- 2.6.2** Vendors must maintain the professional liability insurance in effect for no less than 5 years after the earlier of the termination the Vendor Agreement or completion of all Work.
- 2.6.3** If the Work include any professional design services and Vendors is not authorized under applicable law to directly provide professional design services, Vendors may satisfy the requirements of this Section 2.6 by providing a contractor’s professional liability insurance policy.

[End]

N.B 40
2-14-17

CITY OF SEAFORD, DELAWARE

RESOLUTION

A RESOLUTION APPROVING A PROJECT TO BE UNDERTAKEN BY THE DELAWARE MUNICIPAL ELECTRIC CORPORATION AND THE CITY OF SEAFORD; AUTHORIZING THE EXECUTION OF A PROJECT PURCHASE AGREEMENT BETWEEN THE CITY OF SEAFORD AND THE DELAWARE MUNICIPAL ELECTRIC CORPORATION; AND AUTHORIZING OTHER MATTERS RELATED THERETO.

WHEREAS, the City of Seaford (the “Participating Member”) is a municipality, duly organized and validly existing under the laws of the State of Delaware (the “State”); and

WHEREAS, The Delaware Municipal Electric Corporation (“DEMEC”) is a municipal electric company incorporated in the State, established by certain cities and towns, and formed pursuant to Chapter 13 of Title 22 of the Delaware Code (the “Act”); and

WHEREAS, DEMEC and the Participating Member have determined to undertake a project consisting of the acquisition, development, construction and equipping of improvements to the existing substation located in the City of Seaford at 58 N. Pine Street, as well as related improvements, as more particularly described in the Preliminary Design Phase Project Status Report and Estimated Project Budget, prepared by Downes Associates Inc., dated May 27, 2016 (collectively, the “Project”); and

WHEREAS, the Participating Member and DEMEC desire to enter into a Project Purchase Agreement (the “Project Purchase Agreement”), pursuant to which DEMEC will develop and finance the Project and will convey the Project to the Participating Member in exchange for project payments to be made by the Participating Member to DEMEC pursuant to the Project Purchase Agreement; and

WHEREAS, the land on which the Project will be located (the “Site”) is owned by the Participating Member; and

WHEREAS, the Participating Member shall enter into an Easement Agreement with DEMEC with respect to the Site (the “Easement Agreement”) which will permit DEMEC to, among other things, enter the Site in order to install and operate the Project, and which will remain in effect for the term of the Project Purchase Agreement; and

WHEREAS, the Project represents a “Project” as defined in the Act, and the Project Purchase Agreement represents a contract with respect to an interest in a Project within the meaning of Section 1307(a) of the Act, and thus is considered to be a “purchase agreement” providing for the “purchase of electric power and energy” within the meaning of Section 1307 of the Act; and

Section 3. Authorize Other Action. The Participating Member hereby authorizes the Mayor, the Secretary to Council and any other appropriate officers or employees of the Participating Member to take all other actions and sign any other documents or agreements, including the Easement Agreement, necessary or appropriate in connection with the Project or the Project Purchase Agreement or otherwise in furtherance of the purposes of this Resolution.

Section 4. Effective Date. This Resolution shall go into effect immediately upon its adoption by Council.

Dated: February 14, 2017.

N.B. 46
2-14-17

PROJECT PURCHASE AGREEMENT
BETWEEN THE CITY OF SEAFORD, DELAWARE
AND
THE DELAWARE MUNICIPAL ELECTRIC CORPORATION
DATED AS OF MARCH 1, 2017
RELATING TO
SUBSTATION PROJECT

PROJECT PURCHASE AGREEMENT

This PROJECT PURCHASE AGREEMENT (this “Agreement”) is made and entered into as of March 1, 2017, by and between THE DELAWARE MUNICIPAL ELECTRIC CORPORATION, a corporation organized under the laws of the State of Delaware (“DEMEC”) and THE CITY OF SEAFORD, an incorporated municipality of the State of Delaware (the “Participating Member” or “Participant”).

WHEREAS, DEMEC is a “municipal electric company” incorporated in the State of Delaware established by certain cities and towns pursuant to Section 1303 of Chapter 13 of Title 22 of the Delaware Code (the “Act”); and

WHEREAS, Participating Member is a member of, and “contracting municipality” (as defined in the Act) with respect to, DEMEC; and

WHEREAS, DEMEC is authorized and empowered, among other things, (i) to plan, develop, acquire, construct, reconstruct, operate, manage, dispose of, participate in, maintain, repair, extend or improve one or more “projects” (as defined in the Act); (ii) to issue its bonds, notes or other evidences of indebtedness to pay all or part of the costs of acquiring and developing such projects; and (iii) to exercise all other powers which may be necessary and convenient by DEMEC to effectuate the purposes of DEMEC; and

WHEREAS, DEMEC and the Participating Member have determined to undertake a project consisting of the acquisition, development, construction and equipping of improvements to the existing substation located in the City of Seaford at 58 N. Pine Street, as well as related improvements (collectively, the “Project”), for the benefit of the Participating Member; and

WHEREAS, the development and construction of projects such as the Project for the benefit of the Participating Member has been authorized by DEMEC’s Agreement and Articles of Incorporation, dated July 9, 1979 (the “Joint Action Agreement”); and

WHEREAS, the improvements and equipment to be included in the Project are used, useful and necessary for Participating Member to purchase electric power and energy from DEMEC; and

WHEREAS, the land on which the Project is located (the “Site”) is owned by the Participating Member; and

WHEREAS, the Participating Member has granted an easement to DEMEC allowing DEMEC to use the Site pursuant to the terms of an Easement Agreement (the “Easement Agreement”); and

WHEREAS, DEMEC will take or cause to be taken all steps necessary to effect the construction of the Project and the consummation of the contractual arrangements and

following Contract Year, or, in the case of an amended Annual Budget adopted by the Board of DEMEC, during the remainder of a Contract Year.

Board shall mean the Board of Directors of DEMEC, acting in accordance with the Act, the Joint Action Agreement and the By-Laws of DEMEC.

Bonds shall mean the Bonds from time to time issued by DEMEC pursuant to the Loan Agreement or similar agreement to pay any part of the Cost of Project, and shall include bond anticipation notes, additional Bonds, refunding Bonds or bank loans issued in accordance with this Agreement and the Loan Agreement.

Consulting Engineer shall mean, as of any date, an engineer or engineering firm or corporation then retained by DEMEC pursuant to the Loan Agreement to perform acts and carry out duties provided for such Consulting Engineer in the Loan Agreement.

Contract Year shall mean the twelve (12) month period commencing at 12:01 a.m. on January 1 of each year, except that the first Contract Year shall commence at 12:01 a.m. on the Operation Date and shall expire at 12:00 a.m. the next succeeding January 1, and the last Contract Year shall commence at 12:01 a.m. on January 1 thereof and shall expire upon the termination of this Agreement in accordance with the terms hereof.

Cost of Project shall mean, to the extent not included in Monthly Project Payments, all costs of planning, engineering, designing, financing, installing, constructing, acquiring, equipping and placing in operation or retirement or disposal of the Project, which shall include, but shall not be limited to, funds for:

- (1) interest accruing in whole or in part on Bonds prior to and during construction and for such additional period (not exceeding one year) as DEMEC may reasonably determine to be necessary;
- (2) allowance for working capital requirements of the Project in such amounts as shall be deemed reasonably necessary by DEMEC;
- (3) the deposit or deposits required to be made under the Loan Agreement from the proceeds of Bonds or other sources into any fund or account established pursuant to the Loan Agreement to meet any debt service reserve requirement for the Bonds;
- (4) the deposit or deposits required to be made under the Loan Agreement from the proceeds of Bonds or other sources into any fund or account established pursuant to the Loan Agreement as a reserve for renewals, replacements and contingencies and retirement from service, salvage, discontinuance, sale or disposal of any part of the Project, including restoration of lands with respect thereto, or as a general or other reserve;
- (5) all costs and expenses relating to claims or judgments arising out of the construction and operation of the Project;

Loan Agreement shall mean the Loan Agreement between DEMEC and the Lender pursuant to which the Bonds are issued and secured, as amended or supplemented from time to time in accordance with its terms. In the event that the Project is financed by way of a trust indenture, any reference herein to “Loan Agreement” shall be deemed to include a trust indenture or similar agreement between DEMEC and a trustee.

Month shall mean a calendar month.

Monthly Project Payments shall mean, with respect to each Month of each Contract Year, all costs attributable to the Project, to the extent not paid from the proceeds of Bonds or notes or other sources (including income from investment of such amounts) which are to be applied in accordance with the then current Annual Budget to the payment of Monthly Project Payments in such Month, that are paid or incurred by DEMEC during such Month resulting from the ownership, financing, operation, maintenance, termination and/or retirement from service of, and repairs, renewals, replacements, additions, improvements, betterments and modifications to, the Project (whether or not the Project is operating), including without limitation, the following items of cost:

(1) the amount required under the Loan Agreement to be paid or deposited during such Month into any fund or account established by the Loan Agreement for the payment of Debt Service on Bonds;

(2) the amount required under the Loan Agreement to be paid or deposited during such Month into any fund or account established by the Loan Agreement (other than funds and accounts referred to in clause (1) above), including any amounts required to be paid or deposited by reason of the transfer of moneys from such funds or accounts to the funds or accounts referred to in clause (1) above;

(3) any amount which DEMEC may be required during such Month to pay for the prevention or correction of any unusual loss or damage or for renewals, replacements, repairs, additions, improvements, betterments and modifications which are necessary to keep the Project in good operating condition, but in each case only to the extent that (a) funds for such payment are not available to DEMEC from any funds or accounts established under the Loan Agreement for such purpose or (b) funds for such payment are not provided by the issuance of Bonds;

(4) if the Bonds, in addition to financing the Project, finance projects for DEMEC members other than the Participating Member, any amount which may be required to satisfy payment deficiencies of such other members, provided that, in no event shall the Participating Member be required to make a payment with respect to such deficiencies in an amount greater than 125% of the respective payment the Participating Member otherwise would have been required to make under this Agreement had the other member(s)' payment deficiencies not occurred;

(5) the costs of operating and maintaining the Project during such Month (including administrative and general expenses, working capital, taxes or payments in lieu thereof), not included in the costs specified in the other items of this definition and properly chargeable to the

This Agreement shall become effective upon execution and delivery hereof and shall, unless this Agreement is terminated pursuant to Section 22 hereof, continue until the date the principal of, premium, if any, and interest on all Bonds have been paid or funds set aside for the payment thereof. The obligation of the Participating Member to pay Monthly Project Payments shall survive termination of the Agreement and shall terminate only upon the final payment of all amounts payable with respect to the Bonds. Neither termination nor expiration of this Agreement shall affect any accrued liability or obligation hereunder.

SECTION 3. Development of Project/Sale of Project.

(a) DEMEC has entered into an Easement Agreement with the Participating Member and shall use its best efforts to complete the development, construction and equipping of the Project on the Site and to finance the Costs of Project through the issuance of Bonds or other obligations of DEMEC. DEMEC may issue bond anticipation notes or other obligations to finance all or a portion of the costs incurred in its development of the Project, including any item of the Cost of Project. The Costs of Project may be financed by one or more series of Bonds that also finance projects for other members of DEMEC in addition to the Participating Member, as part of a common plan of finance. The Participant and DEMEC understand and agree that there can be no assurance that DEMEC will be successful in its efforts to develop and complete the Project. If DEMEC is not successful in developing the Project, any equipment acquired will be promptly transferred to the Participating Member.

(b) In the event that DEMEC is successful in its efforts to complete the Project, DEMEC agrees to operate and maintain the Project for the benefit of the Participating Member, or cause the Project to be operated and maintained by the Participating Member. The Participating Member shall, in accordance with and subject to the provisions of Section 4 hereof, pay DEMEC, in consideration for its development, financing, operation and maintenance of the Project, the Monthly Project Payments, as reasonably determined by DEMEC. In accordance with Section 9 hereof, upon the termination of the Agreement, provided that the Participating Member has made all of the required Monthly Project Payments, DEMEC shall transfer its ownership interest in the Project to the Participating Member in exchange for the payment by the Participating Member of the Monthly Project Payments required hereunder. This Agreement shall constitute an agreement for the sale of a full ownership "interest" in the Project, in accordance with the meaning of the term "interest" as used in Section 1307(a) of the Act.

(c) In the event that DEMEC is not successful in its efforts to develop and complete the Project for whatever reason, DEMEC will give notice to the Participating Member. DEMEC will then make a final accounting of all costs and expenses incurred by it with respect to its development of the Project. To the extent such costs and expenses exceed the amounts previously advanced to DEMEC in support of the Project by the Participating Member, DEMEC may bill to and collect from the Participating Member an amount equal to such excess costs and expenses, including any amount necessary to retire the Bonds or any bond anticipation notes. DEMEC will use its best efforts to wind up all matters relating to the Project as promptly as practicable following its determination that it will not be able to complete the Project.

under the Loan Agreement, plus 2%, or the maximum rate lawfully payable by the Participating Member, whichever is less. If said due date is Saturday, Sunday or a holiday, the next following business day shall be the last day on which payment may be made without the addition of the delayed-payment charge.

(e) In the event of any dispute as to any monthly statement, the Participating Member shall nevertheless pay the full amount of the disputed charges when due and shall give written notice of the dispute to DEMEC not later than the date such payment is due. Such notice shall identify the disputed bill, state the amount in dispute and set forth a full statement of the grounds on which such dispute is based. No adjustment shall be considered or made for disputed charges unless notice is given as aforesaid. DEMEC shall give consideration to such dispute and shall advise the Participating Member with regard to its position relative thereto within thirty (30) days following receipt of such written notice. Upon final determination (whether by agreement, arbitration, adjudication or otherwise) of the correct amount, any difference between such correct amount and such full amount shall be properly reflected in the statement next submitted to the Participating Member after such determination.

(f) On or before one hundred twenty days after the end of each Contract Year, and at such other times as it shall deem desirable, DEMEC will submit to the Participating Member a detailed statement of the actual aggregate Monthly Project Payments and any adjustment thereof or credit thereto pursuant to paragraph (h) of this Section 4 and all other amounts, if any, payable by or credited to the Participating Member pursuant hereto for all of the Months of such Contract Year or for such number of months as DEMEC deems appropriate, and adjustments of the aggregate Monthly Project Payments, if any, for any prior Contract Year and any adjustment thereof or credit thereto pursuant to paragraph (h) of this Section 4, based on the annual audit of accounts provided for in Section 10 hereof or, if for a period other than a full Contract Year, on such other information as DEMEC deems reliable. If, on the basis of the statement submitted as provided in this paragraph (f), the actual aggregate Monthly Project Payments and any adjustment thereof or credit thereto pursuant to paragraph (h) of this Section 4 allocable to the Participating Member and other amounts payable for any Contract Year exceed the estimate thereof on the basis of which the Participating Member has been billed, the amount of such deficiency shall be divided into six, or fewer, as determined by the Board of DEMEC in its reasonable discretion, equal installments and added to the Participating Member's monthly statement for each of the next succeeding six or fewer months, as appropriate, as provided in clause (ii) of paragraph (b) of this Section 4. If, on the basis of the statement submitted pursuant to this paragraph (f), the actual aggregate Monthly Project Payments and any adjustment thereof or credit thereto pursuant to paragraph (h) of this Section 4, and other amounts payable for any Contract Year are less than the estimate therefor on the basis of which such Participating Member has been billed, the amount of such excess shall be divided into six, or fewer, as determined by the Board of DEMEC in its reasonable discretion, equal installments and credited to the Participating Member's monthly statement for each of the next succeeding six or fewer months, as appropriate, as provided in clause (ii) of paragraph (b) of this Section 4.

(g) Notwithstanding anything to the contrary herein, the obligation of the Participating Member to make the payments under this Section 4 for the Monthly Project Payments and other amounts shall constitute "special obligations" (as defined in Section 1307(b) of the Act) of the Participating Member payable as an operating expense of the Participating

experienced in public finance and electric utility accounting and of national reputation, to be employed by DEMEC. A copy of each annual audit, including all written comments and recommendations of such accountants, shall be furnished by DEMEC to the Participating Member not later than 180 days after the end of each Contract Year.

The Participating Member agrees to keep accurate records and accounts relating to the conduct of its business and shall supply to DEMEC not later than 180 days after the end of each fiscal year, or at such later date as may be agreed to by DEMEC upon the written request of the Participating Member, such agreement not to be withheld unreasonably, a copy of the annual audit of such records and accounts certified by a firm of certified public accountants, experienced in electric utility accounting. Upon the termination of this Agreement, all records or other documents relating to the Project will be transferred by DEMEC to the Participating Member.

SECTION 7. Information to be Made Available.

(a) DEMEC will prepare and provide to the Participating Member the following reports for each Contract Year:

- (1) financial and operating statement relating to the Project,
- (2) status of the Project annual budget,
- (3) status of construction budget of the Project during construction, and
- (4) operating statistics relating to the Project;

(b) The Participating Member acknowledges that the ability of DEMEC to sell the Bonds depends upon, among other things, the credit standing of the Participating Member and its electric system and that it will be necessary for DEMEC to provide certain information with respect to the Participating Member and its electric system in connection with the sale of the Bonds. Consequently, the Participating Member covenants to and agrees with DEMEC that the Participating Member will, upon request, provide to DEMEC all information with respect to the Participating Member and its electric system, including financial and operating information and all contracts, documents, reports, bond resolutions and indentures, as may be requested by DEMEC or its counsel in connection with the financing of the Project and the issuance of the Bonds.

(c) The Participating Member covenants to and agrees with DEMEC that the Participating Member will furnish to DEMEC (1) concurrently with its execution and delivery of this Agreement not later than 180 days after the end of each fiscal year, or at such later date as may be agreed to by DEMEC upon the written request of the Participating Member, such agreement not to be withheld unreasonably, a copy of the most recent annual financial statements of the Participating Member and its electric enterprise fund, audited by an independent certified public accountant or firm of such accountants, together with copies of all management letters and written recommendations and comments submitted by the accountants making such audit, and (2) such other information and documents as DEMEC may reasonably request from time to time,

to the security afforded by the provisions of this Agreement with all Bonds theretofore issued pursuant to and secured in accordance with the provisions of this Agreement.

(e) Notwithstanding anything herein to the contrary, acknowledging the fact that the Participating Member has budgeted its payments to DEMEC hereunder in reliance on the transactions contemplated by this Agreement as they currently are structured, DEMEC agrees not to refund any Bonds or issue any additional Bonds, or take any other action or incur any expense voluntarily that could materially increase the Monthly Project Payments or Cost of Project hereunder without the prior written consent of the Participating Member, such consent to not be withheld unreasonably.

SECTION 9. Transfer to Participating Member Upon Termination of Agreement.

Upon the termination of this Agreement in accordance with Section 22 hereof, the Easement Agreement by its terms shall be terminated, and DEMEC shall take all necessary action to transfer all of DEMEC's right, title and interest in and to the Project and all of its component parts, to the Participant, and to assign to the Participant all contracts, warranties and plans relating to the Project, in each case free and clear of liens or other encumbrances, in consideration of the payment by the Participating Member of all of the Monthly Project Payments and any other amounts payable by the Participating Member to DEMEC hereunder. DEMEC shall not, and shall have no power or authority to, sell or transfer the Project to any other person or entity without the Participating Member's prior written consent. DEMEC shall, after the Project has been transferred to the Participant, give the Participant a final accounting statement which shall, if all Bonds have been paid in full or provision for such payments shall have been made in accordance with the provisions of the Loan Agreement, credit to the Participant, and deduct from any amount otherwise chargeable to it, any amounts remaining under the Loan Agreement. If any such final accounting statement shows that the costs referred to above exceed such credits after application by DEMEC of all available funds held under the Loan Agreement for such purpose, the Participating Member shall pay DEMEC the amount shown to be due by such final accounting statement as an adjustment to previously paid Monthly Project Payments, such adjustment to be divided into six, or fewer, as determined by the Board of DEMEC in its reasonable discretion, equal monthly installments payable after such determination. If any such final accounting statement shows that the costs referred to above are less than such credits after application by DEMEC of all other available funds held under the Loan Agreement for such purpose, DEMEC shall, upon payment or provision for payment of all Bonds being made as provided in the Loan Agreement, pay the Participating Member, as an adjustment for overpayments of its share of Monthly Project Payments, an amount equal to the amount of the excess credit, such adjustment to be divided into six, or fewer, as determined by the Board of DEMEC in its reasonable discretion, equal monthly installments payable after such determination.

SECTION 10. Participating Member Covenants.

(a) Subject to the limitation of liability set forth in Section 4(g), the Participating Member agrees, in accordance with Prudent Utility Practice (1) to maintain its electric utility system in good repair and operating condition; (2) at all times operate its electric utility system and the business thereof in an efficient manner; (3) to cooperate with DEMEC in the

selected by DEMEC and other reports necessary in connection therewith and paid for by the Participant.

SECTION 11. Operation and Maintenance.

DEMEC covenants and agrees that it will use its best efforts to operate, maintain and manage the Project or cause the same to be operated, maintained and managed in an efficient and economical manner, and at all times in accordance with Prudent Utility Practices.

SECTION 12. Pledge of Payments.

All right, title and interest of DEMEC in, to and under this Agreement and all payments required to be made by the Participating Member pursuant to the provisions of Section 4 hereof, and all other payments attributable to the Project to be made in accordance with or pursuant to any other provision of this Agreement, may be pledged, subject to application in accordance with the provisions of the Loan Agreement, to secure the payment of Bonds. DEMEC may reserve certain of its rights under this Agreement in connection with any such pledge, at its discretion.

SECTION 13. Payment Default.

Failure of the Participating Member to make to DEMEC when due any of the payments for which provision is made in this Agreement shall constitute an immediate default on the part of the Participating Member; provided that if such failure does not relate to a payment required under the Loan Agreement and the Bonds, such failure will not constitute a default hereunder until 30 days following written notice provided by DEMEC to the Participating Member.

SECTION 14. Continuing Obligation, Right to Discontinue Service.

In the event of any default referred to in Section 13 hereof, the Participating Member shall not be relieved of its liability for payment of the amounts in default and DEMEC shall have the right to recover from the Participating Member any amount in default. In enforcement of any such right of recovery, DEMEC may bring any suit, action, or proceeding available to it in law or in equity, including mandamus, injunction, specific performance, declaratory judgment, or any combination thereof, as may be necessary or appropriate to enforce any covenant, agreement or obligation to make any payment for which provision is made in this Agreement against the Participating Member, and DEMEC may, upon thirty days written notice to the Participating Member, cease and discontinue, either permanently or on a temporary basis, providing all or any portion of the services provided pursuant to this Agreement.

SECTION 15. Other Default by Participating Member.

In the event of any default by the Participating Member under any other covenant, agreement or obligation of this Agreement, other than Section 13 hereof, if such default shall continue uncured for more than thirty (30) days (or, if incurable during such period, if a cure is not commenced and diligently pursued during such period) after the Participating Member receives written notice from DEMEC describing such default with specificity and with reference to the provision(s) hereof the performance of which the default relates, DEMEC may bring any

SECTION 20. Liability of Parties.

DEMEC and the Participating Member shall assume full responsibility and liability for the maintenance and operation of their respective properties and each shall indemnify and save harmless the other from all liability and expense on account of any and all damages, claims, or actions, including injury to or death of persons arising from any act or accident in connection with the installation, presence, maintenance and operation of the property and equipment of the indemnifying party and not caused by the negligence of the other party; provided that any liability which is incurred by DEMEC through the operation and maintenance of the Project and not covered, or not covered sufficiently, by insurance shall be paid solely from the Monthly Project Payments made to DEMEC by the Participating Member, and any payments made by DEMEC, or which DEMEC is obligated to make, to satisfy such liability shall become part of the Cost of Project and shall be borne by the Participating Member.

SECTION 21. Assignment of Agreement; Sale of Participating Member's System.

(a) This Agreement shall inure to the benefit of and shall be binding upon the respective successors and permitted assigns of the parties to this Agreement; provided, however, that in the event of a default and except for the assignment and pledge authorized by paragraph (b) of this Section 21 and for the assignments authorized by paragraph (c) of this Section 21, neither this Agreement nor any interest herein shall be transferred or assigned by either party hereto except with the consent in writing of the other party hereto, which consent shall not be unreasonably withheld. No assignment or transfer of this Agreement shall relieve the parties of any obligation hereunder.

(b) The Participating Member acknowledges and agrees that DEMEC may assign and pledge to the Lender (or any trustee, as the case may be), all its right, title, and interest in, to and under this Agreement and all payments to be made to DEMEC under the provisions of this Agreement as security for the payment of the principal (including sinking fund installments) of, premium, if any, and interest on Bonds and may deliver possession of this Agreement to such Lender (or any trustee, as the case may be) in connection therewith, and, upon such assignment and pledge, DEMEC may grant to such Lender (or any trustee, as the case may be) any rights and remedies herein provided to DEMEC, and thereupon any reference herein to DEMEC shall be deemed, with the necessary changes in detail, to include such Lender or trustee which shall be a third party beneficiary of the covenants and agreements of the Participating Member herein contained. DEMEC may reserve certain rights, at its discretion, in connection with such an assignment.

(c) The Participating Member agrees that it will not sell, lease, abandon or otherwise dispose of all or substantially all of its electric utility system except upon ninety (90) days prior written notice to DEMEC and, in any event, will not sell, lease, abandon or otherwise dispose of the same unless the following conditions are met: (i) the Participating Member shall assign this Agreement and its rights and interest hereunder to the purchaser or lessee of said electric system, if any, and any such purchaser or lessee shall assume all obligations of the Participating Member under this Agreement; (ii) DEMEC shall be permitted by then applicable law to provide services as provided herein to said purchaser or lessee, if any; and (iii) DEMEC shall by appropriate

SECTION 24. Applicable Law; Construction.

This Agreement is made under and shall be governed by the laws of the State of Delaware. Headings herein are for convenience only and shall not influence the construction hereof.

SECTION 25. Severability.

If any section, paragraph, clause or provision of this Agreement shall be finally adjudicated by a court of competent jurisdiction to be invalid, the remainder of this Agreement shall remain in full force and effect as though such section, paragraph, clause or provision or any part thereof so adjudicated to be invalid had not been included herein. In the event that any provision of this Agreement is held to be invalid or unenforceable, the parties hereto will negotiate in good faith to formulate a substitute provision that preserves the overall substance of the business deal.

SECTION 26. Miscellaneous.

This Agreement embodies the entire agreement and understanding of the parties and supersedes any and all prior agreements, arrangements and understandings relating to matters provided for herein. The captions used herein are for convenience only and shall not control or affect the meaning or construction of the provisions of this Agreement. This Agreement may be executed in one or more counterparts and all such counterparts shall constitute one and the same instrument. This Agreement may only be amended by a written instrument signed by both parties.



Memorandum

Agenda
2-14-17

N.B.S
2/14/17

To: Mayor & Council

From: Trisha Newcomer, Economic Development/Information Technology Manager 

Date: January 27, 2017

RE: Trinity Logistics

On Friday, January 27, 2017 the Economic Development Committee met with regard to discussing the future expansion plans of Trinity Logistics – 50 Fallon Avenue and the potential of a jobs creation credit.

Trinity Logistics, one of only two family owned logistics companies in the U.S., was founded in 1979. They now have service centers located in Texas, Missouri, Iowa, Minnesota, with their main headquarters located right here in Seaford and almost 100 agent offices in the US, Canada and Mexico. They continue to grow and receive numerous awards along the way, including being recognized as a great place to work, not only in DE but Nationally. The company does have future plans for growth and have recently acquired adjacent properties which will offer them such opportunity. Over the next 3 years, they anticipate seeing employment numbers here locally grow to potentially add up to 60+ additional Full Time Employees (FTEs). This would be in addition to the 300 existing team members located here in Seaford. In a meeting on 1/13/17, representatives from the State, County and City met with the Leadership team from Trinity to discuss the potential of available jobs credits or grants that would help offset some of their growth costs. The State and County both offered up potential options in the form of loan opportunities and jobs creation credits.

After much discussion regarding the information above the Economic Development Committee's recommendation is to offer to Trinity Logistics a \$200 per new full time job credit, for all new FTEs created over the next three year period. The credit term would begin July 1, 2017 and run through June 30, 2020, with an annual auditing of their employment numbers by the City of Seaford, done on a fiscal year basis.

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N.B. 6
2-14-17

THIS AGREEMENT, made and entered into this _____ day of _____, 2017, by and between THE CITY OF SEAFORD, a municipal corporation of the State of Delaware, party of the first part, hereinafter referred to as "Owner,"

-AND-

SUSSEX COUNTY, a political subdivision of the State of Delaware, party of the second part, hereinafter referred to as "User."

WITNESSETH:

WHEREAS, Owner is the owner and operator of a public sewage system, including a wastewater treatment and disposal plant; and

WHEREAS, the parties hereto desire to terminate all prior agreements and to substitute in-lieu thereof this Agreement between them relating to the Blades Sanitary Sewer District (BLSSD).

NOW, THEREFORE, in consideration of the mutual covenants hereinafter expressed, the parties hereto agree as follows:

1. For the purposes of the Agreement, it is mutually agreed by the parties hereto that the following definitions shall apply unless the context indicates to the contrary:

(a) Wastewater shall be defined as waste delivered by User to Owner with characteristics generally recognized as those associated with normal domestic sewage and shall conform fully with the requirements of "Wastewater Quality Criteria" attached hereto as Exhibit A and made a part hereof as though fully set out herein.

(b) Treatment shall be deemed to include those processes as are necessary

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to provide an effluent from the wastewater treatment plant of Owner fully in compliance with the NPDES permit(s) issued by the State of Delaware.

- (c) Average Daily Flow (ADF) of the district shall be defined as the total monthly flow measured at the district pump station divided by the number of days in said month.
 - (d) District shall mean the Blades Sanitary Sewer District (BLSSD) as shown on Exhibit B, except that the User may enlarge or revise the boundaries of the District in accordance with the provisions of Chapter 65, Title 9, Delaware Code Annotated, without the necessity for further modification of the description contained herein. The present boundaries are those of the corporate limits of the Town of Blades. The USER may request expansion or revision of the District boundaries. Such expansion or revision shall be into areas that are within the boundaries of the Primary or Secondary Service Areas for the BLSSD as designated in the Sussex County Land Use Plan. Sussex County shall encourage annexation into the Town of Blades prior to proposing annexation into the District.
 - (e) Moratorium shall mean an authorized period of delay in the contribution of flows to the treatment plant.
2. Owner hereby grants to User the privilege of discharging wastewater from the District into the wastewater treatment facilities of the Owner.
 3. Owner agrees to accept for treatment the wastewater of User pursuant to the terms of this Agreement from the District; provided however, that Owner reserves the right to refuse to accept for treatment any wastewater which does not comply with the terms of Exhibit A attached hereto.

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4. It is mutually agreed by the parties hereto that this Agreement shall become effective upon its execution and delivery by the parties hereto and shall remain in effect until 2022, unless sooner terminated by mutual agreement of both parties hereto.
5. User will operate and maintain a district pump station and transmission main, to the connection point with the Owner's manhole on the north side of the Nanticoke River, more accurately depicted by the attached drawing shown in Exhibit C, capable of conveying the projected maximum instantaneous flow of the District. User will install a magnetic flow meter at the pump station, which records and totals the volume of wastewater delivered by User to the wastewater treatment plant of Owner. User will maintain said meter in accurate calibration and furnish annual written certification of accuracy by an authorized technician of the manufacturer of the meter to the Owner. User will provide meter readings and make them available to Owner on a monthly basis. In the case of missing flow records because of malfunctions or inaccurate facility meter registration, or otherwise, the User may estimate flows for consideration and acceptance by the Owner for the purpose of determining the volume of wastewater discharge. The estimate will be based on an evaluation of past flow records as applied to present conditions.
6. Owner shall operate and maintain the Wastewater Treatment Facilities in accordance with the NPDES permit issued by the State of Delaware Department of Natural Resources and Environmental Control (DNREC) and any other Federal or State of Delaware regulations that may apply.
7. Owner shall reserve treatment capacity of 144,000 gpd ADF at the execution of

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this agreement for use by the User, except that User may purchase additional capacity in 24,000 gpd ADF increments, subject to the terms of this Agreement. Owner shall have the right to require renegotiation of this Agreement in the event that the User seeks additional capacity in excess of 240,000 gpd ADF. User will be permitted, in accordance with TABLE 1, to purchase additional 24,000 gpd ADF increments of treatment capacity annually as outlined herein. Additional allocations will not be given until User reaches a minimum of 75 percent of the previously purchased allocation. The User may request from the Owner the purchase of unused allocations from a prior calendar year if not obtained in the specified timeframe. This provision shall not permit the purchase of any amount greater than 48,000 gallons of capacity in a single calendar year. The Owner shall regain the use of any portion of unused capacity not purchased by the User during any two consecutive calendar years of availability. The Owner may, at its discretion, allow adjustments to the allocations if due cause is demonstrated by the User.

TABLE 1

Year	2017	2018	2019	2020
Allocation	24,000 gpd	24,000 gpd	24,000 gpd	24,000 gpd

8. User agrees to pay Owner, *monthly*, its share of operational expenses related to the treatment facilities.
 - (a) Such share shall be determined by dividing the actual metered monthly flow discharged from User's sewage collection system to the Owner's treatment facilities by the total gallons metered monthly as flow entering the treatment

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facilities from all sources, and multiplying that factor by the total operating expenses of the treatment facilities for that month.

- (b) Operational expenses shall include actual costs and expenses relating to operations, repair, and maintenance, including electric power, labor, materials and supplies that relate to the Owners' treatment facilities. Operational expenses shall exclude depreciation, debt service and major capital improvements recovered through bond issues, grants, or other contributions toward capital costs. The operational costs shall also include a 5 percent administrative charge. This charge shall be 5 percent of the total User's monthly Operations and Maintenance charges for the billing period. Operational expenses shall include expenses of the solar array facility installed at 8000 Herring Run Road. In addition operational expenses shall include the generated kWh electrical production of the facility and shall be credited against the total electrical consumption of the WWTP.
- (c) User agrees that a treatment surcharge will be added to the monthly charges in accordance with the formula shown in Exhibit F, when Total Kjeldahl Nitrogen (TKN), Total Phosphorus (P) and BOD₅ levels exceed the levels indicated in Exhibit A.
- (d) User agrees in the event the sewage wastes discharged from the User's sewage collection system into the treatment plant exceeds or violates the limits indicated in Exhibit A, and/or which will require special handling or treatment, the total costs incident to providing such special handling or treatment shall be determined by the Owner and shall be borne solely by the User.

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9. User agrees to pay Owner the following charges, monthly, for debt service associated with the treatment facilities:
- (a) FmHA Loan – A share based on 10 percent of annual debt service.
 - (b) 1996 Series A & B SRF Loan – A share based on the User's allocated capacity divided by the Owner's total treatment capacity times the Biological Nutrient Reduction (BNR) portion (36.145%) of the 1996 Loan.
 - (c) 2016 Delaware Water Pollution Control Revolving Fund Loan (Solar Array) - A share based on the Users allocated capacity divided by the Owner's total treatment capacity. Debt service for the solar array will be paid for by the Owner and User with proceeds from the sale of SREC's. Should this revenue not be adequate to meet the required debt service needs of the facility the Owner shall asses the User a proportionate share of the remaining debt service costs.
10. Owner agrees to sell User additional capacity as agreed, subject to the following terms:
- (a) Capacity cost buy in, the User agrees to pay owner a capital construction reimbursement fee for each additional increment of 24,000 gpd ADF acquired by the User, which will be due when User's Average Daily Flow exceeds said capacity during two (2) consecutive months. If User's daily flow exceeds capacity for a reason beyond User's control, reasonable accommodations will be permitted by the Owner given due cause. The capacity cost amount shall be calculated in accordance with Exhibits D and E attached hereto.
 - (b) Impact fees, currently in effect, will be due upon issuance of a building permit for construction requiring new sewer EDUs. The impact fee charge

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representing the treatment cost portion only shall be 75 percent of the Owner's current sewer impact fee. Calculation of the applicable impact fee shall be based upon the City of Seaford Municipal Code Section 11-23 –11-28. Impact fees shall be payable to the Owner the month following permit issuance. Owner will annually provide to User the impact fee rate amount applicable by June 1, (pending Council approval) preceding the upcoming fiscal year beginning July 1.

11. If User decides, during the life of this agreement, to seek alternative options for treating the User's wastewater flows and reduces or eliminates flows to the Owner, the Owner can regain use of said capacity given up by the User. In the event the User removes any portion of its flows, the Owner may regain that portion of the treatment capacity given up by the User if the Owner repays BLSSD 75 percent of the dollars paid to the Owner for capital construction reimbursement costs (as described in Section 10a) of capacity given up by the User. The aforementioned reimbursement shall also include asset depreciation. Depreciation shall be based on a 20 year usable lifespan of facilities and equipment. The base year shall be 1998, the year of completion of plant expansion to present capacity. The depreciation calculation shall be straight line methodology and the total depreciation amount shall be deducted from any monies to be returned to the User. The Owner reserves the right to repay the User over a five year period. Any additional capital construction reimbursement and deprecation cost will be based on the year the new capital construction was placed in service.

12. In the event that the Owner deems it necessary to impose a moratorium upon

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additional flows to the Wastewater Treatment Plant, the User will also be required to place a moratorium on their flows from the User to the Wastewater Treatment Plant. The User will be required to take steps satisfactory to the Owner that additional flows to the Wastewater Treatment Plant will be eliminated during the moratorium period. In the event of a moratorium additional treatment capacity allocations outlined in TABLE 1 will not be granted by the Owner. The lifting of any moratorium implemented by the Owner will also lift the moratorium for the User.

13. Each party hereto, by a duly authorized representative, shall have the right at any time during business hours to inspect the books and records of the other party in order to ascertain the correctness of any figures used in computing the liability of any party to any other party. Owner agrees to provide User an annual budget and audit report for the Owner's Wastewater Treatment Facilities and Compost departments.
14. User shall sample the District pumping station according to the sampling schedule contained herein. User shall observe proper sampling techniques, holding times and preservation methods when collecting and processing samples.

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SAMPLING SCHEDULE

Pollutant	Sample Type		Remaining Duration of Agreement*
BOD	24hr flow proportioned composite		Once / month
TSS	24hr flow proportioned composite		Once / month
Total Nitrogen (TKN + NO ₂ -NO ₃)	24hr flow proportioned composite		Once / month
Total Phosphorus	24hr flow proportioned composite		Once / month
Copper, Zinc, Molybdenum	24hr flow proportioned composite		Once / month
pH	Grab		Once / month
Seaford Local Limits Scan	24hr flow proportioned composite		Once / year
*During the first year of the Agreement, the User shall sample at the indicated frequency. After one year, and after obtaining approval of the Owner, the User may sample at the alternate frequency indicated.			

The User shall sample for other constituents at the request of the Owner, if just cause is given. The User shall compile and report all results of these tests each month along with the flow report data. This report shall be submitted to the Owner no later than the 10th day of the subsequent month for use in calculating the monthly billing cycle. The results of any monitoring performed beyond the requirements of this agreement shall also be reported. The Owner shall be granted access to the User's collection system and/or pumping station for its own monitoring.

15. Owner will notify User if chronic permit compliance problems are experienced at Owner's Wastewater Treatment Facilities including Compost. If such problems are experienced due to wastewater conveyed by the User, then User will take immediate steps to remedy any situation, which causes such problems. If User is unable to remedy such situations, User may be required to install a pretreatment system to reduce wastewater constituents exceeding the

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"Wastewater Quality Criteria" attached hereto as Exhibit A.

16. It is mutually agreed by the parties hereto that to the extent permitted by law, each of them shall indemnify and hold harmless the other party, including its elected and appointed officials, servants, agents and/or employees against all losses, costs or damages on account of any bodily injury or property damage occurring in the performance of this Agreement due to the negligence of the indemnifying party, its respective servants, agents, and/or employees, or resulting from the failure of the Treatment Plant, and facilities leading thereto, to function properly because of such negligence. To the fullest extent permitted by law, Owner waives any right of recovery from User and its elected and appointed officials, servants, agents, and/or employees for any loss of or damage to the Treatment Plant (including any consequential loss that may result), regardless of the cause of origin, including the negligence of the User and, its elected and appointed officials, servants, agents and/or employees, to the extent covered by required insurance. Owner shall advise its property insurer(s) of the foregoing and such waiver shall be permitted under any property insurance policies maintained by Owner.
17. The Owner agrees to secure and maintain, at its own expense, all risk (special form) property and extra expense insurance, equipment breakdown insurance including extra expense insurance on the treatment plant and compost area and commercial general liability insurance with insurers authorized and qualified to do business under the laws of the State of Delaware against loss or damage, fire and other risk and casualty. The property insurance should provide for a

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limit of liability not less than 100 percent of the insurable replacement cost of the Treatment Plant and/or Compost area and the extra expense insurance coverages should have a limit of not less than \$500,000 each occurrence. The commercial general liability insurance should have a limit of not less than \$1,000,000 each occurrence with General Aggregate and Products Completed Aggregate limits of not less than \$2,000,000 each. Owner agrees to add User, its respective elected and appointed officials, servants, agents, and/or employees as additional insured on Owner's extra expense and commercial general liability insurance. Immediately after any loss or damage to the treatment plant, or any part thereof, the Owner will commence and duly prosecute the repair, replacement or reconstruction or the damages or destroyed portion of the treatment plant, compost area, and wastewater conveyance system according to the plans and specifications therefore prepared by its consulting engineers. The User shall secure and maintain, at its own expense, commercial general liability insurance with limits equal to those required of Owner and the Owner shall be listed as an additional insured on all pertinent County policies.

18. The following positions shall be notified by phone within 24 hours and in writing within 5 days in relation to any violation of this Agreement:

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For the OWNER,

City Manager	(302) 629-9173	414 High Street PO Box 1100	Seaford, DE 19973
Dir. of Public Works	(302) 629-8307	414 High Street PO Box 1100	Seaford, DE 19973
Operations Coordinator	(302) 629-8340	403 Nanticoke Ave.	Seaford, DE 19973
Non-business hours: Seaford Police Dept.	(302) 629-6644	300 Virginia Avenue	Seaford, DE 19973

For the USER,

County Administrator	855-7742
County Engineer	855-7718
Director of Operations	855-7730
Non-business hours	855-7803

19. It is mutually agreed by the parties hereto that the terms of this Agreement shall be binding not only upon the parties hereto, but also upon their respective successors and assigns.

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their proper corporate officers and their respective corporate seals to be hereto affixed, the day and year first above written.

OWNER

By: _____
Mayor

Attest: _____
Secretary

SUSSEX COUNTY

By: _____
President, Sussex County Council

Attest: _____
Clerk, Sussex County Council

WASTEWATER QUALITY CRITERIA

All wastewater delivered to the Owner by the user shall be subject to the following standards:

1. No storm water, surface water, ground water, cooling water or other unpolluted waters shall be discharged to Owner's facilities.
2. Flow shall not exceed 144,000 gallons per day (GPD).
3. Average Biochemical Oxygen Demand (BOD) shall not exceed 270 pounds per day.
4. Average Total Suspended Solids (TSS) shall not exceed 291 pounds per day.
5. pH shall range between 6 s.u. and 9 s.u.
6. Average temperature shall range between 50 degrees F. and 70 degrees F., with maximum instantaneous temperature never to exceed 104 degrees F.
7. The average Total Kjeldahl Nitrogen (TKN) loading shall not exceed 41 pounds per day.
8. The average Total Phosphorus (TP) loading shall not exceed 7.3 pounds per day.
9. Grease, oil, fats, and wax shall not exceed 30 parts per million average and 100 parts per million peak.
10. The following substances are prohibited:
 - a. Hauled waste – including septage, portable toilet waste, and industrial waste.
 - b. Gasoline or any other flammable or explosive liquid, solid or gas- none.
 - c. Malodorous or toxic gases or vapors - none.
 - d. Garbage - only portions which pass through pump station.
 - e. Solid, semi-solid, or viscous substances capable of obstructing

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pipelines or interfering with treatment processes - none.

- f. Pickling wastes or plating solutions - none.
- g. Minerals - only to the extent tolerable to the normal treatment process.
- h. Radioactive materials - none
- i. Toxic substances shall not exceed the Maximum Allowable Headwork's Concentrations (MAHC) as established by the owner in the 2009 Local Limits re-evaluation. The owner shall provide timely updates or revisions to these limits as they are adopted. The current monthly average concentration limits are:

MAHC (mg/l)

Pollutant	mg/l
Arsenic	0.0159
Cadmium	0.0046
Chromium	0.3408
Copper	0.0323
Cyanide	0.1369
Lead	0.0485
Mercury	0.0060
Molybdenum	0.0200
Nickel	0.1334
Selenium	0.0145
Silver	0.0072
Zinc	0.3939

- j. Any other solid, liquid or gaseous substances which has an adverse effect on transmission, treatment, or disposal of wastewater or is in violation of State or Federal Statues or regulations - none.
11. "Average," as used hereinbefore, shall be defined as the monthly mean value, as determined by totaling the individual sampling results and dividing that value by the number of samples taken during the month in question. "Peak", as used hereinbefore, shall be defined as a parameter value which has duration of 15 minutes or longer on any given day, as determined by sampling and testing.

TREATMENT SURCHARGE CALCULATION

County agrees to pay City a surcharge, which is to be added to the Base Monthly Charge, for sewage treated by City pursuant to the terms hereof, according to the following formulas:

Surcharge loading calculations are based off of Blade's current flow limit of 144,000 GPD and Seaford's average influent flow of 1,100,000 GPD.

BOD:

$C_s = B_c \times B \times D$, where

C_s = A surcharge for wastewater of above average strength.

B_c = Cost to treat one pound of BOD under aeration (\$0.0233 per pound).

B = Loading of BOD from County above 270 lbs/d.

D = Number of days in the month.

TKN:

$C_s = N_c \times N \times D$, where

C_s = A surcharge for wastewater of above average strength

N_c = Cost to treat one pound of TKN under aeration (\$0.2737 per pound).

N = Loading of TKN from County above 41 lbs/d.

D = Number of days in the month.

TP:

$C_s = (P - L)(G)(C)(D)$, where

P = Monthly average phosphorus loading (lbs/d).

L = Monthly average phosphorus loading limit (7.3 lbs/d).

G = Gallons of alum required to precipitate 1 lb of phosphorus (6).

C = Alum cost per gallon.

D = Number of days in the month.

N.B. 7
2-14-17

THIS IS AN AGREEMENT OF LEASE, made and entered into this ____ day of _____, A.D. 2017, by and between SEAFORD SCHOOL DISTRICT, a school district of the State of Delaware, party of the first part, hereinafter referred to as "Lessor" and THE CITY OF SEAFORD, a municipal corporation of the State of Delaware, with offices in Seaford, Sussex County, Delaware, party of the second part, hereinafter referred to as "Lessee."

WITNESSETH:

IN CONSIDERATION of the mutual covenants hereinafter expressed, the parties hereto agree as follows:

1. Lessor hereby leases to Lessee and Lessee hereby leases from Lessor all that Certain tract, piece or parcel of land situate, lying and being in the City of Seaford, Seaford Hundred, Sussex County, Delaware, measuring approximately 310 feet by approximately 120 feet fronting on School Lane to be used, for six (6) tennis courts as surveyed by Harry K. Alexander, Professional Engineer, and shown on a Plot dated December 1, 1976, a copy of which is attached hereto and made a part hereof, together with the right of ingress and egress over, across and through lands of Lessor from School Lane to the lands herein leased. Said plot recorded in the Office of the Recorder of Deeds in Plot Book __, page __.

2. It is mutually agreed by the parties hereto that the term of this Lease shall be for a period of Twenty (20) years which is agreed to be the estimated life of the project commencing on the __ day of _____, A.D. 2017, and terminating on ____ day of _____, A.D. 2037.

3. Lessee and Lessor agrees to pay to each to the other a one-time rental to initiate the terms of this Lease for the premises described in Paragraph 1 above.

4. Lessee agrees during the term of this Lease that the premises described in Paragraph 1 above shall be used by Lessee exclusively for tennis courts for a recreational program operated and conducted by Lessee and for no other purpose or purposes whatsoever without the written consent of Lessor.

5. Lessee agrees Seaford School District tennis and physical education programs supersedes the rights of the public for use of these courts.

6. Lessee agrees to comply with all laws, ordinances and lawful orders and regulations issued by a governmental authority which affect the said leased premises.

7. Lessee agrees at its expense and without any expense or liability to Lessor to keep in good order and repair the premises.

8. Lessee agrees to be liable for and to discharge all charges assessed against the

leased premises including but not limited to taxes, sewer, fuel, electricity and telephone.

9. Lessee agrees to defend and hold Lessor harmless from any liability for damages to any person or any property in or upon said premises, including the person and property of Lessee, and their employees and all persons in or upon the leased premises at the invitation or with their consent of Lessee. It is mutually agreed by the parties hereto that all property kept, stored or maintained at the sole risk of Lessee. Lessee agrees not to suffer or give cause for the filing of any lien against the herein leased premises by any person, firm or corporation for any reason whatsoever.

10. Lessee agrees to keep in full force and effect a policy of public liability insurance with respect to the said leased premises in which both Lessor and Lessee shall be named as parties covered thereby, or which provides equivalent protection to and is approved by Lessor, and in which the limits of liability shall be not less than One Hundred Thousand Dollars (\$100,000.00) per person and Three Hundred Thousand Dollars (\$300,000.00) for each accident or occurrence for bodily injury and Ten Thousand Dollars (\$10,000.00) for property damage. Lessee agrees to furnish Lessor with a certificate or certificates of insurance, or other acceptable evidence that such insurance is in force at all times.

11. Lessee agrees not to assign or in any manner transfer this Lease or any estate or interest therein without the previous written consent of Lessor, and not to sublet said premises or any part or parts thereof or allow anyone to come in with, through or under it without like consent. Lessee agrees that consent by Lessor to one or more assignments or this Lease to one or more sub-lettings of said leased premises shall not operate to exhaust Lessor's rights under this Paragraph.

12. It is mutually agreed that this Lease, nor any interest therein nor any estate thereby created, shall pass to any trustee or receiver or assignee for the benefit of creditors or otherwise by operation of law.

13. Lessee agrees that if any rental due and payable from Lessee to Lessor shall be unpaid or if Lessee shall violate any of the other covenants, agreements, stipulations or conditions set forth herein and if such default shall continue for a period of thirty (30) days after written notice thereof from Lessor, Lessor may, at its option, declare this Lease forfeited and the terms hereof ended. If this Lease is declared forfeited and the terms hereof ended, Lessee agrees that Lessor shall have the immediate right of re-entry, with or without process of law, using such force as may be necessary to remove all persons and chattels from the said leased premises without liability for any damage because of said re-entry. Lessee agrees that, notwithstanding such re-entry by the Lessor, the rental provided herein shall continue to be due and payable in accordance with the terms of this Lease. Lessee further agrees that Lessor may, at its option, re-let the premises as the agent of the Lessee.

14. Lessee agrees that if Lessor waives any covenant or condition contained in

this Lease, such waiver shall not be construed as a waiver of any subsequent breach of the same or different covenant or condition.

15. It is mutually agreed by the parties hereto that the words "Lessee" and "Lessor" when used in this Lease shall refer to and bind not only the parties hereto but also their respective heirs, executors, administrators, successors and assigns.

IN WITNESS WHEREOF, the parties hereto have cause this Agreement to be executed by its proper officers and their respective seals to be hereunto affixed the year and day first above written.

SEAFORD SCHOOL DISTRICT

By: _____
President

Attest: _____
Secretary

THE CITY OF SEAFORD

By: _____
Mayor

Attest: _____
Secretary

DRAFT

STATE OF DELAWARE:

ss.

COUNTY OF SUSSEX:

BE IT REMEMBERED, That on this ___ day of _____, A.D. 2017, personally came before me, the Subscriber, a Notary Public for the State and County aforesaid, _____ Mayor of the City of Seaford, a municipal corporation of the State of Delaware, party to this Indenture, known to me personally to be such, and acknowledged this Indenture to be his act and Deed, and the act and the Deed of the said corporation; that the signature of the Mayor is in his own proper handwriting; that the seal affixed is the common and cooperate seal of the said corporation duly affixed by its authority; and that the act of signing, sealing, acknowledging and delivering the said Indenture was first duly authorized by resolution of the City Council of the said corporation.

GIVEN under my Hand and Seal of Office, the day and year aforesaid.

Notary Public



CITY OF SEAFORD

SCHEDULE OF FEES AND RATES

Amended February 14, 2017

Effective February 1, 2017

The following fee & rate schedule contains base fees for different services and or permits obtained from the City of Seaford. The rates shown here are only current as of the date shown above. Fee calculations for permits must be performed by the City Code Department to ensure accuracy. Fee rates are never guaranteed and are subject to change at any time by an act of the City Council.

PROPERTY TAX RATE

Assessment is based on 2008 market values. The City of Seaford's taxes are assessed at 100% of appraised value and taxed at \$0.31 per \$100 of assessed value.

PROPERTY TAX RE-ASSESSMENT FEE:

As determined by current assessment charges.

* This fee applies to property tax reassessments necessary due to Sub-division Farm Land Exemption requests; Property Improvements, Subdivisions, Re-zonings and/or Annexations.

ELECTRIC UTILITY RATES

RESIDENTIAL CUSTOMERS

Customer Charge \$8.75 Per Month *Minimum Bill \$15.00
First 39.07 KWH \$0.160000
Next 710.93 KWH \$0.152817
Remaining KWH \$0.128631

COMMERCIAL NON-DEMAND METERING (under 3500 kwh)

Customer Charge \$10.50 Per Month *Minimum Bill \$15.00
First 26.48 KWH \$0.170000
Next 723.52 KWH \$0.157411
Remaining KWH \$0.156370

COMMERCIAL WITH DEMAND METERING (over 3500 kwh five or more times in 12 months, less than 50 KW)

Customer Charge \$30.00 Per Month
First 45 KWH \$0.150000
Remaining KWH \$0.107623
Demand Charge (All KW \$11.34)

MEDIUM GENERAL SERVICE Energy (50-300 KW)

Customer Charge \$50.00 Per Month
First 2,694.72 KWH \$0.125000
Remaining KWH \$0.100137
Minimum Bill \$386.84
Demand Charge (All KW \$10.66)

LARGE GENERAL SERVICE Energy (greater than 300 KW two or more times in 12 months)

Customer Charge \$200.00 Per Month
First 30,000 KWH \$0.105000 Next 220,000 KWH \$0.086620
Remaining KWH \$0.084770
Demand Charge (All KW \$10.1327)
Demand Ratchet 70% if Previous 12 Month Maximum

LARGE GENERAL SERVICE -PRIMARY Energy (same as above with primary service)

Customer Charge \$200.00 Per Month

First 30,000 KWH \$0.102500 Next 220,000 KWH \$0.085318
 Remaining KWH \$0.082596
 Demand Charge (All KW \$10.1327)
 Demand Ratchet 70% if Previous 12 Month Maximum

CONNECTION CHARGES

Existing Facility, Commercial or Residential	No Charge
New Residential	No Charge
New Non-Residential	No Charge
Delinquent Charges (prior to 4:00 pm Monday – Friday)	\$40
Delinquent Charges (after 4:00 pm Monday – Friday, Weekends & Holidays)	\$60
Additional Deposit	\$25
Temporary Service	\$60

CUSTOMER DEPOSIT CHARGES

Residential Property Owner	No deposit required
Residential Renters	\$200
Commercial - The greater of an average for 12 month's bills multiplied by 2.5 or	\$200
<i>(A surety bond may be substituted at the City's option)</i>	

STANDARD POWER FACTOR

98.5% Lagging

Charge per 1.0% under 98.5% per KW demand	\$0.05
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NEW CONSTRUCTION AND LINE EXTENSION FEES

Paid by Applicant – Refer to section 11 of the Electric rules and regulations.

* The City Council approved a selective elimination of the charges for City Labor & City Equipment costs in 2017 related to the installation of new electric services and upgrades to existing electric services by the City Electric Department. Material costs, Non-City Labor costs & Non-City Equipment costs do not apply to this waiver.

STREET CHARGE

\$5.50 per month

GREEN ENERGY

Funding for Green Energy Programs \$0.000178 / Kwh

PURCHASED POWER COST ADJUSTMENT CLAUSE

-\$0.00257 / Kwh (Effective 02/01/2017)

ENERGY SUPPLY COST

\$0.07525/ Kwh

SECURITY LIGHTS

\$6.31 / month

METER TEST FEE

No charge for the first test at a location. After first test then greater of actual cost or:

Self Contained	\$35
Transformer Rated Meter	\$75

METER DEPOSIT INTEREST

Meter deposit interest is applied when refunded; with an interest rate based on the 1 year Treasury Constant Maturity Rate.

DELAWARE STATE UTILITY TAX

Industrial/Commercial Facility 4.25%
Qualified Manufacturing Facility 2.00%

RETURN PAYMENT FEE

\$40

LATE PAYMENT CHARGE

1.5% per month on outstanding balance

BASE FIGURE FOR ESCROW CALCULATIONS

\$0.088223/Kwh

WATER AND SEWER UTILITY RATES

All water and sewer rates are based on Equivalent Dwelling Units (EDU), which is equal to 9,000 gallons per month, (300 g.p.d.), with a minimum billing of 1 EDU per month, \$21.95 for water* and \$44.30 for sewer.

*Water rate adjustment for large users: The first 667,000 gallons are billed at the rate of \$21.95 per 9,000 gallons/month; from 667,001-1,333,333 at \$10.97 per 9,000 gallons/month; with the remaining usage at \$9.12 per 9,000 gallons/month.

*Properties outside of the city limits, which have water and/or sewer service, are charged an annual fee equal to 1/3 of the city property tax rate.

WATER AND SEWER CONNECTION SERVICE CHARGES

Turn service valve on/off for:

Repairs (During City Business Hours):	No Charge
Repairs (After City Business Hours):	\$60
Non-Repair shutoff/reconnect for more than 1 week (During City Business Hours only):	\$40

INDUSTRIAL PRETREATMENT ORDINANCE:

WASTEWATER DISCHARGE PERMIT:

Significant Industrial User (SIU)	\$1,000.00 per issuance + \$500 Annual Monitoring Fee
Categorical Industrial User (CIU)	\$1,000.00 per issuance + \$500 Annual Monitoring Fee
Other Industrial User (OIU)	\$1,000.00 per issuance + \$500 Annual Monitoring Fee

OTHER FEES:

Permit Amendment	\$500.00 per issuance
Permit Variance (s)	\$500.00 per issuance

GREASE INTERCEPTOR/TRAP INSPECTION FEE:

First inspection =	No charge
Second and each additional inspection =	\$50.00

BOARD OF ADJUSTMENT HEARING:

NON-REFUNDABLE	\$300.00
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PLANNING AND ZONING HEARING:

NON-REFUNDABLE	\$200.00
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PLUMBER LICENSE:

Annual License Fee =	\$40.00
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Surety Bond Required (\$5,000)
State of Delaware Master Plumber License Required

EXCAVATOR LICENSE:

Annual License Fee =	\$40.00
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Surety Bond Required (\$20,000)

REFUSE HAULER LICENSE:

Annual License Fee = \$50.00 for the first 5 trucks working in the City,
Plus \$10.00 for each additional truck working in the City

SEPTAGE HAULER LICENSE:

Annual License Fee = \$120.00

COMMERCIAL HANDBILL DISTRIBUTOR LICENSE:

Annual License Fee = \$40.00

TRANSIENT MERCHANT LICENSE:

Annual License Fee = \$40.00
Surety Bond Required (\$1,000)

MASSAGE BUSINESS LICENSE:

Annual License Fee = \$40.00

SPECIAL EVENT PERMIT:

Permit fee = \$20.00 per day per event
Not for profit organizations may be exempted from this fee. Proof of 501c3 status may be required.

PARADE OR PROCESSION PERMIT:

No Charge

SEASONAL STAND PERMIT:

Stand size up to 100 s.f. = \$10.00
Stand size larger than 100 s.f. = \$25.00

TEMPORARY CONTAINER (in R.O.W.) PERMIT:

Permit Fee = \$40.00
Insurance Certificate Required

BUILDING / SIGN / EXCAVATION / SITE WORK PERMIT FEE:

Based on the Cost of Construction:
First \$1,000 = \$25.00
Plus \$ 5.00 fee for each additional \$1,000 or any portion thereafter.

All NEW residential construction shall be based on the latest edition of the Building Valuation Data table as published by the International Code Council (ICC). All other work must be accompanied by a written estimate.

PLUMBING PERMIT FEE:

Base Permit Fee \$25.00
Charge per fixture or connection to be inspected \$ 2.00

DEMOLITION PERMIT FEE:

Structures WITH utilities \$50.00
Structures WITHOUT utilities \$10.00

WATER IMPACT FEE:

Per EDU \$ 600.00

* The City Council approved a selective discount of the water impact fee in 2017 as an economic incentive to flexible warehousing space in any M-1 Light Industrial District. This incentive is targeted to spur growth through incubator business spaces. The discount is applied to the water impact fee based on the normal EDU calculation for the space. The following chart gives the discount amount based on the size of the flexible warehousing unit:

<i>Gross Floor Area Range (square feet)</i>	<i>Discount applied to normal water impact fee</i>
0 to 2,000	70%
2,001 to 4,000	60%
4,001 to 6,000	50%
6,001 to 8,000	40%
8,001 to 10,000	30%

WATER CAPACITY CHARGE:

Residential Unit without a fire suppression system \$ 100.00 per EDU

All other uses:

1" Water Tap	\$ 375.00
2" Water Tap	\$ 750.00
3" Water Tap	\$1,500.00
4" Water Tap	\$3,000.00
6" Water Tap	\$3,500.00
8" Water Tap	\$4,000.00
10" Water Tap or large	\$6,000.00

WATER TAP FEE:

1"	\$ 725.00	plus \$300 to open street
1-1/2"	\$ 930.00	plus \$300 to open street
2"	\$1,325.00	plus \$300 to open street

* The City Council approved a selective elimination of the water tap fees in 2017. This fee incentive applies to the *first seventeen single family detached* housing units permitted, built and receiving their certificate of occupancy in 2017. This fee reduction only applies to housing constructed within Developments in the City, where water taps have already been installed by the developer.

SEWER IMPACT FEE:

Per EDU \$1,400.00

* The City Council approved a selective discount of the sewer impact fee in 2017 as an economic incentive to flexible warehousing space in any M-1 Light Industrial District. This incentive is targeted to spur growth through incubator business spaces. The discount is applied to the sewer impact fee based on the normal EDU calculation for the space. The following chart gives the discount amount based on the size of the flexible warehousing unit:

<i>Gross Floor Area Range (square feet)</i>	<i>Discount applied to normal sewer impact fee</i>
0 to 2,000	70%
2,001 to 4,000	60%
4,001 to 6,000	50%
6,001 to 8,000	40%
8,001 to 10,000	30%

SEWER TAP FEE:

4" diameter \$1,050.00 plus \$600 to open street
 6" diameter or larger \$1,050.00 plus \$600 to open street

* The City Council approved a selective elimination of the sewer tap fees in 2017. This fee incentive applies to the *first seventeen single family detached* housing units permitted, built and receiving their certificate of occupancy in 2017. This fee reduction only applies to housing constructed within Developments in the City, where sewer taps have already been installed by the developer.

DOWNSTREAM SEWER ASSESSMENT FEE:

Lift Station #1	Methodist Manor House Drainage Shed	\$ 400.00 per EDU
Lift Station #2	Route 13 South Drainage Shed	\$ 800.00 per EDU
Lift Station #3	Route 13 North (SVSC) Drainage Shed	\$ 800.00 per EDU
Lift Station #4	Retirement Living Drainage Shed	\$ 400.00 per EDU
Lift Station #5	Western Auto Drainage Shed	\$ 400.00 per EDU
Lift Station #6	Virginia Commons Drainage Shed	\$ 400.00 per EDU
Lift Station #7	Shipleigh Center Drainage Shed	\$ 400.00 per EDU
Lift Station #8	Hurley Heights Drainage Shed	\$ 400.00 per EDU
Lift Station #9	Cedar Avenue Drainage Shed	\$ 400.00 per EDU
Lift Station #10	Industrial Park Drainage Shed	\$ 400.00 per EDU
Lift Station #11	Dulany Street Drainage Shed	\$ 400.00 per EDU
Lift Station #12	North Ross Drainage Shed	\$ 400.00 per EDU
Lift Station #13	Governor's Grant Drainage Shed	\$ 400.00 per EDU
Lift Station #14	Mears Campus Drainage Shed	\$ 1,200.00 per EDU
Lift Station #15	Herring Run Drainage Shed	\$ 1,200.00 per EDU

STORM WATER IMPACT FEE:

Per square foot of developable land \$0.10

ELECTRIC SYSTEM COST RECOVERY FEE:

Residential Service Single Phase (120/240)

100 amp	\$ 187.50
200 amp	\$ 375.00
300 amp	\$ 562.50
400 amp	\$ 750.00

Commercial Service 3 phase (120/208) & (120/240)

200 amp	\$ 750.00
400 amp	\$1,500.00
600 amp	\$2,245.00
800 amp	\$2,995.00

Commercial Service 3 phase (277/480)

200 amp	\$ 1,730.00
400 amp	\$ 3,455.00
600 amp	\$ 5,200.00
800 amp	\$ 6,915.00

Industrial Service 3 phase (120/208) & (120/240)

200 amp	\$ 935.00
400 amp	\$ 1,870.00
600 amp	\$ 2,810.00
800 amp	\$ 3,745.00
1,000 amp	\$ 4,680.00

Industrial Service 3 phase (277/480)

200 amp	\$ 2,160.00
400 amp	\$ 4,320.00
600 amp	\$ 6,500.00
800 amp	\$ 8,640.00
1,000 amp	\$10,790.00
2,000 amp	\$21,580.00
3,000 amp	\$32,500.00

WATER METER & WATER METER PIT PRICES:

As determined by the Director of Public Works

REPRODUCTION FEES - (i.e. - FREEDOM OF INFORMATION ACT)

Document Copies	\$0.25 per page	(\$1.00 minimum charge)
Duplicate Bill Fee	\$2.50	
Print Account History	\$2.50	
All other records	Actual cost of reproduction	

COMMERCIAL PROPERTY LISTING ON CITY WEBSITE

Per Property	\$25
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CITY EQUIPMENT & TOOL RATES

The following fees shall be charged for City of Seaford projects and code related actions in accordance with City Policy. This equipment (and/or tools) is not intended to be rented by or to the general public. All City equipment shall be operated by City personnel at all times. Personnel costs shall be charged at the current prevailing rate.

Electric Line Truck	\$40 per hour (minimum 1 hour)
Electric Bucket Truck	\$40 per hour (minimum 1 hour)
Electric Pole Trailer	\$25 per hour (minimum 1 hour)
Pick-Up/Service Truck	\$25 per hour (minimum 1 hour)
Trencher - Walk Behind	\$30 per hour (minimum 1 hour)
Trencher - Ride On w/backhoe	\$40 per hour (minimum 1 hour)
Flat Bed Dump Truck	\$35 per hour (minimum 1 hour)
Regular Dump Truck	\$35 per hour (minimum 1 hour)
Back Hoe/Loader	\$35 per hour (minimum 1 hour)
Skid Steer Loader	\$35 per hour (minimum 1 hour)
Mini Excavator	\$35 per hour (minimum 1 hour)
Tractor Mower "Bush Hog" (Ride On)	\$50 per hour (minimum 1 hour)
Tractor Mower "Cub Cadet" (Ride On)	\$50 per hour (minimum 1 hour)
Lawn Mower "Zero Turn" (Ride On)	\$20 per hour (minimum 1 hour)
Lawn Mower (Push)	\$15 per hour (minimum 1 hour)
Back Pack Blower	\$15 per hour (minimum 1 hour)
Weed Cutter (Gas Powered)	\$15 per hour (minimum 1 hour)
Chain Saw (Gas Powered)	\$15 per hour (minimum 1 hour)
Generator (19-29 KVA)	\$30 per hour (minimum 1 hour)
Generator (125-149 KVA)	\$55 per hour (minimum 1 hour)
Sewer Rodder	\$50 per hour (minimum 1 hour)
Air Compressor	\$25 per hour (minimum 1 hour)
Weed Sprayer	\$15 per hour (minimum 1 hour)
Paint Machine	\$25 per hour (minimum 1 hour)
Power Sweeper	\$50 per hour (minimum 1 hour)
Video Camera with Trailer	\$100 per hour (minimum 1 hour)
Hydra-stop with Trailer	\$100 per hour (minimum 1 hour)

(Cost of the Hydra-stop sleeve is an additional charge; contact the Director of Public Works for pricing)

PARK RENTAL FEES

SOROPTIMIST PARK:

Front Pavilion	\$30 per day
Back Pavilion	\$20 per day

SPORTS COMPLEX:

- Sports fields: \$75 per field per day
- Use of field lights: \$25 per field per hour (in addition to the daily field rental fee)
- The JAY'S NEST PLAYGROUND, which is located within the SPORTS COMPLEX, may not be rented.

ALL OTHER CITY PARKS:

May be rented on a case by case basis, and must obtain a Special Event Permit.



CITY OF SEAFORD

SCHEDULE OF FEES AND RATES

Amended ~~January 24~~February 14, 2017

Effective ~~January 1~~February 1, 2017

The following fee & rate schedule contains base fees for different services and or permits obtained from the City of Seaford. The rates shown here are only current as of the date shown above. Fee calculations for permits must be performed by the City Code Department to ensure accuracy. Fee rates are never guaranteed and are subject to change at any time by an act of the City Council.

PROPERTY TAX RATE

Assessment is based on 2008 market values. The City of Seaford's taxes are assessed at 100% of appraised value and taxed at \$0.31 per \$100 of assessed value.

PROPERTY TAX RE-ASSESSMENT FEE:

As determined by current assessment charges.

* This fee applies to property tax reassessments necessary due to Sub-division Farm Land Exemption requests; Property Improvements, Subdivisions, Re-zonings and/or Annexations.

ELECTRIC UTILITY RATES (Effective February 1, 2016)

RESIDENTIAL CUSTOMERS

Customer Charge ~~\$8.00~~\$8.75 Per Month *Minimum Bill \$15.00
First ~~43.75~~39.07 KWH \$0.160000
Next ~~706.25~~710.93 KWH \$0.152817
Remaining KWH ~~\$0.13114~~\$0.128631

COMMERCIAL NON-DEMAND METERING (under 3500 kwh)

Customer Charge ~~\$10.00~~\$10.50 Per Month *Minimum Bill \$15.00
First ~~29.41~~26.48 KWH \$0.170000
Next ~~723.52~~ KWH \$0.157411
Remaining KWH ~~\$0.157411~~\$0.156370

COMMERCIAL WITH DEMAND METERING (over 3500 kwh five or more times in 12 months, less than 50 KW)

Customer Charge \$30.00 Per Month
First 45 KWH \$0.150000
Remaining KWH \$0.107623
Demand Charge (All KW \$11.34)

MEDIUM GENERAL SERVICE Energy (50-300 KW)

Customer Charge \$50.00 Per Month
First 2,694.72 KWH \$0.125000
Remaining KWH \$0.100137
Minimum Bill \$386.84
Demand Charge (All KW \$10.66)

LARGE GENERAL SERVICE Energy (greater than 300 KW two or more times in 12 months)

Customer Charge \$200.00 Per Month
First 30,000 KWH \$0.105000 Next 220,000 KWH \$0.086620
Remaining KWH \$0.084770
Demand Charge (All KW \$10.1327)
Demand Ratchet 70% if Previous 12 Month Maximum

LARGE GENERAL SERVICE -PRIMARY Energy (same as above with primary service)

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CONNECTION CHARGES

Existing Facility, Commercial or Residential	No Charge
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Delinquent Charges (prior to 4:00 pm Monday – Friday)	\$40
Delinquent Charges (after 4:00 pm Monday – Friday, Weekends & Holidays)	\$60
Additional Deposit	\$25
Temporary Service	\$60

CUSTOMER DEPOSIT CHARGES

Residential Property Owner	No deposit required
Residential Renters	\$200
Commercial - The greater of an average for 12 month's bills multiplied by 2.5 or (A surety bond may be substituted at the City's option)	\$200

STANDARD POWER FACTOR

98.5% Lagging

Charge per 1.0% under 98.5% per KW demand	\$0.05
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NEW CONSTRUCTION AND LINE EXTENSION FEES

Paid by Applicant – Refer to section 11 of the Electric rules and regulations.

* The City Council approved a selective elimination of the charges for City Labor & City Equipment costs in ~~2016-2017~~ related to the installation of new electric services and upgrades to existing electric services by the City Electric Department. Material costs, Non-City Labor costs & Non-City Equipment costs do not apply to this waiver.

STREET CHARGE

\$5.50 per month

GREEN ENERGY

Funding for Green Energy Programs \$0.000178 / Kwh

PURCHASED POWER COST ADJUSTMENT CLAUSE

~~-\$0.002960.00257~~ / Kwh (Effective 01/01/2017-02/01/2017)

ENERGY SUPPLY COST

~~\$0.07985~~0.07525 / Kwh

SECURITY LIGHTS

\$6.31 / month

METER TEST FEE

No charge for the first test at a location. After first test then greater of actual cost or:

Self Contained	\$35
Transformer Rated Meter	\$75

METER DEPOSIT INTEREST

Meter deposit interest is applied when refunded; with an interest rate based on the 1 year Treasury Constant Maturity Rate.

DELAWARE STATE UTILITY TAX

Industrial/Commercial Facility 4.25%
Qualified Manufacturing Facility 2.00%

RETURN PAYMENT FEE

\$40

LATE PAYMENT CHARGE

1.5% per month on outstanding balance

BASE FIGURE FOR ESCROW CALCULATIONS

~~\$0.0943790~~0.088223/Kwh

WATER AND SEWER UTILITY RATES

All water and sewer rates are based on Equivalent Dwelling Units (EDU), which is equal to 9,000 gallons per month, (300 g.p.d.), with a minimum billing of 1 EDU per month, \$21.95 for water* and \$44.30 for sewer.

*Water rate adjustment for large users: The first 667,000 gallons are billed at the rate of \$21.95 per 9,000 gallons/month; from 667,001-1,333,333 at \$10.97 per 9,000 gallons/month; with the remaining usage at \$9.12 per 9,000 gallons/month.

*Properties outside of the city limits, which have water and/or sewer service, are charged an annual fee equal to 1/3 of the city property tax rate.

WATER AND SEWER CONNECTION SERVICE CHARGES

Turn service valve on/off for:

Repairs (During City Business Hours):	No Charge
Repairs (After City Business Hours):	\$60
Non-Repair shutoff/reconnect for more than 1 week (During City Business Hours only):	\$40

INDUSTRIAL PRETREATMENT ORDINANCE:

WASTEWATER DISCHARGE PERMIT:

Significant Industrial User (SIU)	\$1,000.00 per issuance + \$500 Annual Monitoring Fee
Categorical Industrial User (CIU)	\$1,000.00 per issuance + \$500 Annual Monitoring Fee
Other Industrial User (OIU)	\$1,000.00 per issuance + \$500 Annual Monitoring Fee

OTHER FEES:

Permit Amendment	\$500.00 per issuance
Permit Variance (s)	\$500.00 per issuance

GREASE INTERCEPTOR/TRAP INSPECTION FEE:

First inspection =	No charge
Second and each additional inspection =	\$50.00

BOARD OF ADJUSTMENT HEARING:

NON-REFUNDABLE	\$300.00
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PLANNING AND ZONING HEARING:

NON-REFUNDABLE	\$200.00
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PLUMBER LICENSE:

Annual License Fee =	\$40.00
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Surety Bond Required (\$5,000)
State of Delaware Master Plumber License Required

EXCAVATOR LICENSE:

Annual License Fee =	\$40.00
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Surety Bond Required (\$20,000)

REFUSE HAULER LICENSE:

Annual License Fee = \$50.00 for the first 5 trucks working in the City,
Plus \$10.00 for each additional truck working in the City

SEPTAGE HAULER LICENSE:

Annual License Fee = \$120.00

COMMERCIAL HANDBILL DISTRIBUTOR LICENSE:

Annual License Fee = \$40.00

TRANSIENT MERCHANT LICENSE:

Annual License Fee = \$40.00
Surety Bond Required (\$1,000)

MASSAGE BUSINESS LICENSE:

Annual License Fee = \$40.00

SPECIAL EVENT PERMIT:

Permit fee = \$20.00 per day per event
Not for profit organizations may be exempted from this fee. Proof of 501c3 status may be required.

PARADE OR PROCESSION PERMIT:

No Charge

SEASONAL STAND PERMIT:

Stand size up to 100 s.f. = \$10.00
Stand size larger than 100 s.f. = \$25.00

TEMPORARY CONTAINER (in R.O.W.) PERMIT:

Permit Fee = \$40.00
Insurance Certificate Required

BUILDING / SIGN / EXCAVATION / SITE WORK PERMIT FEE:

Based on the Cost of Construction:
First \$1,000 = \$25.00
Plus \$ 5.00 fee for each additional \$1,000 or any portion thereafter.

All NEW residential construction shall be based on the latest edition of the Building Valuation Data table as published by the International Code Council (ICC). All other work must be accompanied by a written estimate.

PLUMBING PERMIT FEE:

Base Permit Fee \$25.00
Charge per fixture or connection to be inspected \$ 2.00

DEMOLITION PERMIT FEE:

Structures WITH utilities \$50.00
Structures WITHOUT utilities \$10.00

WATER IMPACT FEE:

 Per EDU \$ 600.00

* The City Council approved a selective discount of the water impact fee in 2017 as an economic incentive to flexible warehousing space in any M-1 Light Industrial District. This incentive is targeted to spur growth through incubator business spaces. The discount is applied to the water impact fee based on the normal EDU calculation for the space. The following chart gives the discount amount based on the size of the flexible warehousing unit:

<i>Gross Floor Area Range (square feet)</i>	<i>Discount applied to normal water impact fee</i>
0 to 2,000	70%
2,001 to 4,000	60%
4,001 to 6,000	50%
6,001 to 8,000	40%
8,001 to 10,000	30%

WATER CAPACITY CHARGE:

 Residential Unit without a fire suppression system \$ 100.00 per EDU
All other uses:

1" Water Tap	\$ 375.00
2" Water Tap	\$ 750.00
3" Water Tap	\$1,500.00
4" Water Tap	\$3,000.00
6" Water Tap	\$3,500.00
8" Water Tap	\$4,000.00
10" Water Tap or large	\$6,000.00

WATER TAP FEE:

1"	\$ 725.00	plus \$300 to open street
1-1/2"	\$ 930.00	plus \$300 to open street
2"	\$1,325.00	plus \$300 to open street

* The City Council approved a selective elimination of the water tap fees in 2017. This fee incentive applies to the *first seventeen single family detached* housing units permitted, built and receiving their certificate of occupancy in 2017. This fee reduction only applies to housing constructed within Developments in the City, where water taps have already been installed by the developer.

SEWER IMPACT FEE:

Per EDU \$1,400.00

* The City Council approved a selective discount of the sewer impact fee in 2017 as an economic incentive to flexible warehousing space in any M-1 Light Industrial District. This incentive is targeted to spur growth through incubator business spaces. The discount is applied to the sewer impact fee based on the normal EDU calculation for the space. The following chart gives the discount amount based on the size of the flexible warehousing unit:

<i>Gross Floor Area Range (square feet)</i>	<i>Discount applied to normal sewer impact fee</i>
0 to 2,000	70%
2,001 to 4,000	60%
4,001 to 6,000	50%
6,001 to 8,000	40%
8,001 to 10,000	30%

SEWER TAP FEE:

4" diameter \$1,050.00 plus \$600 to open street
 6" diameter or larger \$1,050.00 plus \$600 to open street

* The City Council approved a selective elimination of the sewer tap fees in 2017. This fee incentive applies to the *first seventeen single family detached* housing units permitted, built and receiving their certificate of occupancy in 2017. This fee reduction only applies to housing constructed within Developments in the City, where sewer taps have already been installed by the developer.

DOWNSTREAM SEWER ASSESSMENT FEE:

Lift Station #1	Methodist Manor House Drainage Shed	\$ 400.00 per EDU
Lift Station #2	Route 13 South Drainage Shed	\$ 800.00 per EDU
Lift Station #3	Route 13 North (SVSC) Drainage Shed	\$ 800.00 per EDU
Lift Station #4	Retirement Living Drainage Shed	\$ 400.00 per EDU
Lift Station #5	Western Auto Drainage Shed	\$ 400.00 per EDU
Lift Station #6	Virginia Commons Drainage Shed	\$ 400.00 per EDU
Lift Station #7	ShIPLEY Center Drainage Shed	\$ 400.00 per EDU
Lift Station #8	Hurley Heights Drainage Shed	\$ 400.00 per EDU
Lift Station #9	Cedar Avenue Drainage Shed	\$ 400.00 per EDU
Lift Station #10	Industrial Park Drainage Shed	\$ 400.00 per EDU
Lift Station #11	Dulany Street Drainage Shed	\$ 400.00 per EDU
Lift Station #12	North Ross Drainage Shed	\$ 400.00 per EDU
Lift Station #13	Governor's Grant Drainage Shed	\$ 400.00 per EDU
Lift Station #14	Mears Campus Drainage Shed	\$ 1,200.00 per EDU
Lift Station #15	Herring Run Drainage Shed	\$ 1,200.00 per EDU

STORM WATER IMPACT FEE:

Per square foot of developable land \$0.10

ELECTRIC SYSTEM COST RECOVERY FEE:

Residential Service Single Phase (120/240)

100 amp	\$ 187.50
200 amp	\$ 375.00
300 amp	\$ 562.50
400 amp	\$ 750.00

Commercial Service 3 phase (120/208) & (120/240)

200 amp	\$ 750.00
400 amp	\$1,500.00
600 amp	\$2,245.00
800 amp	\$2,995.00

Commercial Service 3 phase (277/480)

200 amp	\$ 1,730.00
400 amp	\$ 3,455.00
600 amp	\$ 5,200.00
800 amp	\$ 6,915.00

Industrial Service 3 phase (120/208) & (120/240)

200 amp	\$ 935.00
400 amp	\$ 1,870.00
600 amp	\$ 2,810.00
800 amp	\$ 3,745.00
1,000 amp	\$ 4,680.00

Industrial Service 3 phase (277/480)

200 amp	\$ 2,160.00
400 amp	\$ 4,320.00
600 amp	\$ 6,500.00
800 amp	\$ 8,640.00
1,000 amp	\$10,790.00
2,000 amp	\$21,580.00
3,000 amp	\$32,500.00

WATER METER & WATER METER PIT PRICES:

As determined by the Director of Public Works

REPRODUCTION FEES – (i.e. - FREEDOM OF INFORMATION ACT)

Document Copies	\$0.25 per page	(\$1.00 minimum charge)
Duplicate Bill Fee	\$2.50	
Print Account History	\$2.50	
All other records	Actual cost of reproduction	

COMMERCIAL PROPERTY LISTING ON CITY WEBSITE

Per Property \$25

CITY EQUIPMENT & TOOL RATES

The following fees shall be charged for City of Seaford projects and code related actions in accordance with City Policy. This equipment (and/or tools) is not intended to be rented by or to the general public. All City equipment shall be operated by City personnel at all times. Personnel costs shall be charged at the current prevailing rate.

Electric Line Truck	\$40 per hour (minimum 1 hour)
Electric Bucket Truck	\$40 per hour (minimum 1 hour)
Electric Pole Trailer	\$25 per hour (minimum 1 hour)
Pick-Up/Service Truck	\$25 per hour (minimum 1 hour)
Trencher - Walk Behind	\$30 per hour (minimum 1 hour)
Trencher - Ride On w/backhoe	\$40 per hour (minimum 1 hour)
Flat Bed Dump Truck	\$35 per hour (minimum 1 hour)
Regular Dump Truck	\$35 per hour (minimum 1 hour)
Back Hoe/Loader	\$35 per hour (minimum 1 hour)
Skid Steer Loader	\$35 per hour (minimum 1 hour)
Mini Excavator	\$35 per hour (minimum 1 hour)
Tractor Mower "Bush Hog" (Ride On)	\$50 per hour (minimum 1 hour)
Tractor Mower "Cub Cadet" (Ride On)	\$50 per hour (minimum 1 hour)
Lawn Mower "Zero Turn" (Ride On)	\$20 per hour (minimum 1 hour)
Lawn Mower (Push)	\$15 per hour (minimum 1 hour)
Back Pack Blower	\$15 per hour (minimum 1 hour)
Weed Cutter (Gas Powered)	\$15 per hour (minimum 1 hour)
Chain Saw (Gas Powered)	\$15 per hour (minimum 1 hour)
Generator (19-29 KVA)	\$30 per hour (minimum 1 hour)
Generator (125-149 KVA)	\$55 per hour (minimum 1 hour)
Sewer Rodder	\$50 per hour (minimum 1 hour)
Air Compressor	\$25 per hour (minimum 1 hour)
Weed Sprayer	\$15 per hour (minimum 1 hour)
Paint Machine	\$25 per hour (minimum 1 hour)
Power Sweeper	\$50 per hour (minimum 1 hour)
Video Camera with Trailer	\$100 per hour (minimum 1 hour)
Hydra-stop with Trailer	\$100 per hour (minimum 1 hour)

(Cost of the Hydra-stop sleeve is an additional charge; contact the Director of Public Works for pricing)

PARK RENTAL FEES

SOROPTIMIST PARK:

Front Pavilion	\$30 per day
Back Pavilion	\$20 per day

SPORTS COMPLEX:

- Sports fields: \$75 per field per day
- Use of field lights: \$25 per field per hour (in addition to the daily field rental fee)
- The JAY'S NEST PLAYGROUND, which is located within the SPORTS COMPLEX, may not be rented.

ALL OTHER CITY PARKS:

May be rented on a case by case basis, and must obtain a Special Event Permit.

