

**STREET LIGHTING CONTRACT
FOR THE
NASHVILLE DEPARTMENT OF TRANSPORTATION**

Contract No. 23-34-191

THIS CONTRACT, made and entered into by and between the METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY, ACTING BY AND THROUGH THE ELECTRIC POWER BOARD OF SAID GOVERNMENT, hereinafter referred to as “NES,” and THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY, ACTING BY AND THROUGH ITS DEPARTMENT OF TRANSPORTATION AND MULTIMODAL INFRASTRUCTURE, hereinafter referred to as “Metro” (hereinafter collectively referred to as the “Parties”).

WHEREAS, Metro desires to enter into a contract with NES for NES to furnish, install, erect, and maintain wires, standards, fixtures, and other materials necessary to provide Lighting Facilities throughout Davidson County administered by the Nashville Department of Transportation and Multimodal Infrastructure (“NDOT”); and

WHEREAS, NES desires to perform the work for Metro that includes retrofitting to LED as described in Appendix B; and

WHEREAS, the Parties recognize the value of having a defined relationship agreement outlining duties, responsibilities, and expectations.

NOW, THEREFORE, in consideration of the premises, the mutual promises and obligations of the Parties, the Parties have agreed and do hereby agree as follows:

1. DEFINITIONS

Attachment – Any apparatus attached to NES-owned equipment required for a traffic signal or other application or operation, including, but not limited to, cable, span wire, control boxes, communication cable, cameras, power supplies, etc.

Director – The Director of the Nashville Department of Transportation and Multimodal Infrastructure, or the Director’s designees. The Director will notify NES in writing of any change in the assignment of designees.

Energy Charge – The charge for energy usage (cents/kilowatt hour) as published in the NES Outdoor Lighting Rate – Schedule LS. This schedule may be amended from time to time and shall be available upon request.

Facility Charge – The charge for Lighting Facilities as published in the NES Outdoor Lighting Rate – Schedule LS. This schedule may be amended from time to time and shall be available upon request. This charge is determined as a percentage of the installed cost of facilities devoted to, or used by, Lighting Facilities, and shall be in accordance with the generally applicable methodology prescribed by TVA for customers similar to Metro.

Luminaire – Any type of fixture that generates lumens, including any electronics necessary to cause the fixture to illuminate, photovoltaic sensors, and energy measurement or control devices that are specific to said luminaire. The term does not include poles, mast arms, secondary wire, or other material used to support or energize the luminaire.

Maintenance – Any work performed by NES, or subcontractors, agents, servants, or its employees, necessary to assure that the Lighting Facilities are operating and providing proper illumination, including the repair and replacement of lamps, fixtures, photoelectric controls, mast arms, standards and poles, and lighting system facilities (including conductors and controls). Maintenance does not include repair or replacement of Signal Systems, Pole-mounted Receptacles, or any installations not pre-approved and inspected by NES, or non-electrical facilities (including, but not limited to, conduit, banners, banner arms, raceways, and foundations). An ongoing maintenance program will be established and implemented as part of normal maintenance and a to-be-determined frequency based on anticipated lifetime of new LED fixtures.

Pole-mounted Receptacles – 120 Volt receptacles mounted on Streetlight Facilities utilized to provide power for Special Lighting, including decorative Christmas lighting.

Public Right-of-Way – The surface, the air space above the surface, and the area below the surface of any public street, highway, lane, path, alley, sidewalk, boulevard, drive, bridge, tunnel, park, parkway, waterway, easement or similar property in which Metro now or hereafter holds any property interest.

Security and Private Lighting – Area lighting where the primary purpose is not related to Street and Roadway Lighting.

Signal Systems – Systems for which the primary purpose is to control and regulate pedestrian flow, vehicular flow, or water navigation.

Special Lighting – Any non-standard lighting installation such as tree lights, tree well lights, holiday lighting, etc.

Streetlight Facilities – Materials and supplies associated with Street and Roadway Lighting, and Special Lighting, administered by NDOT. Streetlight Facilities include lamps, fixtures, photometric controls, mast arms, standards and poles, and lighting system facilities. Streetlight Facilities shall not include any NES Signal Systems or Security and Private Lighting.

Street and Roadway Lighting – Lighting for streets, roads, alleys, state highways, and federal highways where the primary purpose is to light areas where the problems of vision for maneuvering of motor vehicles is more complex than ordinary roadway lighting, such as grade intersections, abrupt curves, underpasses, converging traffic lanes, diverging traffic lanes, and various types of complicated traffic interchanges.

2. GENERAL TERMS AND CONDITIONS

a. The initial term (“Initial Term”) of this contract shall be a period of ten (10) years. This contract may be renewed for two optional five (5) year extensions based on the mutual consent of the Parties.

b. At any point during the Initial Term or any extensions thereof, Metro shall have the right to purchase all Urban Services District (USD) and General Services District (GSD) Luminaires used in the Street Lighting Facilities at the NES plant book value and TVA-approved cost. However, this right shall NOT include anything beyond the Luminaires.

c. During the Initial Term or any extensions, NES shall furnish, install, erect, and perform maintenance of Streetlight Facilities owned by NES and supply sufficient energy for the same. All streetlight fixture specifications shall be established in writing and approved by Metro and NES.

d. The Director will provide written notice to NES to proceed with the installation of any Streetlight Facilities or other lighting requested by Metro. Written authorization from the Director is required to remove, relocate, or install Streetlight Facilities or other lighting on Public Right-of-Way.

e. NES will review engineering designs for conformity, the National Electrical Safety Code (NESC), and the National Electric Code (NEC), or other standards developed and approved by Metro. If Metro seeks the implementation of a design not conforming to one of the codes listed in this subsection, the Director shall notify NES in writing.

f. NES may subcontract Maintenance and/or installation of the Streetlighting Facilities according to its existing procedure for credentialing and training contractors to perform this work.

g. NDOT will retain existing responsibilities relating to furnishing, installation, and repair and replacement of signal systems and non-electrical facilities, including but not limited to underground conduit, light pole footings, etc.

h. NES and NDOT will identify and maintain an ongoing list of approved lighting fixtures and poles for installation in areas where underground electrical facilities are available or desired. As new fixtures, luminaires, controllers, poles, and stands are introduced, NES will incorporate usage of new stock after evaluating pre-existing inventory levels and preferentially utilizing such stock until inventory levels are reduced to appropriate levels for maintenance.

i. Each year during the Initial Term and any extension, NES will finance the installation of new Streetlight Facilities at a cost not to exceed Two Hundred Fifty Thousand Dollars (\$250,000.00) during any one year. NES will use the Budgeted Expense to add streetlights within Davidson County as requested by Metro. Annually in January, NES will coordinate with Metro on streetlight additions for inclusion in NES's capital spending plan for the next year. Should the addition of streetlights in any given year exceed the Budgeted Expense, Metro may provide contributions in aid of construction, or Metro and NES will seek written approval of the NES Board for such additions.

j. Both Parties shall have the right to approve the design, configuration, orientation, and spacing of any new Streetlight Facilities installed, annexed, or otherwise acquired pursuant to this section.

k. For lighting projects not covered by subsection 2(j), such as expansion of the USD or other special lighting needs, NDOT may request in writing that NES provide additional funding. All terms and conditions shall be established at the time of the request and mutually agreeable to both Parties and shall be made as an amendment to this agreement.

3. MAINTENANCE OF LIGHTING SYSTEMS NOT INSTALLED BY NES

a. NES may, by formal agreement or contract, take over a lighting system that was designed and installed by others provided the following conditions are met:

(1) The lighting system (design and materials) must be approved by NES before installation. Plans must be submitted to NES before construction of the system. Should the system be constructed prior to NES approval and/or inspection, NES reserves the right to refuse to take over all or part of the system.

(2) Materials used must be compatible with NES materials and construction standards. If materials are incompatible, NES shall provide Metro the applicable cost of bringing the system into conformity and only accept the system after payment is received. If a lighting system is near the end of its usable service life, NES shall provide Metro the applicable cost of system replacement and only accept the system after such payment is received.

(3) The lighting system must meet all provisions of the NESC and NEC. Inspection and certification of code compliance by a professional engineer and/or codes inspector may be required before any takeover can take place.

(4) NES must inspect and approve the system and a legal transfer (written authorization) of ownership must take place. After formal takeover, the lighting system must be under complete control of NES. No work on the system by others will be permitted without NES approval.

(5) Any takeover must have the approval of the Director.

(6) NES reserves the right to refuse to take over any lighting system that does not meet the above conditions.

b. If the system is on private roads or property, the system shall be deemed to be outside the scope of this contract.

4. COST ESTIMATES

Upon written request by the Director, cost estimates for projects requested by Metro will be prepared by NES. NES will evaluate the project scope to determine if a charge for producing the estimate is required. NES will provide a letter, for approval by the Director, such approval not to be unreasonably withheld, estimating the charge for producing the cost estimate using current labor rates plus associated overheads applied by NES at the time the estimate is completed. Charges will be accumulated and billed.

5. LIGHTING STUDIES

Upon written request by the Director, lighting studies may be requested from NES. NES will provide a proposal for completing the requested study based on NES availability and expertise. Charges for lighting studies will be accumulated and billed by using current labor rates, plus associated overheads applied by NES at the time the study is performed. Labor rates will be determined by workload. The charges will be billed separately on a sales order.

6. UNUSUAL AND SPECIAL EQUIPMENT OR FACILITIES

If unusual or special equipment such as taller or stronger poles are required in order to meet lighting requirements as determined by Metro, then NDOT shall be billed for the difference in cost from the normal installation and any make-ready costs. NES will provide a letter for approval by NDOT with the estimated costs prior to commencing construction. The charges will be billed as an aid to construction based on actual costs upon completion of the job. The contributions will be offset against the Street Lighting Facilities asset base to reduce the Facility Charge.

7. PLANT INVENTORY

a. NES shall include all Streetlight Facilities as plant inventory. This plant inventory, including shared costs for distribution assets used to support Street Lighting Facilities, will be used as a basis for calculating the annual Facility Charge for each account. This charge can be paid by monthly installments. Each year, the Facility Charge will be recalculated based on the updated plant inventory and the Facility Charge percentage as specified in the lighting rate.

b. Lighting systems not installed by NES on public roads and rights-of-way will be initially included in the plant inventory at zero cost when NES assumes ownership of these systems.

c. An inventory of Lighting Facilities will be performed at intervals of not less than five (5) years. All associated costs shall be borne equally by NES and Metro.

d. Each party shall have the right to perform its own inventory of Lighting Facilities at its own expense at any time; however, the results of such inventory shall not be binding upon the other party.

8. SIGNAL SYSTEMS

Signal Systems are operated and maintained by Metro. The associated energy charge shall be calculated by NES based upon loading information provided by Metro. Rates are addressed under Section 12 of this contract addressing "Rates." Nothing in this contract shall imply the granting of a license or permission to make Attachment for Signal Systems, subsequent to the effective date of this contract, to NES-owned equipment.

9. POLE-MOUNTED RECEPTACLES

NES will maintain Streetlight Facilities providing power to Pole-mounted Receptacles. Metro will maintain both the receptacles and any equipment connected to the receptacles, and all

maintenance will be coordinated with NES Operations. Prior to installation, any equipment to be connected to these receptacles, including but not limited to Christmas decorations, must be approved by NES for structural and electrical purposes. The installation of receptacles, decorations, equipment connected to the receptacles, and any maintenance on the receptacles must comply with all applicable codes and shall only be performed by qualified personnel (as defined by the NEC and NESC). Billing for these receptacles will be administered as follows:

a. Metro to provide NES estimated energy usage for Special Lighting to be connected to receptacles.

b. Metro to provide NES the duration that the Special Lighting installation receptacles are in use. The total energy usage will be incorporated into the energy portion of Metro's monthly bill while the Special Lighting installation is in use.

c. Estimated energy usage, installation location, and installation duration of all Special Lighting shall be provided to NES by written authorization and approval from the Director.

10. SAFETY RULES AND REGULATIONS

NES agrees to comply with all federal, state, and local laws applicable to the work to be performed hereunder, and to be and remain solely responsible for the compliance therewith by its employees, agents, servants and/or subcontractors.

11. RATES

a. Metro shall pay NES for Operation and Maintenance of Streetlight Facilities according to the TVA-approved rate structure generally applicable to customers similar to Metro. The rate structure shall conform to the current Outdoor Lighting Rate – Schedule LS, including any changes, additions, and amendments thereto. These rates are separated into a service charge, an energy charge, and a facility charge. It is understood that the maintenance of facilities is included in the monthly rates. A copy of the current Rate Schedule is attached to this contract as Appendix A and is incorporated into this contract as if copied verbatim herein.

b. The LED Streetlight retrofit will enable measurement of actual energy consumption after smart photocells have been installed subject to the terms of Section 12.b(3) below. Calculated energy usage will be used to determine Metro's cost of energy for any light without metered consumption.

12. BILLING

a. Each month NES shall bill NDOT for the lighting system. The bill shall include the service charge, Energy Charge, the monthly Facility Charge, Stranded asset charges related to the LED Retrofit described in Appendix B, and any other charges agreed to by the Parties.

b. NES recognizes that at any time there may be Street Lighting Facilities that are not operating due to equipment failure or other reasons. NES shall adjust Metro's billing based on outages exceeding the following defined thresholds.

(1) If the failure rate of unmetered streetlights on the system exceeds five percent (5%) during any monthly billing period, NES will calculate an energy charge adjustment one month in arrears by considering the following:

- (a) the number of NES work requests for street light maintenance,
- (b) the average time to repair a street light work request, and
- (c) the average number of kilowatt hours used per lighting installation.

(2) During the Retrofit Period articulated in Appendix B, failure rate will be identified by NES work requests for streetlight outages and estimated energy consumption by relevant fixture type.

(3) After the Retrofit Period articulated in Appendix B, energy consumption will be direct metered with outage identified by smart technology system. Such system will be introduced once the product has been selected and is ready for implementation.

13. SERVICE LEVEL REQUIREMENTS

NES and Metro to agree to the following Service Level Requirements:

a. NES and Metro shall provide monthly reports on streetlight outages and repairs. NES and NDOT shall continue to conduct quarterly nighttime driving inspections to identify outages and develop a written schedule for repairs.

b. NES shall initiate response to lighting failures within defined timelines as established by mutual agreement of the Parties. These timelines will not apply in circumstances where the community is experiencing a widespread emergency or disaster and NES and Metro may be focused on higher priority response efforts and activities. Additionally, initiation of a response does not imply full repair of an outage. NES endeavors to have an average response time of no more than seven (7) days.

c. NES shall prioritize failures posing an immediate risk to public safety over those lighting failures that do not cause an immediate risk to public safety.

d. Upon request, NES shall provide a report of all lamp outages not completed within fifteen (15) days and the associated Hold Codes identifying the cause for the delay in completion. Hold Codes may include but are not limited to outages that require NDOT's repair of conduit and or footers, access issues, material shortages, traffic control, special equipment, etc.

14. PREVENTATIVE MAINTENANCE

NES shall engage in Preventative Maintenance to support the high performance of Streetlight Facilities. NES shall perform visual inspection of each streetlight every five (5) years in connection with or as a part of the NES Pole Attachment Inventory with results documented. Visual inspection to provide notes on the physical condition of the lighting infrastructure as provided in Appendix C. NES to perform function inspection of tower/high mast street lighting

every three (3) years with results documented, including control stations. A sample of the report is attached as Appendix C.

15. LICENSES AND PERMITS

By signing the contract, NES certifies that it has or will obtain all the licenses and permits necessary and proper to perform the work required by this contract and that it will keep all licenses and permits in full force and effect. For short duration work including light replacements, maintenance, repairs, and emergency work, NDOT shall not require NES or its contractors to obtain a permit for working in the Right-of-Way.

16. DISPUTE RESOLUTION

Except for an action seeking a temporary restraining order, an injunction, or an order to compel compliance with this dispute resolution procedure, either party can invoke the dispute resolution procedures at any time to resolve a controversy, claim, or breach arising under this contract. Each party will bear its own costs for dispute resolution activity.

a. Initial Meeting. At either party's written request, each party will designate knowledgeable, responsible, senior representatives to meet and negotiate in good faith to resolve a dispute. The representatives will have discretion to decide the format, frequency, duration, and conclusion of these discussions. The Parties will conduct any meeting in-person or via conference call, as reasonably appropriate.

b. Executive Meeting. If, thirty (30) days after the first in-person meeting of the senior representatives, the Parties have not resolved the dispute to their mutual satisfaction, each party will designate executive representatives at the director level or above to meet and negotiate in good faith to resolve the dispute. To facilitate the negotiations, the Parties may agree in writing to use mediation.

c. Unresolved Dispute. If, after thirty (30) days from the first executive-level, in-person meeting, the Parties have not resolved the dispute to their mutual satisfaction, either party may invoke any legal means available to resolve the dispute, including enforcement of the default and termination procedures.

Unless the Parties otherwise agree in writing and to the extent permitted under Tennessee law, communication between the Parties will be treated as confidential information developed for settlement purposes, exempt from discovery and inadmissible in litigation. During any dispute resolution procedure or lawsuit, the Parties will continue providing services to each other and performing their obligations under this contract.

17. TERMINATION

Either party may terminate this contract with written notice twelve (12) months prior to the expiration of any term.

18. MODIFICATIONS OR AMENDMENTS

This contract may not be added to, modified, superseded, or otherwise altered except in a document signed by authorized representatives of both NES and Metro.

19. AUTHORIZATIONS

Metro represents that it has the necessary corporate and/or legal authority and has obtained any and all approvals to enter into and perform this contract, and that this contract, when executed by Metro, represents a valid, binding and enforceable legal obligation. Metro's representative signing this contract represents and warrants that he or she is duly authorized to execute this contract and that such execution creates a valid, binding, and enforceable legal obligation of Metro.

20. NOTICES

Notices to Metro shall be sent to:

Department: Nashville Department of Transportation and Multimodal
Infrastructure
Attention: Director
Address: 750 South Fifth Street
Nashville, Tennessee 37206

Notices to NES shall be sent to:

Department: Nashville Electric Service
Attention: Vice President, Operations (Engineering)
Address: 1214 Church Street
Nashville, Tennessee 37246

21. MAINTENANCE OF RECORDS

NES shall maintain documentation for all charges against Metro. The books, records, and documents of NES, insofar as they relate to work performed or money received under the contract, shall be maintained for a period of three (3) full years from the date of final payment and will be subject to audit at any reasonable time and upon reasonable notice by Metro or its duly appointed representatives. The records shall be maintained in accordance with generally accepted accounting principles.

22. REGULATORY COMPLIANCE

The Parties shall comply with any applicable regulations on this transaction and the ongoing street light contract imposed by TVA or other regulatory authorities. In the event TVA or other regulatory authority requires any changes to this contract, the Parties agree to negotiate and enter any appropriate amendments for such purposes in a commercially reasonable period of time.

23. PARTNERSHIP/JOINT VENTURE

Nothing herein shall in any way be construed or intended to create a partnership or joint venture between the Parties or to create the relationship of principal and agent between or among any of the Parties. None of the Parties hereto shall hold itself out in a manner contrary to the terms of this section. No party shall become liable for any representation, act or omission of any other party contrary to the terms of this section.

24. ILLEGAL CLAUSE OR PROVISION

If any clause or provision of this contract is illegal, invalid, or unenforceable under present or future laws effective during the time of this contract, it is the intention of the Parties that the remainder of this contract shall not be affected thereby. It is also the intention of the Parties that in lieu of each clause or provision that is illegal, invalid, or unenforceable, there shall be added as a part of this contract a legal, valid, and enforceable clause or provision as similar in terms of such illegal, invalid, or unenforceable clause or provision as is possible.

25. INDULGENCES

No waiver shall be implied or effective unless it is in writing and is signed by the party asserted to have granted that waiver, regardless of any failure or delay to exercise, or single, partial, or prior excuse of any right, remedy, power, or privilege under this contract.

26. PRIOR UNDERSTANDING

This contract, including the attachments, contains all of the agreements, understandings, representations, conditions, warranties, and covenants made between the Parties hereto. Neither party shall be liable for any representations not made a part of this contract.

27. HEADINGS

The section headings are for convenience only and shall not be resorted to for interpretation of this contract.

28. EFFECTIVE DATE

This contract shall not be binding upon the Parties until it has been signed first by NES and then by the authorized representatives of Metro and has been filed in the office of the Metropolitan Clerk.

IN WITNESS WHEREOF, the Parties have caused this contract to be signed by their respective duly authorized representatives.

METROPOLITAN GOVERNMENT OF
NASHVILLE AND DAVIDSON COUNTY
ACTING BY AND THROUGH THE
ELECTRIC POWER BOARD OF SAID
GOVERNMENT

ATTEST:

DocuSigned by:
David Frankenberg
0AE47D2A19884AE...

Secretary

DocuSigned by:
R
BF02E00D90B84DD...
By: _____
Chair of the Board

Date: 7/5/2023

DocuSigned by:
Teresa Brayles-Aplin
6C850CEC2725404...
By: _____
President & CEO

Date: 7/5/2023

Approved as to Form and Legality:

DocuSigned by:
Laura Smith
80A6A1C6A07046C...
By: _____
Vice President & General Counsel

Date: 7/5/2023

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METROPOLITAN GOVERNMENT OF
NASHVILLE AND DAVIDSON COUNTY

By: _____
Director of NDOT

Date: _____

Approved as to the Availability of Funds:

By: _____
Director of Finance

Date: _____

Filed in the Office of the Metropolitan Clerk:

Approved as to Form and Legality:

Metropolitan Clerk

By: _____

Date Filed: _____

Date: _____

Metropolitan Mayor

APPENDIX A

RATE SCHEDULE

This schedule is subject to change at the request of NES's regulator, the Tennessee Valley Authority. NES shall provide NDOT at least 90 days' notice of such changes.

**ELECTRIC POWER BOARD OF THE METROPOLITAN
GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY**

**OUTDOOR LIGHTING RATE--SCHEDULE LS
(July 2023)**

Availability

Available for service to street and park lighting systems, traffic signal systems, athletic field lighting installations, and outdoor lighting for individual customers.

Service under this schedule is for a term of not less than 1 year.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after the due date specified on the bill may be subject to additional charges under Distributor's standard policy.

Base Charges

Service Charge:

Distributor shall apply a uniform monthly service charge of \$2.50 for service to each street lighting system, park lighting system, traffic signal system and athletic field lighting installation.

Energy Charge:

Summer Period 8.952¢ per kWh per month

Winter Period 8.621¢ per kWh per month

Transition Period 8.413¢ per kWh per month

Adjustment

The base energy charges will be increased or decreased in accordance with the current Adjustment Addendum published by TVA.

Determination of Seasonal Periods

“Summer Period” means the June, July, August, and September billing months. “Winter Period” means the December, January, February, and March billing months. “Transition Period” means the April, May, October, and November billing months.

PART A--CHARGES FOR STREET AND PARK LIGHTING SYSTEMS, TRAFFIC SIGNAL SYSTEMS, AND ATHLETIC FIELD LIGHTING INSTALLATIONS

Facility Charge

The annual facility charge will be 13% of the installed cost to Distributor's electric system of the facilities devoted to street and park lighting service specified in this Part A. Distributor must recompute such installed cost annually (or more frequently if substantial changes in the facilities are made). One-twelfth of the annual facility charge will be billed to the customer each month. If any part of the facilities has not been provided at the electric system's expense; or if the installed cost of any portion thereof is reflected on the books of another municipality, agency, or department, then the annual facility charge will be adjusted to reflect accurately the remaining cost to be borne by the electric system.

Traffic signal systems and athletic field lighting installations will be provided, owned, and maintained by and at the expense of the customer, except as Distributor may agree otherwise, in accordance with the customer charge provisions. The facilities necessary to provide service to such systems and installations will be provided by and at the expense of Distributor's electric system, and the annual facility charge provided for above will apply to the installed cost of such facilities.

Distributor's electric system may provide, own, and maintain traffic signal systems and athletic field lighting installations for the customer's benefit when so authorized by policy duly adopted by Distributor's governing board. In such cases, Distributor may require reimbursement from the customer for a portion of the initial installed cost of any such system or installation, and will require customer to pay a facility charge sufficient to cover all of Distributor's costs (except reimbursed costs, and including appropriate overheads) of providing, owning, and maintaining such system or installation. For athletic field lighting installations, such facility charge will in no case be less than 12% per year of such costs, and will be in addition to the annual facility charge necessary to provide service to such system or installation as provided for in the preceding paragraph.

Lamp Replacement

Traffic signal systems and athletic field lighting installations will be billed and will pay for replacement of lamps and related glassware as provided for in paragraph 1 below.

Street and park lighting customers will be billed and will pay for replacement of lamps and related glassware as provided in paragraph 2 below.

1. Distributor will bill the customer monthly for such replacements during each month at Distributor's cost of materials, including appropriate storeroom expense.
2. Distributor will bill the customer monthly for one-twelfth of the amount by which Distributor's cost of materials, including appropriate storeroom expense, exceeds the product of 3 mills multiplied by the number of kilowatt hours used for street and park lighting during the fiscal year immediately preceding the fiscal year in which such month occurs.

Metering

For any billing month or part of such month in which the energy is not metered, or for which a meter reading is found to be in error, or a meter is found to have failed, then, for billing purposes, the energy for that billing month or part of such month will be computed from the rated capacity of the lamps (including ballast), plus 5% of such capacity (to reflect secondary circuit losses), multiplied by the number of hours of use.

Revenue and Cost Review

Distributor's costs of providing service under Part A of this rate schedule are subject to review at any time and from time to time to determine if Distributor's revenues from the charges being applied are sufficient to cover its costs. (Such costs, including applicable overheads, include, but are not limited to, those incurred in the operation and maintenance of the systems provided, and those resulting from depreciation and payments for taxes, tax equivalents, and interest.) If any such review discloses that revenues are either less or more than sufficient to cover said costs, Distributor must revise the above facility charges so that revenues will be sufficient to cover said costs. Any such revision of the annual facility charge provided for in Part A of this rate schedule will be by agreement between Distributor and TVA.

PART B--CHARGES FOR OUTDOOR LIGHTING FOR INDIVIDUAL CUSTOMERS AND SPECIAL OUTDOOR LIGHTING

Facility Charge

Distributor will make available to individual customers certain outdoor lighting fixtures. These fixtures will be provided, owned, and maintained by Distributor. A facility charge, covering Distributor's cost plus margin, will be calculated for each individual fixture. If the costs of providing and maintaining individual fixtures change, Distributor must use the formula set forth below to revise the facility charge for that fixture. If Distributor's facility charge calculations, using the formula set forth below, yield a positive revenue impact, then Distributor must notify TVA of the impact on Distributor's revenue. For a period of six years, Distributor will maintain on file the facility charge calculations or spreadsheets for audit purposes, and any other historical information as may be reasonably required by TVA for verification.

$$FC_i = \frac{ICR_i + RAC_i + M_i}{12}$$

i = individual fixture

FC = monthly facility charge

ICR = installed cost recovery of fixture

RAC = recurring annual cost of providing and maintaining fixture

M = Distributor's margin (not to exceed 23%)

Additional Facilities and Installations

The calculated facility charge in this Part B is limited to service from a photoelectrically-controlled standard lighting fixture installed on a pole already in place. If the customer wants to have the fixture installed at a location other than on a pole already in place, Distributor may apply an additional monthly charge.

Distributor's electric system may provide, own, and maintain special outdoor lighting installations for the customer's benefit when so authorized by policy duly adopted by Distributor's governing board. In such cases Distributor may require reimbursement from the customer for a portion of the initial installed cost of any such installation.

Lamp Replacements

Replacements of lamps and related glassware will be made in accordance with Distributor's replacement policies, without additional charge to the customer.

Service is subject to Rules and Regulations of Distributor.

APPENDIX B

STREETLIGHT LED RETROFIT PROGRAM

This term sheet pertains to the LED retrofit project only. Reference the streetlight contract term sheet for terms relating to general operation and maintenance of streetlight infrastructure outside of the LED retrofit.

- Nashville Electric Service (NES) to convert all NES-owned and operated Cobra head style streetlight fixtures in the Urban Services District (USD) and General Services District (GSD) to the Metro pre-approved equivalent LED fixtures over a 5-year period. This activity is referred to as the LED Retrofit Program. The term of the LED Retrofit Program is expected to be five or more years, depending on the timing of decisions made by NDOT, availability of LED Luminaires and smart photocells, and labor. In the event of delays, the Parties agree to use best efforts to remediate causes of delays and to complete the program. NES shall accelerate this LED Retrofit Project wherever possible. Cobra head style streetlight fixtures represent approximately 90% of the NES-owned and operated streetlights in Nashville and Davidson County at the execution of this contract.
- NES will bill the stranded asset costs (the net undepreciated book value of Luminaires replaced in connection with the Retrofit) as a separate charge on the monthly bill as required by TVA.
- During the initial year of the program, members of the streetlight conversion team (which shall consist of NES and 3 representatives from Metro/NDOT) will select replacements for all other lighting types (beyond Cobra head style) including but not limited to the decorative streetlights in downtown Nashville.
 - This selection process will include opportunities for stakeholder engagement, including coordination with entities such as MDHA, the Downtown Partnership, merchants, and other relevant parties.
 - NES will require NDOT to approve the projected financial impacts of the non-Cobra head street lighting prior to commencing any replacements under the LED Retrofit Program.
 - Once all non-Cobra head style fixtures have been selected, these streetlights will begin replacement to LED fixtures over a 5-year period.
- NES will form streetlight conversion team to oversee project.
 - Metro and NDOT to have participants on streetlight conversion team.

- Streetlight conversion team to develop retrofit plan within 6 months of execution of this contract. After the plan is developed and approved by the Parties, NES will endeavor to retrofit an average of 20% of Street Lighting Facilities with LED fixtures in each subsequent twelve (12) month period.
- Retrofitting will occur according to a developed replacement schedule and will follow where pole attachment and asset inventory has been completed by NES. NES shall share this schedule with Metro and NDOT members on the conversion team.
- The LED Retrofit Plan shall be approved by NDOT or by other Metro representation on streetlight conversion team prior to proceeding to execution.
 - This Plan should include elements including schedule for retrofit, fixtures to be used, anticipated financial costs and savings, and other quantifiable co-benefits, such as reduced kWh consumed, reduced greenhouse gas emissions, etc.
 - These plans will be shared with the Metro Council and the Council shall receive an annual update on the LED Retrofit Program from an NDOT or other Metro representative.
- All LED fixture specifications to be approved by Metro.
 - NES will only utilize LED fixtures approved by NDOT and NES. NES will require NDOT to approve the projected financial impacts of any LED fixture specifications prior to commencing any replacements under the LED Retrofit Program.
 - As directed by NDOT, LED Retrofit Program to utilize Illuminating Engineering Society and Dark Sky Compliant lighting where possible and without a major redesign effort or impact on retrofit schedule.
 - NDOT may elect to accelerate designing systems to support dark sky compliance lighting in locations along with the retrofit.
 - The LED Retrofit Program will endeavor to standardize platforms for fixtures to the extent possible and as determined suitable by the streetlight conversion team to streamline products required in inventory.
- Retrofit to use smart features, functionality, and components to position Nashville to take advantage of innovative technology.
 - During the initial year of the program, members of the streetlight conversion team will select smart photocells that collect energy consumption information. The products selected must be compatible with NES head-end systems. The head-end

system must be compatible with the NES meter data management systems. Except where approved by Metro in writing, all lighting fixtures shall have ability to report outages and to dim and turn off lighting.

- Conversion team will evaluate lighting management software that permits constant real-time visualization of the operational status of every lighting fixture by NDOT.
- NES will require NDOT to approve the projected financial impacts of any smart components or innovative technology prior to commencing any replacements under the LED Retrofit Program.
- Once product has been selected these smart photocells will be used on the new LED fixtures everywhere possible over the next 5 years. Because smart photocell selection will occur in first year of the LED retrofit, year one LED retrofits will not include smart photocells. Once product has been selected and is ready for implementation all subsequent LED retrofits will be installed with smart photocell. At the end of the Retrofit, all remaining LED lights without smart photocells will be retrofitted with smart photocells.
- The Parties agree that smart photocells will be used everywhere commercially reasonable when new LED fixtures are installed pursuant to this Agreement . Unless agreed to by the Parties or material/supply chain issues, the Parties further agree that all such fixtures shall utilize smart photocells within six (6) years of the Effective Date of this Agreement.
- After a reasonable test period as determined by the conversion team, NES and Metro will select smart photocells and software to visualize lighting technology. After selection of the smart photocells and associated control technologies, LED retrofits installed with smart photocells and the software selected shall be fully functional within 12 months, subject to reasonable extensions for unanticipated delays outside of NDOT and NES control.

NES will require NDOT to approve dimming level for a single fixture and/or group of fixtures. If technology permits, NES will provide NDOT full control over the dimming functions of the lights installed under the Retrofit.

- Metro shall identify high injury corridors for potential lighting design updates and provide a list of such updates to NES by June 30, 2023. Redesign and LED retrofit for these high injury corridors will occur after lighting design updates. Any parts that represent additional lighting installations will be funded through the annual capital budget in Section 2(i).

APPENDIX C

SAMPLE REPORT ON PREVENTATIVE MAINTENANCE

NES visually inspected the streetlights and infrastructure listed below. A visual inspection noted the physical condition of the lighting infrastructure, including the condition of the lighting control centers, light poles, and other infrastructure, items for indicators of repairs needed.

Pole Number or Asset Location	Date Inspected	Date Previously Inspected	Needs Repair: Y/N

Date _____

Inspected by _____

Reviewed by _____

Delivered to NDOT on _____