

CONTRACT FOR STEAM SERVICE BETWEEN
 CONCORD STEAM CORPORATION
 AND
 CONCORD SCHOOL DISTRICT SAU 8
 CONCORD HIGH SCHOOL, 170 WARREN ST.

(ATTACHMENT A)

MONTHLY CAPACITY PAYMENT CALCULATION:

The Monthly Capacity Payment shall be calculated annually using the following formula:

Year 1 – An annual usage shall be determined by taking the average of the last two years of usage from September 2012 – August 2013 (year 1) and September 2013 – August 2014 (year 2). That average usage of 15,564 mlbs is multiplied by the initial capacity factor charge (currently \$6.71/Mlb) divided by twelve. (i.e.)

$$(15,564 \times \$6.71 / 12) = \$8,703$$

Year 2 The annual usage shall be determined by taking the average of the last three years of usage from September 2012 – August 2013 (year 1) and September 2013 – August 2014 (year 2) and September 2014 – August 2015 (year 3). That average usage is multiplied by the ADJUSTED capacity factor (INITIAL capacity factor charge plus 20%) (8.05) divided by twelve and will represent the monthly Capacity Payment for year 2 of the contract.

Years 3 The annual usage shall be determined by taking the average of the last three years of usage. That average usage is multiplied by the most current ADJUSTED capacity factor charge plus 20% divided by twelve (as provided in the table below)and will represent the monthly Capacity Payment for the corresponding year(s) of the contract.

Year	Capacity Factor Charge
2014	\$6.71/Mlb
2015	\$8.05/Mlb
2016	\$9.66/Mlb

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STEAM SALES AGREEMENT
Between
THE CONCORD SCHOOL DISTRICT
And
THE CONCORD STEAM CORPORATION
ATTACHMENT B
(Subject to NHPUC Approval)

This Steam Sales Agreement ("Agreement") is made and entered into this 8th day of September, 2015 by and between the Concord Steam Corporation, a NH Corporation (CSC) and the Concord School District (CSD), acting through its NH Public Utilities Commission (NHPUC). Both CSC and the CSD are sometimes hereinafter referred to individually as a "Party" and collectively as "Parties".

WITNESS

WHEREAS CSC is the owner and operator of a steam producing facility located at 123 Pleasant St. Concord NH; and

WHEREAS the CSD requires steam for various purposes on their Abbott-Downing, Christa McAuliffe elementary schools, Rundlett middle school and Concord High School campuses; and

WHEREAS, the Parties desire to enter into an agreement for the purchase by the CSD from CSC, and the sale by CSC to the CSD, of steam from it's facility as provided herein; and

WHERE AS: the Parties agree that an Agreement based on aligned interests and a common philosophy of operation will provide the maximum benefit to both Parties;

NOW THEREFORE, in consideration of the premises and mutual agreements and covenants contained herein, the legal sufficiency of which is hereby acknowledged, the Parties agree as follows:

ARTICLE I
DEFINITIONS

For the purpose of this Agreement, the following definitions apply:

Usage Rate Charge – A Monthly charge to the CSD to recover CSC costs related to the various activities required to fulfill the agreement but not necessarily identified as a direct cost of energy expense. The Usage Rate Charge shall be at the most current Usage Rate on file with the PUC as of October 1, 2017. The Usage Rate charge shall be adjusted annually on October 1 of each following year of this contract by the change in the Consumer Price index for the Boston-Brockton-Nashua area for the last 12 months ending in September of that year.

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Capacity Charge – Based on the annual steam consumption from the previous year multiplied by the Usage Rate Charge. This annual charge will be invoiced in 12 equal monthly payments.

Fuel Costs- Those costs directly related to the purchase and use of wood and other fuels for the production of steam by CSC for sale to its customers.

COE Charge- will be the monthly cost of energy, as approved by the N.H. Public Utilities Commission which shall already include any credits for the sale of TREC's.

Energy Charge- The COE charge multiplied by actual monthly steam consumption.

Thermal Renewable Energy Credits (TREC's)- The Renewable Energy Credits available to CSC in accordance with NH RSA 362-F.

Agreement Volume- Total amount of estimated steam (Mlbs) deliverable to the CSD for the Agreement Year.

Agreement Year- October 1 to September 30.

Cost of Energy Charge (COE)- A unit charge (\$/Mlb) to the CSD for fuel used to produce steam delivered to the CSD.

Lb - One pound of condensate, make-up water, or steam.

Mlbs - 1000 lbs of steam.

O&M - Operation and maintenance.

Point of Delivery- The physical point/location of the steam delivery system where the CSD takes possession and ownership of the steam produced by CSC See Exhibit A.

Steam System – The facility, it's boilers, auxiliary equipment, steam valves, piping, electrical supply and all appurtenances needed to generate and transport steam per the Agreement.

Steam Quality- The minimum quality of the steam to be delivered to CSC under this Agreement is 35 psig, dry and saturated @ 282 degrees °F.

ARTICLE II TERM

2.01 Term Notwithstanding the date of execution and the Agreement Year, the Parties intend that this Agreement shall become effective October 1, 2017 and that it shall remain in effect through September 30, 2027, unless terminated earlier as provided for in Article 2.02 of this Agreement. By mutual consent of the Parties this agreement may be



extended in increments of one year or until terminated by either of the Parties

2.02 Termination In addition to termination that might arise pursuant to other Articles of this Agreement, this agreement shall, at Concord School District's option, be terminated on a date established by the Concord School District on the occurrence of any of the following conditions:

- (1) The districts steam usage becomes representative of more than thirty percent (30 %) of Concord Steam overall steam sales as a result of the loss of sales or reduction in use of steam by other Concord Steam Customers; or
- (2) The NH Public Utilities Commission either voluntarily or involuntarily assumes control of Concord Steam's generating facilities and its operations; or
- (3) The filing of a petition in bankruptcy by or against Concord Steam, or the failure by Concord Steam to promptly lift any execution, garnishment or attachment of such consequence as would impair the ability of Concord Steam to carry on its functions as a public utility and continue to provide steam for "the cost of energy" provided herein or assignment by Concord Steam for the benefit of creditors, or the approval of a court of competent jurisdiction or the PUC of any adjustment of an indebtedness of Concord Steam or the dissolution or liquidation of Concord Steam; or
- (4) If CSC should materially fail to perform or cause unnecessary material delays in performance of, unless excused by Uncontrollable Force, any of its obligations under this Agreement;
- (5) The total cost of steam (*which is the usage rate charge plus the cost of energy as defined herein*) is greater than \$32/Mlb on October 1, 2017.

CSD may serve written notice upon CSC of its intent to terminate this Agreement on a date chosen by CSD. Unless within ninety (90) days after the service of such notice a satisfactory arrangement is made to remedy the aforementioned acts or omissions, then CSD at its election may terminate the Agreement by written notice of termination to CSC on the date chosen by CSD. Nothing herein shall be construed to limit or restrict any other legal rights or remedies at law or equity of any aggrieved Party.

ARTICLE III

RESPONSIBILITIES FOR STEAM DELIVERY SYSTEM

3.01 CSC Responsibilities. As a condition precedent to the responsibility of CSD, CSC shall complete infrastructure improvements before June 30th 2017 at its leased facility and, operate, and maintain the facilities necessary for the delivery of steam to the Point of Delivery. The CSD will provide right-of-way for that portion of CSC's pipeline system

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that traverses CSD property.

3.02 CSD Responsibilities. The CSD shall operate, maintain and repair the pipeline facilities necessary to transport and utilize the steam and condensate from the Point of Delivery.

3.03 Costs. Each Party is responsible for those improvements associated with the installation of facilities on their respective side of the Point of Delivery except for costs deemed solely for the benefit of the steam system and mutually approved by the Parties which become a steam cost.

ARTICLE IV AGREEMENT TERMS

4.01 Initial Agreement Capacity. CSC hereby agrees to sell and supply and the CSD hereby agrees to purchase and receive the Agreement Volume beginning October 1, 2017, for the duration of this Agreement. The CSD agrees to meet all of its steam demands through the purchase of steam from CSC during the duration of this agreement.

4.02 Load Reduction. The CSD agrees not to reduce its requirements for steam by converting any of its buildings currently using steam to any other fuel source including but not limited to natural gas or fuel oil unless said conversion is part of a complete building replacement or renovation project that includes upgrading the mechanical systems of the building as part of said renovation or replacement, in which case CSC shall be given the opportunity to competitively price its energy source for buildings undergoing renovation or replacement and CSD may choose a fuel source that it determines to be the most economical for the provision of energy in the event of a complete building renovation or replacement which includes upgrading mechanical systems.

4.03 Curtailment or Interruption of Deliveries. If either Party fails, or foresees the inability, to sustain steam delivery, the responsible Party shall immediately notify the respective facility operator of the other Party of the magnitude and cause of the curtailment or interruption and of the expected duration. In accordance with the provisions of Article 7.01, such inability of either Party to maintain scheduled delivery shall not be cause for financial redress.

4.04 Firmness of Supply. The supply of steam from CSC shall be accomplished through the operation of a facility of sufficient capacity to produce the required steam delivery.

4.05 Forecasts. Forecasts of annual Agreement Volume for the upcoming heating season (Oct-Sept of the following year) (12) months shall be submitted by the CSD to CSC on an annual basis, with the first forecast due September 1, 2017 and on September 1st of each subsequent year. Such forecasts will be used by CSC to calculate the Capacity Charge.

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4.06 Right of Audit. The CSD may annually request supporting data for prices and charges established by CSC. The CSD may audit CSC's records and practices related to pricing and billing. Upon submission of a data or audit request by the CSD, CSC shall provide the requested data or identify a date for accommodating an in-house audit within thirty (30) days of receiving the request.

ARTICLE V BILLINGS AND PAYMENTS

5.01 Billings, Payments and Disputes. CSC shall, by the end of each month, invoice the CSD for services rendered during the previous month. This bill shall itemize charges as provided in Article 5.02. Payment shall be made by the 25th of the month. When the due date falls on a Saturday, Sunday or a federal holiday, the due date will be the next business day thereafter. Disputed bills shall be paid in full when due and adjusted subsequent to settlement of the dispute. The remedies under this Article are not in lieu of other remedies available at law or equity.

5.02 Charges. Calculations of Capacity and Energy charges are as demonstrated in Exhibit B. Charges are intended to reflect the actual fuel and fixed costs incurred to provide steam to the CSD. A Fuel Charge is intended to be a pass through costs and is added to the Monthly Charge to compensate CSC for the related fuel expenses. A sample monthly invoice is provided for in Exhibit C.

5.021 Capacity Charge. Computed as $1/12^{\text{th}}$ of the total annual charge based on the estimated Agreement Volume multiplied by the Usage rate charge.

5.022 COE Charge. Estimated annually as the sum of fuel used to meet the supply of steam from the facility less the value of TREC's divided by the facilities total monthly steam produced for sale to CSC customers.

5.023 Energy Charge. Computed as the COE Charge multiplied by the total monthly steam used by CSD.

ARTICLE VI PRICING

6.01 Cost Adjustments. Effective October 1, 2017, and each year thereafter, the pricing calculations shall be based on the estimated annual steam usage from CSD. The Agreement Capacity Charge will be adjusted annually beginning October 1, 2017, per the provisions stated herein. CSC will submit a preliminary Exhibit B to the CSD by October 1, 2017 for the initial Agreement Year and a revised Exhibit B annually thereafter by October 1.

6.02 Reopening Agreement. On October 1, 2018, the Parties will review the Agreement to determine the need to renegotiate, or adjust, the Capacity Charge as described in 5.021 of the Agreement. Any changes to the Agreement mutually agreed upon, in writing, by the Parties shall become effective on the October 1 following the date of the necessary

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approvals or at such other time as agreed.

6.03 Amendment. This Contract may be amended only by written agreement by and between Concord Steam and CONCORD SCHOOL DISTRICT and, if required by applicable law or regulation, only if approved by the Commission.

ARTICLE VII EXCEPTIONS

7.01. Existing Agreements. In instances where the CSD has existing Agreements with CSC for steam supply in any of its facilities included in this Agreement, CSD may elect to keep those Agreements in force in lieu of this Agreement until the terms of said Agreements are expired. In any case where those existing Agreements expire the associated facilities shall automatically be included in the terms herein.

ARTICLE VIII GENERAL PROVISIONS

8.01 Damages. In no event, shall either CSC or the CSD be liable to the other Party for any indirect, consequential, punitive, or similar damages arising from, or in any other way connected with, this Agreement.

8.02 Waiver. Any waiver at any time by either Party of its rights with respect to a default under this Agreement shall not be deemed a waiver with respect to any other default or other matter arising in connection herein. Any delay short of the statutory of limitation in asserting or enforcing any right shall not be deemed a waiver of such rights.

8.03 Uncontrollable Force. The Parties will exercise reasonable diligence and care to meet their respective obligations and duties hereunder. However, a Party will not be in default of this Agreement and will not be liable for any obligations hereunder if the same is due to causes or contingencies beyond the control of that Party, acts of God or the public enemy, authority and orders of government, fires, strikes, sabotage, riots, or war. In the cases of all Uncontrollable Forces, the Parties will make reasonable effort to remedy the conditions, except that any labor dispute may be settled at the discretion of the involved Party.

8.04 Applicable Law. In order to promote uniformity in the interpretation of this Agreement, it is agreed that the laws of the State of New Hampshire shall control the rights and obligations established by this Agreement and the performance and enforcement thereof, to the extent that such rights and obligations are not governed by Federal law.

8.05 Assignment. Neither party may assign its interest in this Agreement without the prior written consent of the other party, except that CSC may assign its interest to any legal affiliate of CSC as long as it gives the CSD written notice of such assignment. In any case, such written consent shall not be unreasonably withheld.



8.06 Entire Agreement. As to the subject matter of this Agreement, this Agreement supersedes any and all proposals and/or understandings, oral and in writing, between the Parties hereto and constitutes their sole and only Agreement. Title and paragraph headings are for convenient reference and are not part of this Agreement.

8.07 Regulatory Approval. CSC agrees, upon execution of this Contract, to file the same with the Commission, and to request the required approval. Concord Steam agrees to use all commercially reasonable efforts to secure the regulatory approval of this Contract by the Commission. Concord Steam shall not, however, be liable to the CSD for any damages, direct or indirect, resulting from its failure to obtain said approval. The performance by Concord Steam of its obligations under this Contract is subject to the condition that Concord Steam shall obtain from the Commission approval of this Contract as required by law.

8.08 Notices. Any notices, demands, or requests required or authorized by the Agreement shall be deemed properly given if mailed postage prepaid on behalf of Concord Steam Corporation to:

General Manager
Concord Steam Corporation
PO Box 2520 Concord, NH 03302-2520

and if on behalf of the Concord School District to:

Finance Administrator
Concord School District SAU 8
38 Liberty St. Concord, New Hampshire 03301

Either Party may change its address or the position to which notices are to be sent by providing written notice.

8.09 Arbitration. Any controversy or claim arising out of or relating to this contract, or the breach thereof, shall be settled by arbitration administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules, except to the extent they conflict with the specific provisions of this clause. Judgment on the award rendered by the arbitrators may be entered in any court having jurisdiction hereof. Without limiting the jurisdiction of any other court, the parties hereby acknowledge, admit, and submit themselves to the jurisdiction of the state and federal courts in the State of New Hampshire. The number of arbitrators shall be three, all independent and neutral. Within 15 days after commencement of the arbitration, each party shall select one person to act as arbitrator and the two selected shall select a third arbitrator within 15 days of their appointment. The third arbitrator shall chair the proceedings. The place of arbitration shall be Concord, New Hampshire. This agreement shall be governed by and interpreted in accordance with the laws of the State of New Hampshire. The United

States Arbitration Act shall govern the interpretation, enforcement, and proceedings pursuant to the arbitration clause in this agreement. Within 30 days following the appointment of the arbitrators, each party shall provide to the other party copies of all documents relevant to the issues raised by any claim or counterclaim. Within 30 days following the date upon which documents are exchanged, the parties may take up to three depositions of up to three hours each. Discovery disputes shall be resolved upon application to the chair of the arbitration panel; the chair's resolution shall be final. Hearings shall be held on four contiguous dates within 120 days of the filing of the Demand, and an Award, accompanied by a reasoned opinion, shall be issued within 150 days of the filing of the Demand. The arbitrators shall agree to comply with this schedule before accepting appointment. However, these time limits may be extended by agreement of the parties.

IN WITNESS THEREOF, the parties have caused this Agreement to be executed the day and year first above written.

CONCORD SCHOOL DISTRICT

CONCORD STEAM

By: Jack Dunn

By: Peter Bloomfield

Title: Business Administrator

Title: President

Approved by NH Public Utilities Commission

By: _____

Commissioner

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EXHIBIT A
Point of Service Demarcations

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EXHIBIT B

Applicable monthly average charges to the CSD for services provided by CSC under the provisions of the

“Steam Sales Agreement Between the Concord School District and the Concord Steam Corporation,” effective

October 1, 2017. Charges are based on 25,000 Mlbs per year and a COE of \$5.12

Capacity Charge Price: $\$54,167.00 = (U \times AV) / 12$

Agreement average Energy Charge Price: $\$10,667.00 = (COE \times AV) / 12$

Average Monthly Total: $\$64,834.00 = CC + EC$

Estimated Annual Costs: $\$778,008 = AMT \times 12$

U = Usage Rate Charge

AV = Agreement Volume

COE = Cost Of Energy

CC = Capacity Charge

EC = Energy Charge

AMT = Average Monthly Total

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EXHIBIT C

Sample invoice for steam service to the CSC for the month of October 2017:

Assumptions:

Agreement Capacity Charge: \$54,167 based on 1/12 of Annual Budget
Agreement Actual COE Charge: \$5.12 Mlb

Calculations:

Agreement Volume: 25,000 mlbs
Total volume delivered: 2,600 mlbs

\$26.00 Usage Rate/Multiplier Charge

5.021 Capacity Charge $((\$26 \times 25,000)/12) = \$54,167$

5.022 COE Charge (Fuel Cost – TREC's / Facility Steam Sales)

5.023 Energy Charge $(\$5.12 \times 2,600) = \$13,312$

Total payment due for October 2017: \$67,479.00

Payment due November 25, 2017

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Exhibit 1
Attachment 4

Incremental operating cost of steam sold

Test Year ending Dec. 31, 2014

	Annual cost based on sale of 137,000 Mlbs	Incremental cost to Produce Additional 50,000 Mlbs	Cost per Mlb
Water and Sewer	\$ 225,142	\$ 45,028	\$ 0.90
Boiler chemicals	\$ 30,277	\$ 6,055	\$ 0.12
Electricity	\$ 97,537	\$ 9,754	\$ 0.20
Air Permit fees	\$ 72,065	\$ 7,207	\$ 0.14
Total	\$ 425,021	\$ 68,044	\$ 1.36