

SPECIAL CONTRACT
CONTRACT NO. NHPUC _
CONCORD STEAM CORPORATION
WITH
Concord School District SAU 8

Date of Execution:	September 8, 2015
Effective Date:	October 1, 2014 (Subject to NHPUC Approval)
Date of Termination:	Three Years After Effective Date Unless Terminated Sooner Pursuant to Terms Herein

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STATEMENT OF THE SPECIAL CIRCUMSTANCES
RENDERING DEPARTURE FROM GENERAL SCHEDULES
JUST AND CONSISTENT WITH THE PUBLIC INTEREST

Agreement made as of this 8th day of September, 2015 by and between Concord Steam Corporation ("Concord Steam"), a New Hampshire corporation with a principal place of business of P.O. Box 2520, Concord, New Hampshire 03302 and Concord School District SAU 8, a New Hampshire business, with a principal place of business of the Concord High School at 170 Warren St, Concord, New Hampshire 03301.

WHEREAS, Concord Steam is engaged in business as a public utility in the City of Concord in providing steam service to the public;

WHEREAS, the CONCORD SCHOOL DISTRICT is providing educational services to the public in Concord, New Hampshire. Concord Steam has supplied steam service to the CONCORD SCHOOL DISTRICT for over twenty years;

WHEREAS, the CONCORD SCHOOL DISTRICT is considering the installation of gas-fired boilers to it's mechanical heating and ventilation system and installing a main steam service at CONCORD HIGH SCHOOL;

WHEREAS, Concord Steam desires to retain the customer load at CONCORD HIGH SCHOOL upon the terms and conditions set forth in this Contract in order to increase its steam load, for the benefit of all of its customers.

WHEREAS, the service to be rendered under this Contract (the "Contract") consists of the furnishing of steam service to Concord School District, SAU 8 legal owners of the Concord High School 170 Warren Street, Concord, New Hampshire 03301 at a price which takes into account the marginal cost of serving the Concord High School.

WHEREAS, this Contract has been designed to meet the specific needs of the Concord High School while at the same time providing benefits for Concord Steam and its other customers. The parties agree that steam supply is a vital element to the Concord High School mission, in that it is crucial to supply reliable heat from a renewable resource the provides energy at stabilized pricing to the school district as well as to the taxpayers of the City of Concord. Further, the inclusion of the Concord High School steam load is important to Concord steam, because it is a significant portion of Concord Steam's annual steam sales representing nearly 20% of Concord Steam's existing steam load. Thus, this Contract enables the Concord High School to make use of a local renewable energy source while reducing the pricing risks that is inherent with using fossil fuels and also provides retention of a regular revenue stream from the Concord High School to Concord Steam for services provided. In turn, this will contribute significantly to holding down rates for Concord Steam's other customers by aiding in spreading the fixed cost over a wider base without additional investment in assets.

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

NOW, THEREFORE, Concord Steam and the CONCORD SCHOOL DISTRICT for and in consideration of the mutual covenants and agreements hereinafter set forth do hereby agree as follows:

1. Rate and Usage. CONCORD SCHOOL DISTRICT shall pay Concord Steam a monthly rate that is based on the current cost of energy rate for actual steam consumption plus an initial MONTHLY CAPACITY PAYMENT of \$8,703 as determined by the formula described on attachment A of this special contract. The Capacity Payment shall be recalculated each year of this contract in accordance with the calculations as described in Attachment A. If at anytime during this contract Concord Steam's published rates on file with the NHPUC would result in costs less than those described herein, Concord School District may at it's discretion elect to, in writing, to purchase the remainder of it's steam obligation under this contract at Concord Steam's published rate's.

2. Cost of Energy. The Monthly Rate includes the cost of energy, at an initial rate of \$25.10/Mlb. In accordance with Paragraph 1 of this Agreement, the Monthly Rate will be adjusted based on Concord Steam's applicable cost of energy, as approved by the New Hampshire Public Utilities Commission (the "Commission").

3. Payments. All amounts due and payable under this Contract shall be made in accordance with the payment terms and conditions under Concord Steam's tariff then in effect, including the applicable interest rate applied to any unpaid balances.

4. Default. Customer agrees to pay all service connection charges related to the restoring of the steam service and associated cost incurred to supply steam service by CSC if service is discontinued by the customer, for a reason other than one listed in paragraph 5.B. below, or by CSC if customer is in default at anytime during the term of this agreement. In addition, the Customer agrees to re-pay any base rate discounts applied to it's account if service is discontinued by the customer, for a reason other than one listed in paragraph 5.B. below, or by CSC if customer is in default at anytime during the term of this agreement.

5. Term.

A. The term of this Contract is three years commencing on October 1, 2014. The agreement will be effective from that date notwithstanding the date of execution. As a result, Concord School District will receive a credit for the cost of Steam provided to Concord High School since October 1, 2014 that is in excess of the terms of this agreement.

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B. Notwithstanding anything else to the contrary herein, the Concord School District may terminate this agreement on 90 days written notice if:

- (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.
- (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) Concord Steam does not improve the physical plant operations that results in a decrease in the total cost of steam (which is the usage rate charge plus the cost of energy as defined herein) to less than or equal to \$32/Mlb on or before June 2017.

thereafter, the Concord School District shall pay to Concord Steam the balance due on steam delivered to the date of termination which will be Concord Steam's sole and exclusive remedy in the event of early termination pursuant to this paragraph.

6. Books and Records. During the Term hereof and for a period of at least two years thereafter, Concord Steam shall maintain such books and records (collectively "Records") as are necessary to substantiate that Concord Steam is in compliance with this Contract. CONCORD SCHOOL DISTRICT and its representatives shall have the right at any time during normal business hours, and upon reasonable notice, to examine the Records, make copies and take extracts there from and discuss the Records with Concord Steam's officers and employees as CONCORD SCHOOL DISTRICT deems necessary.

7. Regulatory Approval. Concord Steam 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 CONCORD SCHOOL DISTRICT



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. Entire Agreement. This instrument constitutes the entire agreement between the parties and is executed by each without reliance upon any representations made by either to the other during the course of the negotiations with respect thereto; provided, however, that the parties understand and agree that, except to the extent it is inconsistent with this Contract, the terms of Concord Steam's tariff on file with the Commission shall govern the parties' relationship.

9. Successors and Assigns. This agreement may not be assigned or transferred without the express written authority of the Concord School District, which shall not be unreasonably withheld

10. Notices. Except as otherwise provided herein, all notices hereunder shall be in writing and shall be deemed to have been duly given for all purposes (i) when delivered in person, or (ii) three days after the date on which deposited in the United States mail, by registered or certified mail, return receipt requested, postage prepaid, or (iii) one day after the same is delivered to an express courier service guaranteeing overnight delivery, or (iv) when sent by telecopy transmission if receipt is confirmed and a copy is sent by regular first class mail, postage prepaid, in each case directed to the party to receive the same (which, in the case of Concord Steam, is the President and in the case of CONCORD SCHOOL DISTRICT is Superintendent of Schools 38 Liberty Street, Concord, NH 03301) at its address stated above or at such other address as may be substituted by notice given as herein provided.

11. Extensions. Effective October 1, 2017, this Contract shall be superseded by the written ten-year Steam Sales agreement by and between Concord Steam and CONCORD SCHOOL DISTRICT included in this agreement as Attachment B, and its terms and conditions shall constitute the steam sales agreement between CSC and the CONCORD SCHOOL DISTRICT, and the terms of the three-year agreement contained herein shall be null and void.

12. 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.

13. Applicable Law. The parties agree that this Contract shall be governed by the laws of the State of New Hampshire.

14. Headings. The headings in each section of this Agreement are for convenience of reference only, and do not form a part hereof and in no way modify or shall be used to interpret or construe the meaning of this Contract.

IN WITNESS WHEREOF the parties have caused their corporate names to be subscribed by a duly authorized officer.

CONCORD STEAM CORPORATION

By: 

Name: Peter Bloomfield

Title: President, duly authorized

CONCORD SCHOOL DISTRICT, SAU 8

By: 

Name: Jack Dunn

Title: Business Administrator, duly authorized


