



November, 2016

MR. ROB COON

CHIEF COMMISSIONER

STRATHCONA COUNTY

2001 SHERWOOD DRIVE

SHERWOOD PARK AB T8A 3W7

Subject: Streetlight LED Conversion Option Offer

FortisAlberta worked with the Alberta Urban Municipalities Association to conduct a community assessment project to address municipal interest in Light Emitting Diode (LED) lighting technology. This project demonstrated that savings could be achieved with the use of LED technology by lowering consumption and reducing maintenance costs during the life of the fixtures. In addition, the technology supports environmental programs to reduce greenhouse gas emissions, which align with community environmental stewardship initiatives.

At your request, FortisAlberta is pleased to assess your needs and offer an LED conversion solution for your community. Upon acceptance of this offer, FortisAlberta will identify existing high pressure sodium (HPS) fixtures that qualify for conversion to energy-efficient LED fixtures. Qualifying fixtures include those that are currently billed on Street Lighting Service (Investment Option) Rate 31, and are not decorative style streetlighting, yard lighting or streetlights owned and operated by your municipality. Please see the accompanying presentation for more details.

The replacement of traditional HPS streetlights with LED lighting offers the following benefits:

- provides clearer and more consistent light quality;
- lowers energy consumption;
- improves safety and night visibility due to general light output, uniformity and higher

color temperature (more vibrant white light);

- increases the life span of the fixture;
- reduces maintenance costs; and
- Decreases the environmental footprint with no mercury, lead or other known disposable hazards.

The net incremental distribution cost of the conversion from existing HPS streetlights to LED streetlights will be addressed by applying a factor of 1.10 to the existing Rate 31 daily service charge, or an increase of approximately 10 per cent to the distribution charge. Subject to the Alberta Utilities Commission's approval, this factor is proposed to be billed as a "Maintenance Multiplier" for LED lighting conversions. The net incremental distribution cost consists of the installation of the new LED fixtures and the expected per fixture operating and maintenance savings associated with LED lighting.

The reduced energy consumption of the LED fixtures would provide savings that will be reflected in the transmission (including flow-through transmission riders) and retailer energy portions of your electricity bill. These savings for your community are estimated and included in the accompanying presentation.

Please review and sign the attached acknowledgement form. We will share this signed document with the Alberta Utilities Commission to confirm your expression of interest in our LED conversion.

Yours truly
Rick Burden
Stakeholder Relations Manager

On behalf Strathcona County the undersigned hereby acknowledges and agrees that:

- a) Your acceptance of this proposal will constitute a formal request to FortisAlberta to proceed to the next steps of an LED conversion option outlined for your community;
- b) This acceptance will form part of our submission to the Alberta Utilities Commission to acknowledge your acceptance of the implementation of the “Maintenance Multiplier”;
- c) The acceptance of this proposal confirms that the multiplier of 1.10 will be applied to the Rate 31 Distribution Component fixture service charge, which is amended and approved by the Commission from time to time, to arrive at the distribution charges for all fixtures that have been converted to LEDs in your community;
- d) This acceptance confirms your understanding that the “Maintenance Multiplier” may be amended and approved by the AUC from time to time. The multiplier factor may also be discontinued as a result of further application to the AUC;
- e) FortisAlberta will proceed with the implementation of this offer if and when the AUC acknowledges and approves the use of the “Maintenance Multiplier” for the purpose of converting fixtures from HPS to LED;
- f) In its capacity as an electric distribution service provider to the Municipality, FortisAlberta has presented all material required to make an informed decision;
- g) The costs and savings presented in this offer, along with other materials presented, are estimates only and are for illustrative purposes. The electricity service costs and savings will ultimately depend on the AUC-approved FortisAlberta distribution tariff, which is adjusted and approved by the Commission periodically, as well as, the retail energy costs as set by your retailer.

Chief Commissioner

Date