



Street Lighting Coalition

Memorandum of Understanding

It is the purpose of this street lighting coalition Memorandum of Understanding (hereinafter the "Agreement") to set forth the composition, duties, and responsibilities of the coalition (hereinafter the "Coalition") that was formed as more particularly described below for the management and control of the Coalition's members' collective efforts before the Michigan Public Service Commission (MPSC) in Rate Case U-17767 filed by DTE Energy ("rate case").

I. HISTORY

In December 2014 DTE Energy filed a rate case for review by the Michigan Public Service Commission (MPSC) that included a new fee structure for municipal street lighting. A rate case is a regulatory procedure by which the MPSC evaluates the fairness and appropriateness of proposed rates and tariffs on an annual basis. The proposed tariff appears to significantly increase rates for LED lights and reduce the rates for less efficient high pressure sodium (HPS) lamps. In the past five years, many communities across the state have, mostly at their own expense, upgraded or planned to upgrade their outdated lights to the newest, most efficient technology (LED) to save money and reduce their environmental impact. The proposed new tariff threatens to dramatically reduce the savings communities have planned for in developing these projects. Several communities (referred to individually as "Community" or "Member") have agreed that intervening in the case as a coalition will increase the individual and collective capacity of the Communities to secure fair and favorable rates for the installation, operation and maintenance of municipal street light facilities.

II. COALITION

1. Term. This Agreement shall remain in effect for a period of two (2) years. However, any Member may terminate its participation in the Coalition at any time, by giving written notice to the Coalition of the termination. The notice must specify the effective date of termination, and must be sent to the Coalition at least 60 days prior to the termination date. The Coalition will continue to operate until fewer than two Communities remain as Members.
2. Composition. The Coalition shall consist of every Community that has joined and has paid its Community Assessment, as calculated and provided for in this Agreement.

III. LEADERSHIP COMMITTEE

1. Leadership Committee. The Coalition shall be led by a Leadership Committee, which shall carry out responsibilities and make decisions for the Coalition as provided more specifically in this Agreement.
2. Composition. The Leadership Committee shall consist of the Mayor, City Manager, City Administrator, Township Supervisor or other elected official or their designee, of each Community as selected by that Community. Each Community shall also select an alternate. The Leadership Committee shall also consist of the Director of the Michigan Township Association (hereinafter "MTA") or his designee.

Each Community shall be entitled to one representative as set forth above in attendance at each meeting of the Leadership Committee, provided, however, that other representatives of the Communities may attend and participate in discussions at meetings of the Coalition.

The Leadership Committee shall annually elect, by majority vote, a Chairperson, Vice-Chairperson and a Secretary to serve for a term of 1 year.

The Chairman of the Board of Directors of the Southeastern Michigan Regional Energy Office (hereinafter "SEMREO") and/or his designee may attend and participate in discussions at meetings of the Leadership Committee unless such participation is precluded by a conflict of interest. SEMREO shall be a full voting member of the Leadership Committee except for matters that have a direct financial impact of SEMREO.

3. Leadership Committee Meetings. The Leadership Committee shall meet at designated times and locations mutually convenient to the greatest extent possible for all representatives. It is anticipated that regular meetings of the Leadership Committee shall occur not more often than monthly. Agendas will be distributed and circulated at least twenty-four (24) hours in advance of all meetings to all representatives of the Coalition Members by the Director of SEMREO.

A member of the Leadership Committee or of a subcommittee designated by the Leadership Committee may participate in a meeting by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in a meeting conducted in this fashion constitutes presence in person at the meeting.

4. Responsibilities. The Leadership Committee shall be responsible for the overall policy strategy of the MPSC rate case and issues related thereto. To the greatest extent possible, as allowed by applicable law, all decisions by the Leadership Committee shall be final. The Leadership Committee's

responsibilities shall include, by way of example and not limitation the following:

- a. Approval of the operational budget.
 - b. Approval of all contracts for support and administrative services, consultants, legal representation, and accounting services.
 - c. Review and approval of any proposed settlement with DTE Energy.
 - d. Community Assessment costs that shall be made to each Community upon their participation in the Coalition. Any rates and charges specified in any such schedule shall be subject to adjustment by the Coalition.
 - e. SEMREO shall generate the bills and collect the revenues for the operational costs of the Coalition. Such bills shall be payable monthly or quarterly as shall be determined by the Leadership Committee.
 - f. Dispute Resolution.
5. Voting. Each representative on the Leadership Committee shall have one vote on each matter voted upon by the Leadership Committee; provided however, that the Coalition representatives shall use their best efforts to arrive at a consensus on all matters considered by the Leadership Committee. A quorum constituting a majority of the voting representatives of the Coalition shall be required to conduct business. The duties set forth may be exercised by majority vote of the representatives of the Coalition present at any meeting in which there is a quorum, except that for the amendment of this Agreement or for the requirement of a revenue assessment, approval by two-thirds of the representatives of the Coalition present shall be required, together with any other approvals that may be required by law.
6. Coalition Executive Committee and Duties. The Coalition Executive Committee shall comprise four (4) Coalition Community members' representatives or their alternates as voting members, and the Chairman of the Board of Directors of SEMREO or his designee as a non-voting member. Community members of the Coalition Executive Committee shall be selected by a majority vote of the full Leadership Committee. The Coalition Executive Committee shall meet on an as-needed basis between regularly scheduled meetings of the Leadership Committee. Three members of the Coalition Executive Committee shall constitute a quorum. Notice of all Coalition Executive Committee meetings shall be given to all Coalition members at least one (1) business days prior to its meeting. The Coalition Executive

Committee shall perform the responsibilities of the Leadership Committee as may be necessary between regularly scheduled meetings of the Leadership Committee. The Coalition Executive Committee may call special meetings of the Leadership Committee on two (2) business days' prior notice. The Coalition Executive Committee may exercise all powers and authority of the Leadership Committee between meetings including the approval of expenditures less than \$5,000 and decisions regarding tactical strategy before the MPSC rate case of a time sensitive nature.

7. Subcommittees. The Leadership Committee may establish such subcommittees as the Leadership Committee deems appropriate.

IV. CASE OVERSIGHT

SEMREO shall be responsible for managing the daily activities and responsibilities associated with the rate case as may be directed by the Leadership Committee consistent with all applicable law. It is acknowledged that SEMREO may be compensated by the Coalition, as approved by the Leadership Committee, for the performance of these duties. Invoices for services from SEMREO shall not be paid unless approved by a majority vote of the Coalition Executive Committee, which shall make the decision without participation in the review or discussion by SEMREO's representative.

SEMREO's responsibilities concerning the rate case will include, but shall not be limited to:

1. Administration: SEMREO will schedule, provide notice and keep minutes of Leadership Committee and Coalition Executive Committee meetings; maintain Coalition documents and records; and provide general administrative support to the Coalition.
2. Finance: SEMREO will serve as the fiduciary for the Coalition, receiving all funds, processing all invoices and requests for expenditures, and maintaining the accounts of the Coalition.
3. Contract Management: SEMREO will develop and oversee contracts with outside parties for work on behalf of the Coalition.
4. Research: SEMREO will support the Coalition's research needs to ensure the success of the rate case, which may include collecting data from communities, preparing background for depositions, or preparing expert witnesses in collaboration with legal counsel.

Communications and Outreach: SEMREO will maintain regular communications with Members and partners on behalf the Coalition and serve as the primary media contact; SEMREO will work to engage additional communities in the work and membership of the Coalition.

V. FUNDING

In order to finance the operations of the Coalition the Community Members to this Agreement shall contribute an initial assessment in the amount reflective of the Community's share as shown in "Attachment A". It is agreed that this assessment is based on a budget that should be all-inclusive of the scope of work associated with the project. However, should the Coalition need to raise additional revenue the Leadership Committee with an affirmative vote of a two-thirds majority of the member communities may assess additional costs as may be required by the Coalition. Community Members shall contribute any such additional assessment unless they terminate their participation in the Coalition by giving written notice to the Coalition of the termination within 30 days of the additional assessment vote. The Leadership Committee shall have full authority to revise its method of allocating costs.

VI. RESOLUTION

The Communities joining the Coalition and agreeing to the terms of this Agreement shall do so by the passage of a formal resolution.

The Southeastern Michigan Regional Energy Office through the Chairman of the Board shall provide written acceptance of its role and responsibilities as provided for in this Agreement.

VII. AMENDMENT

This Agreement may be amended by a majority vote of the Leadership Committee at any time.

Signature Page

Memorandum of Understanding
Michigan Street Lighting Coalition

This Memorandum of Understanding is executed by the authorized representatives of the Parties as indicated below.

“MEMBER”:

City of Pontiac

“COALITION”:

SOUTHEAST MICHIGAN
REGIONAL ENERGY OFFICE

By: Joseph M. Adelta, MPA.
Name, Title City Administrator

By: _____
Name, Title

Dated: August 21, 2015

Dated: _____, 2015

**Southeast Michigan Street Lighting Coalition****Attachment A****ALLOCATION OF EXPENSES TO PARTICIPATING MUNICIPALITIES**

Municipalities are asked to contribute to the budget in proportion to how many DTE-owned streetlights they have, reflecting what they have at stake in the establishment of tariffs for those fixtures. Several contribution tiers have been defined:

DTE-owned streetlights	Payment
>0	\$1,000
>999	\$2,500
>1999	\$5,000
>3999	\$10,000
>7999	\$16,000

Municipally owned streetlights are not included in this count because they are billed under an electricity-only tariff for which DTE Energy has proposed much smaller changes.



Municipal Street Lighting Coalition

Attachment B

MEMBERS OF THE COALITION

(Updated 7/30/2015)

City of Ann Arbor

Brownstown Township

City of Dearborn

City of Eastpointe

City of Farmington Hills

City of Ferndale

City of Harper Woods

City of Huntington Woods

City of Lincoln Park

City of Livonia

City of Milan

City of Northville

City of Pleasant Ridge

City of Roseville

City of Royal Oak

City of Saline

City of Southgate

City of St. Clair Shores

City of Ypsilanti

Southeast Michigan Regional Energy Office

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