

MEETING NOTICE

STUDY SESSION

Of The

TRAVERSE CITY LIGHT AND POWER BOARD

Will Be Held On

THURSDAY, May 5, 2011

At

5:30 p.m.

In The

LIGHT AND POWER SERVICE CENTER

1131 Hastings Street

Traverse City Light and Power will provide necessary reasonable auxiliary aids and services, such as signers for the hearing impaired and audio tapes of printed materials being considered at the meeting, to individuals with disabilities at the meeting/hearing upon notice to Traverse City Light and Power. Individuals with disabilities requiring auxiliary aids or services should contact the Light and Power Department by writing or calling the following.

Stephanie Tvardek,
Administrative Assistant
1131 Hastings Street
Traverse City, MI 49686
(231) 932-4543

AGENDA

Roll Call

1. Discussion of the major Capital Improvement Plan projects.
2. Board revenue and expense discussion.
3. Public Comment.

Traverse City Light and Power
1131 Hastings Street
Traverse City, MI 49686
(231) 922-4940

Posting Date: 5-4-11
9:00 a.m



SIX YEAR CAPITAL IMPROVEMENTS PLAN – 2011

INTERNAL FINANCING:

GENERATION:

Community Solar – 50 KW

Location: *Local solar generation either inside or outside city limits*

Character: *Solar panels either free standing or on buildings or rooftops*

Extent: *Costs related to installation of solar panels to provide up to 50 Kilowatts of generation.*

Estimated Cost: *\$400,000*

Fiscal Year(s): *2011-12 through 2012-13*

DISTRIBUTION and SUBSTATION:

Line Improvements, Extensions, New Services

Location: *Throughout the entire service area*

Character: *Construction/replacement of overhead and underground distribution facilities involving the use of wire, poles, meters, cabinets, and transformers.*

Extent: *This is an annual project in which wages, benefits, and equipment charges are capitalized for upgraded existing services or to provide for new customer services.*

Estimated Cost: *\$6.275 Million*

Fiscal Year(s): *2011-12 through 2016-17 (Annual Program)*

Overhead to Underground Conversion Projects

Location: *Throughout the entire service area*

Character: *Conversion of overhead transmission and/or distribution facilities to underground.*

Extent: *Annual Program for Approved Projects.*

Estimated Cost: *\$6.5 Million*

Fiscal Year(s): *2011-12 through 2016-17 (Annual Program)*



SIX YEAR CAPITAL IMPROVEMENTS PLAN – 2011

DISTRIBUTION and SUBSTATION (continued):

Distribution Circuit Additions/Upgrades

Location: Throughout the entire service area

Character: Construction of new overhead distribution circuits

Extent: New circuits and upgrade of existing circuits to improve reliability and serve anticipated growth.

Estimated Cost: \$11.3 Million

Fiscal Year(s): 2011-12 through 2016-17 (Annual Program)

69kV/13.8kV Distribution Substation-SOUTH

Location: Southern portion of service area – possibly outside city limits

Character: Construction of new 69/13.8kV distribution substation.

Extent: To include land purchase and facilities

Estimated Cost: \$5 Million

Fiscal Year(s): 2011-12 through 2012-13

Street Lighting System Additions (NEW)

Location: New street lighting along Silver Drive in the Grand Traverse Commons area

Character: LED street lighting.

Extent: Removal of any old street lights and installation of new LED street lights.

Estimated Cost: \$225,000

Fiscal Year(s): 2011-12

Pine Street Overhead to Underground Conversion

Location: Starting from behind Hall Street Substation South along Pine Street & crossing the Boardman River

Character: Convert existing overhead distribution facilities to underground.

Extent: In concert with TIF 97 Plan for Pine Street projects – this is a two phase project as directed by the DDA through the TIF 97 Plan.

Estimated Cost: \$1 Million

Fiscal Year(s): 2012-13



SIX YEAR CAPITAL IMPROVEMENTS PLAN – 2011

TRANSMISSION and SUBSTATION:

69kV Load Break Switches

Location: Three separate locations - S Airport Sub Junction on LaFranier Rd, Barlow Junction near Barlow Substation, & Cass Road Junction near Twelfth Street

Character: New steel poles & transmission switches

Extent: Replacing wood poles and switches with new steel poles & switches

Estimated Cost: up to \$600,000

Fiscal Year(s): 2013-14 through 2015-16

69kV Transmission Line and Substation – EAST

Location: East Side of Service Area (to be determined – substation and majority of the transmission line would be outside the city limits)

Character: Overhead transmission facilities to include new poles and wire

Extent: From a new transmission substation to an existing distribution substation (to be determined)

Estimated Cost: \$5.2 Million

Fiscal Year(s): 2011-12 through 2012-13

Transmission Line Reconductor

Location: Existing transmission corridor along Hammond, Barlow, LaFranier, Cass, Wadsworth, and north end of Boardman Lake

Character: Overhead transmission facilities to include new poles and wire.

Extent: Reconductor/rebuilding of existing 69kV transmission lines with new 69kV transmission lines.

Estimated Cost: \$3.675 Million

Fiscal Year(s): 2013-14 through 2016-17

FACILITIES:

M-72 Wind Turbine Refurbishment

Location: Bugai Road @ M-72

Character: Replace existing gear box with new gear box

Extent: Repair or replacement due to normal wear.

Estimated Cost: \$150,000

Fiscal Year(s): 2015-16



SIX YEAR CAPITAL IMPROVEMENTS PLAN – 2011

FACILITIES (continued):

Hastings Service Center Facility Improvements

Location: 1121 to 1131 Hastings Street

Character: Site improvements to existing facility

Extent: Demolition/Property acquisition and facility expansion/improvements

Estimated Cost: \$2.75 Million

Fiscal Year(s): 2011-12 through 2016-17 (Annual Program)

SCADA, COMMUNICATIONS, and OTHER ITEMS:

Smart Metering Technologies (AMI)

Location: Entire Service Area

Character: Electric meters and software to accommodate smart metering capabilities.

Extent: An annual program to provide for the migration to electronic smart meters that will assist utility customers on energy use and reliability.

Estimated Cost: \$650,000

Fiscal Year(s): 2011-12 through 2016-17 (Annual Program)

SCADA (Supervisory Control and Data Acquisition)/Dispatch Improvements

Location: 1131 Hastings Street and Hall Street Substation

Character: Expansion of capabilities in 24 hour control center

Extent: Equipment upgrades and improvements/modifications to the current control room and to provide for a remote SCADA control center.

Estimated Cost: \$250,000

Fiscal Year(s): 2011-12 through 2012-13

FIBER OPTICS FUND:

Fiber Extensions – Customer Installations

Location: Within the L&P service area

Character: Fiber optic facilities extending from current facilities.

Extent: Costs related to line extensions to customer facilities (either overhead or underground)

Estimated Cost: \$450,000

Fiscal Year(s): 2011-12 through 2016-17



TRAVERSE CITY
LIGHT & POWER

SIX YEAR CAPITAL IMPROVEMENTS PLAN – 2011

Wi-Fi Project

Location: Within the L&P service area

Character: Upgrade of facilities to allow for Wi-Fi (wireless internet access)

Extent: Costs related to installing facilities that allow for open area wireless internet access, or “hot zones” primarily in the DDA/TIF Districts.

Estimated Cost: \$160,000

Fiscal Year(s): 2011-12

TRAVERSE CITY LIGHT & POWER
SIX YEAR CAPITAL IMPROVEMENTS PLAN 2011 COMPARE TO 2010
This worksheet is for illustration purposes only and is supplemental information to the Plan

		Fiscal Year 2011-12	Fiscal Year 2012-13	Fiscal Year 2013-14	Fiscal Year 2014-15	Fiscal Year 2015-16	Fiscal Year 2016-17	Project Totals	Project Notes	2010 Funding Level	Change
INTERNAL FINANCING:											
Generation:											
DELETED	Baseload Capacity - Biomass Project(s)	\$ -	\$ -	---	---	---	---	\$ -		\$ 12,100,000	\$ (12,100,000)
CHANGE	Community Solar - 50KW (changed location to include siting "outside" city limits. Changed character to include free standing.)	\$ 100,000	\$ 300,000	---	---	---	---	\$ 400,000		\$ 500,000	\$ (100,000)
Total Generation		100,000	300,000	0	0	0	0	400,000		12,600,000	(12,200,000)
Distribution and Substation:											
no change	Line Improvements, Extensions, New Services	950,000	1,000,000	1,025,000	1,050,000	1,100,000	1,150,000	6,275,000	Annual Program	\$ 6,100,000	\$ 175,000
no change	OH to URG Conversion Projects	1,500,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	6,500,000	Annual Program	\$ 7,000,000	\$ (500,000)
CHANGE	Distribution Circuit Additions/Upgrades (extent - this project was changed in annual funding to more aggressively replace aging distribution facilities.)	2,300,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	11,300,000	Annual Program	\$ 1,800,000	\$ 9,500,000
no change	69kV/13.8kV Distribution Substation-SOUTH	2,500,000	2,500,000	---	---	---	---	5,000,000		\$ 4,250,000	\$ 750,000
NEW	Street Lighting System Additions	225,000	---	---	---	---	---	225,000		\$ -	\$ 225,000
no change	Pine Street Overhead to Underground Conversion	---	1,000,000	---	---	---	---	1,000,000	With TIF 97 Project	\$ 1,000,000	\$ -
Total Distribution and Substation		7,475,000	7,300,000	3,825,000	3,850,000	1,650,000	1,650,000	30,300,000		20,150,000	10,150,000
Transmission and Substation:											
DELETED	Inventory of Materials - Substation and T&D	---	---	---	---	---	---	0		\$ 50,000	\$ (50,000)
no change	69kV Load Break Switches	---	---	200,000	200,000	200,000	---	600,000		\$ 600,000	\$ -
no change	69kV Transmission Line & Substation - EAST	2,000,000	3,200,000	---	---	---	---	5,200,000		\$ 5,200,000	\$ -
no change	Transmission Line Reconductor	---	---	575,000	1,000,000	1,500,000	600,000	3,675,000		\$ 3,670,000	\$ 5,000
Total Transmission and Substation		2,000,000	3,200,000	775,000	1,200,000	1,700,000	600,000	9,475,000		9,520,000	(45,000)
Facilities:											
no change	M-72 Wind Turbine Refurbishment	---	---	---	---	150,000	---	150,000		\$ 150,000	\$ -
no change	Hasting Service Center Facility Improvements (while the dollar amount may appear to change the scope or extent of the project, no specific plans have been identified at this time.)	300,000	2,250,000	50,000	50,000	50,000	50,000	2,750,000	Annual Program	\$ 1,200,000	\$ 1,550,000
Total Facilities		300,000	2,250,000	50,000	50,000	200,000	200,000	2,900,000		1,350,000	1,550,000
SCADA, Communications, and Other Items:											
no change	Smart Metering Technologies (AMI)	100,000	200,000	200,000	50,000	50,000	50,000	650,000	Annual Program	\$ 600,000	\$ 50,000
no change	SCADA/Dispatch Improvements	100,000	150,000	---	---	---	---	250,000		\$ 100,000	\$ 150,000
Total SCADA, Communications & Other Items		200,000	350,000	200,000	50,000	50,000	50,000	900,000		700,000	200,000
TOTAL INTERNAL FINANCING		\$ 10,075,000	\$ 13,400,000	\$ 4,850,000	\$ 5,150,000	\$ 3,600,000	\$ 2,500,000	\$ 43,975,000		\$ 44,320,000	\$ (345,000)

OTHER FINANCING SOURCES:

Large Generation Projects:

DELETED	Baseload Capacity - Biomass Project(s)	---	---	---	---	---	---	0		\$ 68,000,000	\$ (68,000,000)
---------	--	-----	-----	-----	-----	-----	-----	---	--	---------------	-----------------

FIBER PROJECTS:

CHANGE	Fiber Extensions - Customer Installations (character - of the project was changed to include the potential for lit fiber to the premise (FTP)).	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 450,000		\$ 336,500	\$ 113,500
CHANGE	Wi-Fi Project - DDA (extent - of the project was changed to only include Wi-Fi in the DDA District; not to provide it throughout the L&P service area.)	160,000	---	---	---	---	---	160,000		\$ 850,000	\$ (690,000)
Total Fiber Projects		\$ 235,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 610,000		\$ 1,186,500	\$ (576,500)

(Actual fiscal year that a project may be undertaken may differ from the fiscal year depicted in this spreadsheet.)

**Traverse City Light & Power
3 Year Capital Spending Analysis**

Dollar Amounts (in millions)	Balance (in millions)	Description
\$ 30	\$ 30	Current Cash and Investments
4.5	34.5	Net gain 2011-2014
-12	22.5	Prudent Utility Cash Reserves
-5.2	17.3	East Side Project
-4.5	12.8	South Dist. Substation
-1.5	11.3	Bayfront Undergrounding Project
-4.5	6.8	3 Year System Rehab Project
-2	4.8	WiFi
-1	3.8	Pine Street Project
-1.5	2.3	Indigo Hotel Project
-0.5	1.8	Community Solar Project
-3	-1.2	\$1 m/yr. Undergrounding
-0.5	-1.7	Smart Metering
-5.2	-6.9	Annual Programs
-25	-31.9	C.T. Project Resolution