

A REGULAR MEETING

Of The

TRAVERSE CITY LIGHT AND POWER BOARD

Will Be Held On

TUESDAY, August 13, 2013

At

5:15 p.m.

In The

COMMISSION CHAMBERS
(2nd floor, Governmental Center)
400 Boardman Avenue

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

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

Posting Date: 08-09-13
12:00 p.m.

AGENDA

Pledge of Allegiance

1. Roll Call

2. Consent Calendar

The purpose of the consent calendar is to expedite business by grouping non-controversial items together to be dealt with by one Board motion without discussion. Any member of the Board, staff or the public may ask that any item on the consent calendar be removed therefrom and placed elsewhere on the agenda for full discussion. Such requests will be automatically respected. If an item is not removed from the consent calendar, the action noted in parentheses on the agenda is approved by a single Board action adopting the consent calendar.

- a. Consideration of approving minutes of the Regular Meeting of July 23, 2013. (Approval recommended) (p. 3)
- b. Consideration of authorizing a Joint Pole Attachment Agreement with Cherryland Electric Cooperative. (Approval recommended) (Arends) (p. 6)
- c. Consideration of authorizing an amendment to the Termination of Service Policy. (Approval recommended) (Myers-Beman) (p. 7)

3. Unfinished Business

None.

4. New Business

- a. 2012 Renewable Energy Plan report and 2013 Biennial Plan filing. (Wheaton) (p. 19)
Public comment will be accepted on the 2013 Renewable Energy Biennial filing.

5. Appointments

None.

6. Reports and Communications

- a. From Legal Counsel.
- b. From Staff.
 1. Low Income Pilot Program update. (Wheaton/TJ Brown) (p. 37)
 2. Utility Metrics summary report. (Arends) (p. 39)
 3. *TCL&P news and correspondence. (General – No Official Report) (p. 41)*
- c. From Board.

7. Public Comment

/st

**TRAVERSE CITY
LIGHT AND POWER BOARD**

Minutes of Regular Meeting
Held at 5:15 p.m., Commission Chambers, Governmental Center
Tuesday, July 23, 2013

Board Members -

Present: Barbara Budros, Jim Carruthers, Jan Geht, Jeff Palisin, Bob Spence,
Patrick McGuire

Absent: John Taylor

Ex Officio Member -

Present: Jered Ottenwess, City Manager

Others: Tim Arends, W. Peter Doren, Stephanie Tvardek, Karla Myers-Beman

The meeting was called to order at 5:15 p.m. by Chairman McGuire.

Chairman McGuire welcomed City Manager Jered Ottenwess to the TCL&P board.

Item 2 on the Agenda being Consent Calendar

None.

Item 3 on the Agenda being Unfinished Business

None.

Item 4 on the Agenda being New Business

4(a). Consideration of approving minutes of the Regular Meeting of June 25, 2013.

Moved by Carruthers, seconded by Spence, that the minutes of the Regular Meeting of June 25, 2013 be approved.

CARRIED unanimously. (Taylor absent)

4(b). Consideration of a contract for Streetlight Pole Painting.

The following individuals addressed the Board:

Tim Arends, Executive Director
W. Peter Doren, General Counsel

Moved by Budros, seconded by Palisin, that the Board authorizes the Chairman and Secretary to enter into a three year contract with National Coatings, Inc. in the amount of \$52,606; subject to approval as to substance by the Executive Director and approval as to form by General Counsel.

The following individuals from the public address the Board:

Scott Swan, non-ratepayer

CARRIED unanimously. (Taylor absent)

5:25 p.m. Bob Spence departed the meeting.

4(c). Consideration of awarding bid for Hastings Street Facility Security Enhancements.

The following individuals addressed the Board:

Tim Arends, Executive Director
Bob Sommerville, AAI
W. Peter Doren, General Counsel

Moved by Budros, seconded by Palisin, that the Board authorizes the Chairman and Secretary to enter into a contract between TCL&P (Owner) and Spence Brothers (Contractor) in the lump sum total amount of \$39,600 for Hastings Street Security Enhancements, subject to approval as to substance by the Executive Director and as to form by General Counsel; and further authorizes the Executive Director to administer amendments and change orders that are in the best interests of the utility.

CARRIED unanimously. (Taylor absent, Spence abstained)

The parties to the Hastings Street Building Security Enhancements Contract are the Traverse City Light and Power Department (TCL&P), a Michigan municipal electric utility and Spence Brothers, a Michigan corporation. This is a construction contract to be completed by September 2013, in the lump sum amount of \$39,600 to be paid by TCL&P to Spence Brothers for the renovation of its offices at 1131 Hastings Street, Traverse City, Michigan. No employees of TCL&P are assigned for fulfillment of the contract, except for monitoring and inspection of the work and the administration of the contract. Robert S. Spence III is Vice President of Spence Brothers and a member of the TCL&P Board. He did not participate in the discussion or voting on this matter. His pecuniary interest in this contract is as an officer and stockholder in the corporation.

5:30 p.m. Bob Spence re-joined the meeting.

4(d). Consideration of concurrence to Opt-out of the Low-Income Energy Assistance Fund Assessment to Customers.

The following individuals addressed the Board:

Tim Arends, Executive Director
Karla Myers-Beman, Controller

Moved by Carruthers, seconded by Budros, that the Light & Power Board concurs with staff's recommendation to opt-out of Public Act 95 of 2013.

CARRIED unanimously. (Taylor absent)

Item 5 on the Agenda being Appointments

None.

Item 6 on the Agenda being Reports and Communications

a. From Legal Counsel.

None.

b. From Staff.

1. Ed Bailey, NMC and Sarna Salzman, SEEDS, presented the 2012 Grand Vision Energy Network Survey results.

The following individuals addressed the Board:

Tim Arends, Executive Director

2. Tim Arends spoke re: the schedule for strategic planning with Hometown Connections on August 13, 2013.

c. From Board.

1. Jim Carruthers, Jeff Palisin, Barbara Budros and Pat McGuire spoke re: the National Rural Electric Cooperative course they recently attended.

Item 7 on the Agenda being Public Comment

No one from the public commented.

There being no objection, Chairman McGuire declared the meeting adjourned at 5:58 p.m.


/st

Tim Arends, Secretary
LIGHT AND POWER BOARD

FOR THE LIGHT & POWER BOARD MEETING OF AUGUST 13, 2013



TRAVERSE CITY
LIGHT & POWER

To: Light & Power Board
From: Tim Arends, Executive Director 
Date: August 8, 2013
Subject: Joint Pole Attachment License Agreement

Due to the Fiber Optics contract between TCL&P and GTACS, the utility desired to attach fiber to eight Cherryland Rural Electric (“Cherryland”) poles to provide fiber service to Saint Elizabeth Ann Seton middle school. The two utilities do not currently have a joint pole attachment agreement in place, which is appropriate for this type of accommodation. However, there are several poles in which the two utilities have joint attachments to each other currently.

Both utilities attempted to come to an agreement in 2007; however, TCL&P terminated negotiations with Cherryland in 2009 for reasons unknown to me. I have negotiated a “no-fee” agreement with Cherryland for your consideration that will address current and future pole attachments to each utilities poles. Because the agreement is 33 pages long it is not included in your packet. A pdf copy has been e-mailed to the board in advance of this meeting.

Staff recommends the Board approve entering into the Joint Pole Attachment License Agreement as presented. This item is appearing on the Consent Calendar as it is deemed by staff to be a non-controversial item. Approval of this item on the Consent Calendar means you agree with staff’s recommendation.

If any member of the Board or the public wishes to discuss this matter, other than clarifying questions, it should be placed on the “items removed from the consent calendar” portion of the agenda for full discussion.

If after Board discussion you agree with staff’s recommendation the following motion would be appropriate:

MOVED BY _____, SECONDED BY _____,
THAT THE BOARD AUTHORIZES THE CHAIRMAN AND THE SECRETARY TO
ENTER INTO A JOINT POLE ATTACHMENT LICENSE AGREEMENT WITH
CHERRYLAND ELECTRIC COOPERATIVE, SUBJECT TO APPROVAL AS TO
SUBSTANCE BY THE EXECUTIVE DIRECTOR AND APPROVAL AS TO FORM BY
GENERAL COUNSEL.

FOR THE LIGHT & POWER BOARD MEETING OF AUGUST 13, 2013



TRAVERSE CITY
LIGHT & POWER

To: TCL&P Board of Directors
From: Karla Myers-Beman, Controller *KMB*
Date: August 6, 2013
Subject: Amended Termination Policy

At the last board meeting, the Board concurred with management on Public Act 95 of 2013, by opting out of disconnecting customer services from November 1 through April 15. This impacted the Utility's termination policy and the following modifications have been made:

1. In the previous termination policy, there were specific requirements relating to disconnecting services for senior citizens and low-income households during the heating season, which were in response to a customer death in Bay City (Amendment to Public Act 3 of 1939). These requirements are no longer valid since services will not be disconnected. Therefore, the heating season requirements were removed and replaced with disconnections of service will not occur from November 1 through April 15.

2. The second change was to remove reminder notices being sent within 10 days after the due date. This change was recommended by Hometown Connections efficiency study, because the following month's billing already provides this notice. In making this change, Light and Power will save at the minimum approximately \$13,500 annually in postage, paper and printing costs along with related labor costs.

The amended Termination Policy is enclosed for your review. Staff recommends approval of the amended Termination Policy as presented. Approval of this item on the Consent Calendar means you agree with staff's recommendation.

If any member of the Board or the public wishes to discuss this matter, other than clarifying questions, it should be placed on the agenda as an item under "items removed from the consent calendar".

If after Board discussion you agree with staff's recommendation the following motion would be appropriate:

FOR THE LIGHT & POWER BOARD MEETING OF AUGUST 13, 2013

MOVED BY _____, SECONDED BY _____

THAT THE LIGHT AND POWER BOARD ADOPTS THE TERMINATION OF ELECTRIC SERVICE POLICY AS PRESENTED TO BE EFFECTIVE IMMEDIATELY AND RESCINDS ANY INCONSISTENT POLICY.

Light and Power Department
City of Traverse City, MI
Adopted: January 9, 1996
Amended: December 22, 2009
Amended: _____

TERMINATION OF ELECTRIC SERVICE POLICY

This policy provides for the processes and procedures in handling non-payment of customer utility bills. It is intended to minimize delinquencies and bad debt write-offs in an effort to continue offering customers the lowest possible rates. This policy is also intended to ensure the safety of customers, as it relates to termination of services, including protections for senior citizens, ~~low income~~, and critical care customers.

Upon adoption of this policy, all previously adopted policies, practices, writings, and procedures regarding termination of electric services for non-payment of utility bills are repealed.

1. **Amount to be collected:** - The total amount of an unpaid bill on a customer account after the billing due date.
2. **Termination of service procedure:** - Customers who are more than 30 days past due are subject to termination of services. Each customer type (industrial, commercial, and residential) is subject to the procedures below. There are additional procedures regarding residential customer terminations that do not apply to industrial and commercial customers. During the 30-day period following the billing due date the utility may proceed as follows:

~~A. **Reminder notice** shall be sent by first class mail indicating that the previous month's billing amount is delinquent. This notice will also inform the customer the amount of the penalty that has been applied to their account.~~

B.A. **Utility delinquency/disconnect notice** shall be sent by first-class mail if payment is not received within ~~ten (10) days after the reminder notice is sent~~ forty (40) days of the original bill date. (The subsequent billing invoice approximately 30 days later shall serve as the initial reminder for the amount due.) The purpose of this notice is to give notice to the customer that the utility may terminate their services within ten (10) days of the notice date if the past-due balance is not paid in its entirety. Additionally, this notice may give notice that the utility may file suit in 86th District Court if the past-due balance is not paid in its entirety. Customer shall be responsible for court filing fees and service fees, as allowed by law; these charges may be charged-up on a customer's account.

B. Final delinquency notice shall be placed on the door or deliver where the service is provided if payment is not received by the date printed on the utility delinquency/disconnect notice. The final delinquency notice shall allow the customer at least one (1) day to pay the delinquent amount. A fee may be

assessed to a customer account that causes the utility to place a final delinquency notice on the service address. The fee shall be in accordance with the "Schedule of Miscellaneous Charges" as approved by the Light & Power Board.

~~C.~~

~~D.C.~~ **Termination of electric service** may be completed on or after the date printed on the final delinquency notice if all of the steps described above have failed to cause receipt of the delinquency.

~~E.D.~~ **Non-sufficient funds (NSF)** checks shall also be cause for termination of electric service. If the NSF check was written to avoid termination of services for non-payment, the service shall be disconnected immediately upon notice of non-sufficient funds. A fee shall be assessed for each NSF check in accordance with the "Schedule of Miscellaneous Charges" as approved by the Light & Power Board.

3. **Payment arrangements** may be negotiated on a case-by-case basis with the utility. The customer may be required to sign an arrangement agreement that indicates a plan to pay current and future billings, as well as delinquent portions of the bill, such that the balance owed on the account declines rather than increases. A payment arrangement for the delinquent portion shall not exceed 90 days without approval by a utility supervisor.
4. **Reconnection of utility service:** Any customer that has had service disconnected for non-payment shall pay their delinquent balance plus a reconnect fee, in advance, to be eligible for service reinstatement. The fee shall be in accordance with the "Schedule of Miscellaneous Charges" as approved by the Light and Power Board. In addition, a security deposit, letter of credit, or other collateral may be required prior to service reinstatement. The amount and conditions shall be dependent on the specific circumstances of each individual case. A customer may be required to pay their account balance, including current charges and reconnect fees, in its entirety before service is reinstated.
5. **Other remedies:** Termination of service for non-payment will not foreclose the utility from other remedies for collection of amounts owing on the customer account. The utility may pursue other remedies without availing itself of the termination of service remedy.
6. **Public Act 154 compliance:** Traverse City Light & Power shall promptly notify the Michigan Public Service Commission if one of its customers suffers serious injury or death resulting from shutoff of electric service as authorized by this policy.

RESIDENTIAL CUSTOMER GENERAL SHUTOFF RULES

1. Traverse City Light & Power shall not use an electric service limiter. [This Rule may be re-evaluated after the Michigan Public Service Commission issues a temporary order that establishes uniform standards for the use of electric service limiters.]
2. Traverse City Light & Power shall refund any late fees, fines, or payments related to a shutoff or resumption of service if those late fees, fines, or payments were improperly assessed because of the failure to provide notice as required by these Rules.
3. Notwithstanding other requirements of this Rule, service may be shut off temporarily for reasons of health or safety or in a state or national emergency. When service is shut off for reasons of health or safety, a reasonable attempt shall be made to leave a notice at the premises if feasible.
4. Traverse City Light & Power may shut off or terminate service to a residential customer for any of the following reasons:
 - A. The customer has not paid a delinquent account that accrued within the last six (6) years.
 - B. The customer has failed to provide a deposit or guarantee as required.
 - C. The customer has engaged in unauthorized use of the utility's service.
 - D. The customer has failed to comply with the terms and conditions of a payment plan.
 - E. The customer has refused to arrange access at reasonable times for the purpose of inspection, meter reading, maintenance, or replacement of equipment that is installed upon the premises or for the removal of a meter.
 - F. The customer misrepresented his or her identity for the purpose of obtaining service or put service in another person's name without permission of the other person.
 - G. The customer has violated any rules of Traverse City Light & Power so as to adversely affect the safety of the customer or other persons or the integrity of the system.
 - H. A person living in the customer's residence meets both of the following:

- (i) Has a delinquent account for service with Traverse City Light & Power ~~in the past three (3) years~~ that remains unpaid.
 - (ii) The customer lived in the person's residence when all or part of the debt was incurred. Traverse City Light & Power may transfer a prorated amount of the debt to the customer's account, based upon the length of time that the customer resided at the person's residence. This subdivision does not apply if the customer was a minor while living in the person's residence.
- I. The customer has not paid for service at a premises occupied by another person, and it is not feasible to provide service to the occupant as a customer without a major revision, as determined by the utility, of existing distribution facilities.
5. Subject to applicable third-party consent, a customer will be permitted to designate a third party to receive bill notifications, including shutoff notices, on the customer's behalf. Such notices may be provided to both the designated third party and the customer.
6. A. Traverse City Light & Power shall supply information regarding the following to customers at least two (2) times a year:
- (i) The energy assistance telephone line number at the Michigan Department of Human Services or an operable 2-1-1 system telephone number.
 - (ii) Medical emergency protections.
 - (iii) Military shutoff protections.
 - ~~(iv) Low income protections provided in these Rules.~~
 - (v) Senior citizen protections provided in these Rules.
- B. The information required under Subsection (A) may be supplied in or on a customer's bill, in a bill insert, in a newsletter issued to customers, a public forum, newspaper announcement, an electronic communication, or in any other manner approved by the governing body of the utility.
7. Traverse City Light & Power shall, at least once per year, attempt to identify senior citizen customers by at least one (1) of the following methods:
- A. Conducting customer interviews.
 - B. Obtaining information from a consumer reporting agency or consumer reporting service.

- C. A personal or automated telephone call where direct contact is made with a member of the customer's household or a message is recorded on an answering machine or voice mail.
 - D. First-class mail.
 - E. A personal visit to the customer.
 - F. A written notice left at or on the customer's door.
 - G. On a bill or in a bill insert.
8. Service shall not be shut off unless a notice is sent to the customer by first-class mail or is personally served not less than ten (10) days before the date of the proposed shutoff. A record of the date the notice was sent shall be maintained.
9. A notice of shutoff shall contain all of the following information:
- A. The name and address of the customer, and the address at which service is provided, if different.
 - B. A clear and concise statement of the reason for the proposed shutoff of service.
 - C. The date on or after which service may be shut off unless the customer takes appropriate action.
 - D. The telephone number and address where the customer may make inquiry or file a complaint.
10. For an involuntary shutoff, at least one attempt, in addition to the notice provided in Section 8, shall be made one or more days before the shutoff of the service to contact the customer by one (1) or more of the following methods:
- A. A personal or automated telephone call where direct contact is made with a member of the customer's household or a message is recorded on an answering machine or voice mail.
 - B. First-class mail.
 - C. A personal visit to the customer.
 - D. A written notice left at or on the customer's door.
11. All attempts to contact the customer under Section 10 shall be documented.
12. Service may be shut off to a customer on the date specified in the notice of the shutoff or

within ten (10) days following that date. If service is not shut off and a subsequent notice is sent, then service shall not be shut off before the date specified in the subsequent notice. Shutoff shall occur only between the hours of 8 a.m. and 3 p.m.

13. Service shall not be shut off on a day, or a day immediately preceding a day, when services cannot be restored.
14. Not later than two hours before the close of the utility's business on the day service is shut off, a notice shall be left at the customer's residence stating that service has been shut off and providing the address and telephone number where the customer may arrange to have service restored. Alternatively, a contact by telephone may be made with an adult who identifies himself or herself as a person living at the residence providing the same information within the same timeframe.
15. No later than three (3) business days after shutting off service to a known senior citizen customer, Traverse City Light & Power shall make at least two attempts to contact that customer to advise the customer of the actions that the customer must take to have his or her service restored.
 - A. The following notification methods may be used to contact the customer:
 - (i) A personal or automated telephone call where direct contact is made with a member of the customer's household or a message is recorded on an answering machine or voice mail.
 - (ii) First-class mail.
 - (iii) A personal visit to the customer.
 - (iv) A written notice left at or on the customer's door.
 - (v) Any other method approved by the governing body of the utility.
 - B. A communication described in Subsection (A)(iii) or (iv) made on the day of disconnection meets the requirements of this Rule.
 - C. A message left on an answering machine or voice mail or a written notice left at or on a customer's door must include a toll free or local telephone number indicating that it may be used to contact a representative of Traverse City Light & Power regarding restoration of service.
 - D. The notice requirement of this section may be met with regard to a senior citizen customer by, within three (3) business days of shutting off service, making a documented referral of that customer to a social service or government agency.
16. Reasonable efforts shall be made to restore service on the day the customer requests

restoration. Except for reasons beyond the control of Traverse City Light & Power, the service shall be restored not later than the first working day after the customer's request.

17. A charge may be assessed for restoring service.

COOLING SEASON SHUTOFFS

18. Each morning, the temperature forecast in the Traverse City Record Eagle will be reviewed. If the temperature forecast for the current day OR the following day is 95 degrees or greater, eligible senior citizen customers will not be disconnected on the current day. For Fridays, customers will not be disconnected if the forecast is for 95 degrees or greater for Friday, Saturday or Sunday.

HEATING SEASON SHUTOFFS

19. Traverse City Light & Power shall not ~~shut off~~disconnect service to a customer during the heating season for nonpayment of a delinquent account from November 1 through April 15. (As required by Public Act 95 of 2013 opt out election made by the TCL&P.) if the customer is an eligible senior citizen customer or if an eligible low income customer enters into a winter protection payment plan to pay to the utility a monthly amount equal to 7% of the estimated annual bill for the eligible low income customer or the eligible low income customer and the utility mutually agree upon a winter protection payment plan with different terms and the eligible low income customer demonstrates, within 14 days of requesting shutoff protection, that he or she has applied for state or federal heating assistance. If an arrearage exists at the time an eligible low income customer applies for protection from shutoff of service during the heating season, the customer shall be permitted to pay the arrearage in equal monthly installments between the date of application and the start of the subsequent heating season.

20. ~~If an eligible low income customer fails to comply with the terms and conditions of a winter protection payment plan, or if the customer fails to pay a monthly installment on a preexisting arrearage, service may be shut off after giving the customer a notice, by personal service, or first class mail, that contains all of the following information:~~

- A. ~~That the customer has defaulted on a winter protection payment plan or has failed to pay a monthly installment on a preexisting arrearage.~~
- B. ~~The nature of the default.~~
- C. ~~That unless the customer makes the payments that are past due within ten (10) days of the date of mailing, service will be shut off.~~
- D. ~~The date on or after which service will be shut off, unless the customer takes appropriate action.~~

Forma

- ~~E. That the customer may dispute the claim in writing before the date of the proposed shutoff of service.~~
- ~~F. That the utility will not shut off service pending the resolution of a dispute.~~
- ~~G. The telephone number and address where the customer may make inquiry or file a complaint.~~
- ~~H. That the customer should contact a social services agency immediately if the customer believes he or she might be eligible for emergency economic assistance.~~
- ~~I. That the shutoff will be postponed if a medical emergency exists at the customer's residence.~~
- ~~J. That a deposit and restoration charge may be required if the utility shuts off service for non-payment of a delinquent account.~~

SHUTOFF OF CRITICAL CARE CUSTOMERS

- 2120. Shutoff shall be postponed for not more than 21 days if the customer or a member of the customer's household is a critical care customer or has a certified medical emergency. The customer's certification shall identify the medical condition, any medical or life-supporting equipment being used, and the specific time period during which the shutoff of service will aggravate the medical emergency. Shutoff may be extended for further periods of not more than 21 days, not to exceed a total postponement of shutoff of service of 63 days, only if the customer provides additional certification that the customer or a member of the customer's household remains a critical care customer or has a certified medical emergency. If shutoff of service has occurred without any postponement being obtained, the service shall be restored for not more than 21 days, and shall continue for further periods of not more than 21 days, not to exceed a total of 63 days in any 12-month period per household member. Annually, shutoff extensions totaling more than 126 days per household will not be given.
- 2221. As used in these Rules:
 - A. "Critical care customer" means a customer who requires, or has a household member who requires, home medical equipment or a life support system, and who has provided appropriate documentation from a physician or medical facility to Traverse City Light & Power identifying the medical equipment or life-support system and certifying that an interruption of service would be immediately life threatening.
 - B. "Electric service limiter" means an electronic device used in conjunction with an

electric meter that automatically interrupts all electric service to a customer without intervening direction from Traverse City Light & Power when a utility-imposed peak usage limit is exceeded.

C. ~~"Eligible low income customer" means a customer whose household income does not exceed 150% of the poverty level, as published by the United States Department of Health and Human Services, or who receives any of the following:~~

~~(i) Assistance from a state emergency relief program.~~

~~(ii) Food stamps.~~

~~(iii) Medicaid.~~

D. "Eligible senior citizen customer" means a utility customer who is 62 years of age or older and who advises the utility of his or her eligibility.

~~E. "Heating season" means November 1 through March 31.~~

F. "Medical Emergency" means an existing medical condition of the customer or a member of the customer's household, as defined and certified by a physician or public health official on official stationery or company-provided form, that will be aggravated by the lack of utility service.

G. "Senior citizen customer" means a customer of Traverse City Light & Power who is 62 years of age or older.

~~2322.~~ These Rules shall be part of the terms and conditions of the contract for service between Traverse City Light & Power and the customer.

~~2423.~~ These Rules are subject to change if there is a change in applicable statutes and may be supplemented by Traverse City Light & Power from time-to-time.

Edward E. Rice

Edward E. Rice Tim Arends

Executive Director and Secretary
Traverse City Light and Power Board


SCHEDULE OF MISCELLANEOUS CHARGES

Service Reconnect	\$ 20.00
After Hours Service Reconnect	\$ 50.00
Line Crew Service Reconnect	\$ 150.00
After Hours Line Crew Service Reconnect	\$ 200.00
NSF Check Fee	\$ 15.00
Final Delinquency Notice (Door Tag)	\$ 5.00

**Court Fees, as allowed by law, shall be charged up on customer accounts.



TRAVERSE CITY
LIGHT & POWER

To: TCL&P Board of Directors
From: Jessica Wheaton, Marketing & Community Relations Coordinator 
Date: July 31, 2013
Subject: 2012 Renewable Energy Annual Report and 2013 Biennial Plan Filing

2012 Renewable Energy Annual Report

In addition to helping Michigan residents become more energy efficient, Public Act 295 (PA 295) also requires electric utilities to increase the percentage of renewable energy in its generation portfolio. Attached is the Renewable Energy Annual Report (see packet page 21) that was filed on TCL&P's behalf by MPPA with the MPSC on June 30, 2013.

In summary, TCL&P's successes to date in meeting the state-mandated renewable energy goal include:

- A long-term agreement to buy electricity that is generated from the Heritage Stoney Corners wind farm. Beginning in August 2010, the energy produced from this agreement was equivalent to powering approximately 4,171 Traverse City area homes.
- A long-term agreement to buy electricity that is generated from the Granger landfill gas facility. In 2012, the energy produced from this agreement was equivalent to powering approximately 497 Traverse City area homes.
- Owning and operating the country's largest utility grade wind turbine when it was installed in 1996. At 600 kilowatts, it is small in comparison to today's larger units. Even though the unit was down 5 months in 2012 for repairs, it still produced enough energy to power 52 Traverse City area homes.

For the 2012 reporting period, TCL&P generated or acquired 31,119,324 kilowatt hours of renewable energy. During this timeframe, TCL&P's renewable energy was 8.54% of its total retail electric sales. State law requires utilities to have 10% renewable energy by 2015 and TCL&P exceeded this mandate in 2012 with a peak month of 12% for the year. TCL&P anticipates that it will achieve as much as 16% by 2015 with the increase in landfill gas energy production.

2013 Renewable Energy Biennial Filing

In 2013, TCL&P is required to file a 2-year update to its Renewable Energy Plan filing. Attached is the 2013 Renewable Energy Biennial Plan (see packet page 28) that was filed on TCL&P's behalf by MPPA with the MPSC on July 1, 2013.

This filing provides the MPSC with updated renewable energy numbers and forecasts for the utility. Based on the Renewable Energy Plan, TCL&P will have the required Renewable Energy Credits for the period of 2013-2029, thereby complying with PA 295.

FOR THE LIGHT & POWER BOARD MEETING OF AUGUST 13, 2013

TCL&P is required to offer an opportunity for customers to comment on the 2013 Renewable Energy Biennial Plan and file those comments with the MPSC by August 30, 2013. TCL&P is accepting public comment beginning August 12 through August 26, including an opportunity to provide comment on the 2013 Renewable Energy Biennial Plan at the August 13 TCL&P Board meeting. TCL&P is also accepting public comment on the Biennial Plan through the TCL&P website, www.tclp.org, in writing, or in person at TCL&P's office located at 1131 Hastings Street.

The 2013 Renewable Energy Biennial Plan can be viewed online at TCL&P's website by clicking on the 'Energy Smart' button at the bottom of the homepage, scrolling down to the 'Reports' section, and clicking on the '2013 Renewable Energy Biennial Filing' link. A hard copy can also be viewed in person at TCL&P's office located at 1131 Hastings Street, Traverse City.

Renewable Energy Annual Report

Revised April 2013

Electric Provider: **Traverse City Light & Power**

Reporting Period: Calendar Year 2012

- Section 51(1) of 2008 PA 295 requires the filing of this document with the Michigan Public Service Commission.
- Many of the requested figures are available from MIRECS reports; names of which are noted within this template. If your figures agree with those within MIRECS, you may submit the MIRECS report as an attachment to this annual report. If your figures differ from those within MIRECS, please explain any discrepancies. Staff from the MPSC and MIRECS Administrator, APX, Inc., are available to help reconcile.

Section 51(1).

Within this section, list and describe actions taken by the electric provider to comply with the renewable energy standards.

- a. Filings to the Commission (case numbers)

U-16635

- b. Summary of actions taken during reporting period

The primary source of RECs is participation in the Michigan Public Power Agency (MPPA) Landfill Gas Project (Granger and North American Natural Resources (NANR) Projects). These projects will utilize landfill gas for electric power generation from a variety of locations in Michigan and possibly in neighboring states.

Section 51(2)(a).

Within this section, list the type of and number of energy credits (either renewable energy credits or incentive renewable energy credits) obtained and the MWh of electricity generated or otherwise acquired during the reporting period. Distinguish between different vintages (years) obtained.

Credits From	Renewable Energy Credits	Incentive Credits	MWh Electricity Generated/Acquired
Existing, Co. Owned, pre PA 295	341		342
Built, Co. Owned (post PA 295)			
Contracted (credits only)			
Contracted (energy and credits)	2010 – 830 2011 – 4,623 2012 – 22,819	2011 – 240 2012 – 2,282	2010 – 830 2011 – 4,623 2012 – 22,819
Total Credits acquired	28,613	2,522	28,614

This data may be found in MIRECS reports titled: My Generation Report and My Credit Transfers.

Explain any differences between total credits acquired and the sum of the first four rows above.

Some 2012 vintage credits may have been transferred in 2013.

Within this section, list the type of and number of energy credits (either renewable energy credits or incentive renewable energy credits) sold, traded or otherwise transferred during the reporting period.

Credit no longer owned	Renewable Energy Credits	Incentive Credits	List sub-account name (indicate compliance year)
Sold, traded or otherwise transferred			NA
Expired (not in compliance sub-account)	51		DefaultRET
Moved to compliance sub-account ¹	6,326	660	2012 Compliance – Traverse City

¹Report separate compliance sub-accounts on different rows.

This data may be found in MIRECS reports titled: My Sub-Accounts (filtered by Michigan eligibility and its end date) and My Credit Transfers.

Within this section, report the total inventory of energy credits at the end of the reporting period. Inventory shall be reported by vintage year and not include credits within the current reporting year compliance sub-account.

Renewable Energy Credits	Incentive Credits	Advanced Cleaner Energy Credits
63,582	5,833	0

This data may be found in the MIRECS report titled: My Credit Breakdown.

Section 51(2)(b).

Within this section, list the number of advanced cleaner energy credits obtained and the MWh of advanced cleaner energy generated or otherwise acquired during this reporting period.

Credits From	Advanced Cleaner Energy Credits	MWh Electricity Generated/Acquired
Existing, Co. Owned, pre PA 295		
Built, Co. Owned (post PA 295)		
Contracted (credits only)		
Contracted (energy and credits)		
Total Credits acquired		

This data may be found in MIRECS reports titled: My Generation Report and My Credit Transfers.

Did the percentage limits in Section 27(7) affect development of advanced cleaner energy by the electric provider? How so?

Electric provider does not receive ACEC credits.

Section 51(2)(c).

Within this section, list each renewable energy system (RES) and advanced cleaner energy system (ACES) owned, operated or controlled by the electric provider. List the capacity of each system, the amount of electricity generated by each system and the percentage of electricity which was generated from renewable energy (RE) or advanced cleaner energy (ACE).

System Name ¹	System Type (RES or ACES)	Nameplate Capacity (MW)	Electricity Generated (MWh)	% of Electricity generated by RE/ACE
Traverse Wind	RES	.6	342	100

¹System name should agree with the project name listed within MIRECS.

This data may be found in the Project Management module within MIRECS.

Within this section, list the renewable energy system (RES) and advanced cleaner energy systems (ACES) the electric provider is purchasing energy credits from. These include purchase power agreements. However, unbundled (credit only) purchases do not need to be listed here. Projects (generators) serving multijurisdictional electric providers should be listed here.

System Name	System Type (RES or ACES)	Electricity Purchased (MWh)	Energy Credits Purchased ¹	Allocation Factor and Method
Landfill Gas Project – Granger	RES	2,952	2,951 REC 429 IREC	Percentage – 8.13%
Landfill Gas Project – NANR	RES	236	236 REC 43 IREC	Percentage – 8.13%
Heritage Stoney Corners Wind Farm	RES	27,528	27,528 REC 2,753 IREC	100%

¹Distinguish between different types of credits.

Allocation Factor and Method: For use if 100% of system output is not purchased. For instance, a system selling to multiple parties: list how the energy and credits are allocated – if by percentage, list the percentage as well.

Allocation Factor and Method: If used by multijurisdictional electric providers please include which percentage of energy and credits are to be distributed to Michigan (list allocation method as well, for example: system load).

Section 51(2)(d).

Within this section, list whether, during the reporting period, the electric provider entered into a contract for, began construction on, continued construction of, acquired, or placed into operation a renewable energy (RE) system or advanced cleaner energy (ACE) system.

System Name ¹	Resource (technology, RE/ACE)	Nameplate Capacity (MW)	Construction start date or acquisition date	Commercial operation date	Owned by electric provider?

¹System name should agree with the project name listed within MIRECS.

Dates may be forecast.

Section 51(2)(e).

Within this section, list the total expenditures incurred during the reporting period to comply with the renewable energy standards. Also, electric providers with an approved or planned renewable energy surcharge (as per Section 45), list the incremental cost of compliance (ICC) incurred during the reporting period.

Total Transfer Cost for 2012	Total ICC for 2012
0	0

Transfer Cost: The component of renewable energy and capacity revenue recovered from PSCR clause.

Capital Expenditures for 2012

0

Capital Expenditure: An investment in a renewable energy capital asset.

List the forecasted total expenditures for the remaining plan period. Also, electric providers with an approved or planned renewable energy surcharge (as per Section 45), list the forecasted incremental cost of compliance (ICC) for the remaining plan period.

Forecast of total remaining expenditures for the residual plan period of 2013-2029	Forecast of the ICC for the remaining plan period (2013-2029)
0	0

Total Expenditures: ICC + Transfer Cost

Section 51(2)(f).

Within this section, list the method and the retail sales in MWh for the reporting period.

List the Method: either average of 2009-2011 retail sales or the 2011 weather normalized retail sales.

Average of 2009-2011 retail sales

The method chosen should be consistent with the method approved in the initial plan case from 2009. All sales are retail (net of wholesale).

(A) List the sales in MWh based on the method selected above. Please show the calculation of this figure (including listing the sales of each year if the three year average method is used).

$(314,881 + 317,389 + 322,270)/3 = 318,180$

(B) Inventory: List the number of non-expired energy credits available after submittal of the 2012 MIRECS compliance report. These energy credits may have 2010, 2011 and 2012 vintages. Do not include credits within the 2012 compliance sub-account. This number may differ from the inventory figure given in **Section 51(2)(a)** above. List green pricing program, energy optimization and advanced cleaner energy credits separately and only if they are to be used for RPS compliance in a future year.

71,218

(C) 2012 Renewable Energy: List the number of energy credits with a 2012 vintage. Include 2012 vintage energy credits used for compliance in 2012 as well as those 2012 vintage energy credits not yet used for compliance. Again, take into account green pricing program credits and energy optimization or advanced cleaner energy credit substitutions with a 2012 vintage.

List credits from energy generated during 2012
34,281

Calculate the estimated renewable energy percentage. Figure above (C) divided by sales in MWh above (A).

Estimated Renewable Energy Percentage based on 2012 vintage energy credits (C divided by A)
10.7%

(D) Compliance: List the energy credits used for compliance for the 2012 compliance year. This number should agree with the compliance requirement listed in the 2012 compliance subaccount in MIRECS. Take into account any energy optimization or advanced cleaner energy credit substitutions and limits on their use.

6,986

Calculate the renewable energy percentage. Figure above divided by sales in MWh above (D divided by A).

2%

Does the “energy credits used for compliance in this reporting year” figure above include any credits representing energy generated within 120 days after the start of the next calendar year? Yes/No.

No

If yes, how many credits from 2013 generation are included?

--

To be used for 2013 Compliance Year

Similar to (A) from Section 51(2)(f) above.

List the sales in MWh based upon the same method selected above. Sales should either be the average of 2010-2012 retail sales or the 2012 weather normalized retail sales. Please show the calculation of this figure (including listing the sales of each year if the three year average method is used).

$(317,389 + 322,270 + 325,493)/3 = 321,717$

TRAVERSE CITY LIGHT & POWER

RENEWABLE ENERGY PLAN

U-16635

JUNE, 2013

- Based on this Renewable Energy Plan (REP) Traverse City Light & Power (City) will have the required Renewable Energy Credits (RECs) for the REP time period of 2013-2029 thereby complying with PA 295.
- The primary source of RECs is participation in the Michigan Public Power Agency (MPPA) Granger and North American Natural Resources (NANR) Projects. These projects will utilize landfill gas for electric power generation from a variety of locations in Michigan and possibly in neighboring states.
- The City will have excess RECs to sell during various time periods throughout the REP planning period. Selling of RECs represents a source of income to the City which will reduce overall power supply costs. The cost per REC will be determined to a large extent by market forces in the Michigan REC market. This REP assumes the sale of some of the excess RECs keeping the balance in reserve. .
- The City will comply with Section 45 of PA 295 which refers to methods of notification to customers charges, if any, for costs associated with its REP.
- The City had a pre-existing policy in place to develop and include renewable energy project costs with their power supply cost recovery, therefore, there are no incremental costs of compliance. If RECs were to be purchased at some point in the future then there would be an incremental cost of RECs for the additional RECs purchased and would be included in a surcharge accordingly.

M:\RPS-2013-06\Traverse City\2013 FINAL\REP-TCITY-C

	A	B	C	I	J	K	L	M	N	O	P	Q	R	S	T
1	TRAVERSE CITY														
2															
3	GRANGER														
4				2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
5															
6				7,584	7,843	8,871	9,644	9,644	9,644	9,644	9,644	9,644	9,644	9,644	9,644
7	NET GENERATION	MWH	***	0,959	1,089	1,220	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350
8	CAPACITY	MW	***												
9															
10	RENEWABLE ENERGY CREDITS														
11	BASE GENERATION	RECS	***	7,584	7,843	8,871	9,644	9,644	9,644	9,644	9,644	9,644	9,644	9,644	9,644
12	ON-PEAK & MICH INCENT RECS	RECS	***	1,479	1,529	1,730	1,880	1,880	1,880	1,880	1,880	1,880	1,880	1,880	1,880
13															
14	TOTAL	RECS		9,063	9,372	10,601	11,524	11,524	11,524	11,524	11,524	11,524	11,524	11,524	11,524
15															
16															
17	GRANGER UNIT COST	\$/MWh		\$ 0.08486	\$ 0.08598	\$ 0.08916	\$ 0.09139	\$ 0.09367	\$ 0.09601	\$ 0.09841	\$ 0.10087	\$ 0.10340	\$ 0.10598	\$ 0.10863	\$ 0.11135
18	O & M	\$/MWh		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
19	ADMIN	\$/MWh		\$ 0.00181	\$ 0.00185	\$ 0.00190	\$ 0.00195	\$ 0.00200	\$ 0.00205	\$ 0.00210	\$ 0.00215	\$ 0.00220	\$ 0.00226	\$ 0.00231	\$ 0.00237
20	WDS CHARGES	\$/MWh		\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001
21	INCREMENTAL UNIT COST	\$/REC		\$ 0.08668	\$ 0.08885	\$ 0.09107	\$ 0.09334	\$ 0.09568	\$ 0.09807	\$ 0.10052	\$ 0.10303	\$ 0.10561	\$ 0.10825	\$ 0.11096	\$ 0.11373
22	TOTAL INCREMENTAL COST	\$		\$ 657,380	\$ 696,788	\$ 807,857	\$ 900,180	\$ 922,685	\$ 945,753	\$ 969,397	\$ 993,632	\$ 1,018,474	\$ 1,043,936	\$ 1,070,035	\$ 1,096,787
23	WITH PILT	\$		\$ 663,676	\$ 724,659	\$ 840,171	\$ 936,187	\$ 959,592	\$ 983,693	\$ 1,008,173	\$ 1,033,378	\$ 1,059,213	\$ 1,085,694	\$ 1,112,837	\$ 1,140,659
24															
25	INTERCONNECTION COSTS	\$	***	\$ -	\$ 12,195	\$ 10,163	\$ 15,203	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
26	WITH PILT	\$	1.04	\$ -	\$ 12,683	\$ 10,569	\$ 15,811	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
27															
28	GRANGER ENERGY COST	\$		\$ 663,676	\$ 724,659	\$ 840,171	\$ 936,187	\$ 959,592	\$ 983,693	\$ 1,008,173	\$ 1,033,378	\$ 1,059,213	\$ 1,085,694	\$ 1,112,837	\$ 1,140,659
29	GRANGER INTERCONN COST	\$		\$ -	\$ 12,683	\$ 10,569	\$ 15,811	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
30	GRANGER TOTAL COST	\$		\$ 663,676	\$ 737,342	\$ 850,740	\$ 951,999	\$ 959,592	\$ 983,693	\$ 1,008,173	\$ 1,033,378	\$ 1,059,213	\$ 1,085,694	\$ 1,112,837	\$ 1,140,659
31															
32	GRANGER TOTAL COST	\$/MWH		\$ 90.14	\$ 94.02	\$ 95.90	\$ 98.72	\$ 99.50	\$ 101.99	\$ 104.54	\$ 107.15	\$ 109.83	\$ 112.58	\$ 115.39	\$ 118.28

MARPS-2013-061 Traverse City 2013 FINAL REP-T CITY-C

	A	B	C	U	V	W	X	Y
1	TRAVERSE CITY							
2								
3	GRANGER			2025	2026	2027	2028	2029
4								
5								
6								
7	NET GENERATION	MWH	***	9,644	9,644	9,644	9,644	9,644
8	CAPACITY	MW	***	1,350	1,350	1,350	1,350	1,350
9								
10	RENEWABLE ENERGY CREDITS							
11	BASE GENERATION	RECS		9,644	9,644	9,644	9,644	9,644
12	ON-PEAK & MICH INCENT RECS	RECS	***	1,880	1,880	1,880	1,880	1,880
13								
14	TOTAL	RECS		11,524	11,524	11,524	11,524	11,524
15								
16								
17	GRANGER UNIT COST	\$/KWH		\$ 0.11413	\$ 0.11698	\$ 0.11981	\$ 0.12290	\$ 0.12588
18	O & M	\$/KWH		\$ -	\$ -	\$ -	\$ -	\$ -
19	ADMIN	\$/KWH		\$ 0.00243	\$ 0.00249	\$ 0.00255	\$ 0.00262	\$ 0.00268
20	IMDS CHARGES	\$/KWH		\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00002
21	INCREMENTAL UNIT COST	\$/REC		\$ 0.1657	\$ 0.11949	\$ 0.12247	\$ 0.12554	\$ 0.12868
22	TOTAL INCREMENTAL COST	\$		\$ 1,124,207	\$ 1,152,913	\$ 1,181,121	\$ 1,210,650	\$ 1,240,917
23	WITH PILT	\$	1.04	\$ 1,169,175	\$ 1,198,405	\$ 1,228,366	\$ 1,259,076	\$ 1,290,554
24								
25	INTERCONNECTION COSTS	\$	***	\$ -	\$ -	\$ -	\$ -	\$ -
26	WITH PILT	\$	1.04	\$ -	\$ -	\$ -	\$ -	\$ -
27								
28	GRANGER ENERGY COST	\$		\$ 1,169,175	\$ 1,198,405	\$ 1,228,366	\$ 1,259,076	\$ 1,290,554
29	GRANGER INTERCONN COST	\$		\$ -	\$ -	\$ -	\$ -	\$ -
30	GRANGER TOTAL COST	\$		\$ 1,169,175	\$ 1,198,405	\$ 1,228,366	\$ 1,259,076	\$ 1,290,554
31								
32	GRANGER TOTAL COST	\$/MWH		\$ 121.24	\$ 124.27	\$ 127.37	\$ 130.56	\$ 133.82

M:\RPS-2013-08\Traverse City\2013 FINAL\REP-TCITY-C

	A	B	C	I	J	K	L	M	N	O	P	Q	R	S
1	TRAVERSE CITY													
2	OTHER LANDFILL - ALL SITES													
3														
4				2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
5														
6	NETGENERATION	MWH	***	1,543	3,776	5,142	5,142	5,142	5,142	5,142	5,142	5,142	5,142	5,142
7	CAPACITY	MW	***	0.650	0.650	0.650	0.650	0.650	0.650	0.650	0.650	0.650	0.650	0.650
8														
9	RENEWABLE ENERGY CREDITS													
10	BASE GENERATION	RECS		1,543	3,776	5,142	5,142	5,142	5,142	5,142	5,142	5,142	5,142	5,142
11	ON-PEAK & MICH INCENT RECS	RECS	***	301	736	1,003	1,003	1,003	1,003	1,003	1,003	1,003	1,003	1,003
12														
13														
14	TOTAL	RECS		1,843	4,513	6,144	6,144	6,144	6,144	6,144	6,144	6,144	6,144	6,144
15														
16														
17	OTHER LANDFILL UNIT COST	\$/KWH		\$ 0.08400	\$ 0.08518	\$ 0.08636	\$ 0.08788	\$ 0.08976	\$ 0.09187	\$ 0.09408	\$ 0.09635	\$ 0.09869	\$ 0.10108	\$ 0.10353
18	O & M	\$/KWH		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
19	ADMIN	\$/KWH		\$ 0.00179	\$ 0.00181	\$ 0.00184	\$ 0.00187	\$ 0.00191	\$ 0.00196	\$ 0.00200	\$ 0.00205	\$ 0.00210	\$ 0.00215	\$ 0.00221
20	WDS CHARGES	\$/KWH		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21	INCREMENTAL UNIT COST	\$/REC		\$ 0.08579	\$ 0.08699	\$ 0.08820	\$ 0.08976	\$ 0.09167	\$ 0.09382	\$ 0.09608	\$ 0.09840	\$ 0.10079	\$ 0.10324	\$ 0.10573
22	TOTAL INCREMENTAL COST	\$		\$ 132,331	\$ 328,500	\$ 453,480	\$ 461,516	\$ 471,344	\$ 482,428	\$ 494,037	\$ 505,962	\$ 518,241	\$ 530,819	\$ 543,658
23	WITH PILOT	\$	1.04	\$ 137,624	\$ 341,640	\$ 471,630	\$ 479,976	\$ 490,198	\$ 501,725	\$ 513,799	\$ 526,200	\$ 538,970	\$ 552,052	\$ 565,404
24														
25	INTERCONNECTION COSTS	\$	***	\$ 21,707	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
26	WITH PILOT	\$	1.04	\$ 22,576	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
27														
28	OTHER LANDFILL ENERGY COST	\$		\$ 137,624	\$ 341,640	\$ 471,630	\$ 479,976	\$ 490,198	\$ 501,725	\$ 513,799	\$ 526,200	\$ 538,970	\$ 552,052	\$ 565,404
29	OTHER LANDFILL INTERCONN COST	\$		\$ 22,576	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
30	OTHER LANDFILL TOTAL COST	\$		\$ 160,200	\$ 341,640	\$ 471,630	\$ 479,976	\$ 490,198	\$ 501,725	\$ 513,799	\$ 526,200	\$ 538,970	\$ 552,052	\$ 565,404
31														
32	OTHER LANDFILL TOTAL COST	\$/MWH		\$ 103.85	\$ 80.47	\$ 81.72	\$ 83.35	\$ 85.33	\$ 87.58	\$ 89.92	\$ 102.34	\$ 104.82	\$ 107.36	\$ 109.96

M:\RPS-2013-06\Traverse City\2013 FINAL\REP-TCITY-C

	A	B	C	T	U	V	W	X	Y	Z
1	TRAVERSE CITY									
2	OTHER LANDFILL - ALL SITES									
3										
4				2024	2025	2026	2027	2028	2029	
5										
6	NETGENERATION	MWH	***	5,142	5,142	5,142	5,142	5,142	5,142	
8	CAPACITY	MW	***	0.650	0.650	0.650	0.650	0.650	0.650	
9										
10	RENEWABLE ENERGY CREDITS									
11	BASE GENERATION	RECS		5,142	5,142	5,142	5,142	5,142	5,142	
12	ON-PEAK & MICH INCENT RECS	RECS	***	1,003	1,003	1,003	1,003	1,003	1,003	1002,544
13										
14	TOTAL	RECS		6,144	6,144	6,144	6,144	6,144	6,144	
15										
16										
17	OTHER LANDFILL UNIT COST	\$/KWH		\$ 0.10602	\$ 0.10658	\$ 0.11121	\$ 0.11392	\$ 0.11671	\$ 0.11961	
18	O & M	\$/KWH		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
19	ADMIN	\$/KWH		\$ 0.00228	\$ 0.00231	\$ 0.00237	\$ 0.00243	\$ 0.00249	\$ 0.00255	
20	WDS CHARGES	\$/KWH		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
21	INCREMENTAL UNIT COST	\$/REC		\$ 0.0928	\$ 0.1089	\$ 0.11358	\$ 0.11635	\$ 0.11920	\$ 0.12216	
22	TOTAL INCREMENTAL COST	\$		\$ 558,758	\$ 570,201	\$ 584,024	\$ 598,231	\$ 612,909	\$ 628,130	
23	WITH PILT	\$	1.04	\$ 579,028	\$ 593,009	\$ 607,385	\$ 622,160	\$ 637,426	\$ 653,255	
24										
25	INTERCONNECTION COSTS	\$	***	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
26	WITH PILT	\$	1.04	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
27										
28	OTHER LANDFILL ENERGY COST	\$		\$ 579,028	\$ 593,009	\$ 607,385	\$ 622,160	\$ 637,426	\$ 653,255	
29	OTHER LANDFILL INTERCONN COST	\$		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
30	OTHER LANDFILL TOTAL COST	\$		\$ 579,028	\$ 593,009	\$ 607,385	\$ 622,160	\$ 637,426	\$ 653,255	
31										
32	OTHER LANDFILL TOTAL COST	\$/MMWH		\$ 112.61	\$ 115.33	\$ 118.13	\$ 121.00	\$ 123.97	\$ 127.05	

Mr. RPS-2013-081 Traverse City 2013 FINAL REP-CITY-C

	A	B	C	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y
1	TRaverse CITY																		
2	TOTAL																		
3	REQUIRED RECS																		
4	RETAIL SALES																		
5	LAND-3 YEAR AVERAGE																		
6	FACTOR																		
7	RECS REQUIRED																		
8	RECS-REP (RECS BASELINE)																		
9	RECS-INCREMENTAL DIFFERENCE																		
10	FACTOR																		
11	RECS-NEW REQUIRED																		
12	NEW REQUIRED RECS																		
13	TOTAL RECS (BASELINE PLUS NEW)																		
14	NEW REQUIRED RECS																		
15	TOTAL RECS (BASELINE PLUS NEW)																		
16	NEW REQUIRED RECS																		
17	TOTAL RECS (BASELINE PLUS NEW)																		
18	NEW REQUIRED RECS																		
19	TOTAL RECS (BASELINE PLUS NEW)																		
20	EMITTING RENEWABLE SOURCES																		
21	DIFFERENTIAL FROM BASELINE																		
22	RECS																		
23	RECS																		
24	TOTAL EXISTING																		
25	NEW RENEWABLE SOURCES																		
26	GRANGER (THROUGH MPPA)																		
27	OTHER LANGFELL (THROUGH MPPA)																		
28	STONEY CORNERS (WIND)																		
29	RECS																		
30	RECS																		
31	RECS																		
32	RECS																		
33	TOTAL NEW RENEWABLES																		
34	RECS																		
35	TOTAL SOURCES																		
36	RECS																		
37	TOTAL SOURCES																		
38	RECS																		
39	RECS																		
40	RECS																		
41	RECS																		
42	RECS																		
43	RECS																		
44	RECS																		
45	RECS																		
46	RECS																		
47	TOTAL RECS SOURCES																		
48	RECS																		
49	RECS																		
50	RECS																		
51	RECS																		
52	RECS																		
53	RECS																		
54	RECS																		
55	RECS																		
56	RECS																		
57	RECS																		
58	RECS																		
59	RECS																		
60	RECS																		
61	RECS																		
62	RECS																		
63	RECS																		
64	RECS																		
65	RECS																		
66	RECS																		
67	RECS																		
68	RECS																		
69	RECS																		
70	RECS																		
71	RECS																		
72	RECS																		

MURPS-2013-081 Traverse City 2013 FINAL REP-T CITY-C

A	B	C	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y
1	TRAVERSE CITY																		
2	TOTAL		2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
71	TRAVERSE CITY																		
72																			
73																			
74																			
75	PURCHASES / SALES																		
76	REG PRICE - MICHIGAN		\$ 130	\$ 128	\$ 115	\$ 85	\$ 327	\$ 130	\$ 48	\$ 127	\$ 32	\$ 325	\$ 144	\$ 344	\$ 413	\$ 414	\$ 424	\$ 434	\$ 436
77	REG PRICE - ESCALATOR		100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
78																			
80	TOTAL SALES		\$ (50,000)	\$ (50,000)	\$ (50,000)	\$ (50,000)	\$ (50,000)	\$ (50,000)	\$ (50,000)	\$ (50,000)	\$ (50,000)	\$ (50,000)	\$ (50,000)	\$ (50,000)	\$ (50,000)	\$ (50,000)	\$ (50,000)	\$ (50,000)	\$ (50,000)
81	TOTAL PURCHASES		\$ (50,000)	\$ (50,000)	\$ (50,000)	\$ (50,000)	\$ (50,000)	\$ (50,000)	\$ (50,000)	\$ (50,000)	\$ (50,000)	\$ (50,000)	\$ (50,000)	\$ (50,000)	\$ (50,000)	\$ (50,000)	\$ (50,000)	\$ (50,000)	\$ (50,000)
82	STATE SALES TAX		\$ (100,000)	\$ (100,000)	\$ (100,000)	\$ (100,000)	\$ (100,000)	\$ (100,000)	\$ (100,000)	\$ (100,000)	\$ (100,000)	\$ (100,000)	\$ (100,000)	\$ (100,000)	\$ (100,000)	\$ (100,000)	\$ (100,000)	\$ (100,000)	\$ (100,000)
83	STATE PURCHASES TAX		\$ (100,000)	\$ (100,000)	\$ (100,000)	\$ (100,000)	\$ (100,000)	\$ (100,000)	\$ (100,000)	\$ (100,000)	\$ (100,000)	\$ (100,000)	\$ (100,000)	\$ (100,000)	\$ (100,000)	\$ (100,000)	\$ (100,000)	\$ (100,000)	\$ (100,000)
84	COST / REVENUE		\$ (100,000)	\$ (100,000)	\$ (100,000)	\$ (100,000)	\$ (100,000)	\$ (100,000)	\$ (100,000)	\$ (100,000)	\$ (100,000)	\$ (100,000)	\$ (100,000)	\$ (100,000)	\$ (100,000)	\$ (100,000)	\$ (100,000)	\$ (100,000)	\$ (100,000)

A		B	C	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W
TRAVERSE CITY																		
1	TRaverse City																	
2																		
3	2014	2014	2014	2014	2014	2014	2014	2014	2014	2014	2014	2014	2014	2014	2014	2014	2014	2014
4	325,503	325,503	325,503	325,503	325,503	325,503	325,503	325,503	325,503	325,503	325,503	325,503	325,503	325,503	325,503	325,503	325,503	325,503
5	325,503	325,503	325,503	325,503	325,503	325,503	325,503	325,503	325,503	325,503	325,503	325,503	325,503	325,503	325,503	325,503	325,503	325,503
6	RECS - RFS Required	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS
7	RECS - PRE-REP (BASELINE)	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS
8	RECS - Incremental Difference	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS
9	RECS - RFS Required	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS
10	RECS - PRE-REP (BASELINE)	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS
11	RECS - Incremental Difference	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS
12	FACTOR	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS
13	Required New RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS
14	RECS RENEWABLE ENERGY CREDIT COMPLIANCE	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS
15	RECS CARRIED OVER	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS
16	RECS OBTAINED (NEW)	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS
17	RECS OBTAINED (BASELINE PLUS DIFFERENTIAL, IF ANY)	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS
18	RECS PURCHASES / SALES FROM OTHER SOURCES	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS
19	TOTAL RECS SOURCES	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS
20	REQUIRED RECS (BASELINE PLUS NEW)	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS
21	RECS CUMULATIVE BALANCE	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS	RECS
22	Incremental Compliance with New RECS	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
23	Compliance % with Cumulative REC Balance	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
24	Revenue Requirements for New Renewables	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
25	Build (see Project sheets for information)	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
26	PPA	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
27	REC Purchases (Sales)	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
28	Total	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
29	REC's Obtained																	
30	Commission Based																	
31	PPA (see Project sheets for information)																	
32	Subtotal																	
33	Purchase (Sold) From New RECS																	
34	Incremental (BB 213 Sec 39 (2))																	
35	Total																	
36	Forecasted Transfer Price per MWH	\$/MWH	\$/MWH	\$/MWH	\$/MWH	\$/MWH	\$/MWH	\$/MWH	\$/MWH	\$/MWH	\$/MWH	\$/MWH	\$/MWH	\$/MWH	\$/MWH	\$/MWH	\$/MWH	\$/MWH
37	Amount recovered through PSCR	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
38	Transfer price x volume of energy (see INCR COST sheet)	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
39	Incremental Cost of Compliance (see INCR COST sheet)	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
40	Additional Investment above PA 285 requirements	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
41	Non-Volumetric Surcharge	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
42	Meter (or customer) Forecast (Number)	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.
43	Residential	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.
44	Commercial	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.
45	Industrial	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.
46	Unmetered	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.
47	Total	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.
48	Maximum Surcharge (all rate classes at cap)	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
49	Residential	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
50	Commercial	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
51	Industrial	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
52	Streetlights	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
53	Unmetered	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
54	Total	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
55	Planned Surcharge	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
56	Residential	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
57	Commercial	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
58	Industrial	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
59	Streetlights	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
60	Unmetered	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
61	Total	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$

	A	B	C	X	Y	Z	AA
1	TRAVERSE CITY						
2							
3		UNITS		2028		2028	
4	Sales Forecast - 3 yr running average	MMWH					
5	10% Compliance Factor						
6	RPS Requirement	MMWH		32,876		32,876	
7							
8	RECS - RPS Required	RECS		32,876		32,876	
9	RECS - PRE-REP (BASELINE)	RECS		778		778	
10	RECS - Incremental Difference	RECS		32,098		32,098	
11							
12	FACTOR			1.00		1.00	
13	Required New RECS	RECS		32,098		32,098	
14							
15	RPS RENEWABLE ENERGY CREDIT COMPLIANCE						
16	RECS CARRIED OVER	RECS		759		729	
17	RECS OBTAINED (NEW)	RECS		44,689		44,669	
18	RECS OBTAINED (BASELINE PLUS DIFFERENTIAL, IF ANY)	RECS		778		778	
19	REC PURCHASES / SALES FROM OTHER SOURCES	RECS		(12,600)		(12,600)	
20	TOTAL RECS SOURCES			33,604		33,573	
21							
22	REQUIRED RECS (BASELINE PLUS NEW)	RECS		32,876		32,876	
23	RECS CUMULATIVE BALANCE	RECS		729		689	
24							
25	Incremental Compliance with New RECS	%		139%		139%	
26	Compliance % with Cumulative REC Balance	%		102%		102%	
27							
28	Revenue Requirements for New Renewables	\$		\$ -		\$ -	
29	Build (see Project sheets for information)	\$		\$ 1,886,502		\$ 1,843,800	
30	PPA (see Project sheets for information)	\$		\$ (54,749)		\$ (55,114)	
31	REC Purchase (Sales)	\$		\$ 1,841,756		\$ 1,887,895	
32	Total	\$		\$ -		\$ -	
33							
34	RECS Obtained						
35	Generation Shaded	MMWH					
36	PPA (see Project sheets for information)	MMWH		41,786		41,786	
37	Subtotal	MMWH		41,786		41,786	
38	Purchase (Sales) From New RECS	RECS		(12,600)		(12,600)	
39	Incentive (SB 213 Sec. 39 (2))	RECS		2,893		2,893	
40	Total	RECS		32,089		32,089	
41							
42	Forecasted Transfer Price per MMWH	\$/MMWH		\$ -		\$ -	
43	Amount recovered through PSCR	\$		\$ -		\$ -	
44	Transfer price x volume of energy (see INCR COST sheet)	\$		\$ -		\$ -	
45	Incremental Cost of Compliance (see INCR COST sheet)	\$		\$ -		\$ -	
46	Additional Investment above PA 285 requirements	\$		\$ -		\$ -	
47							
48	Non-Volumetric Surcharge						
49	Meters (or customer) Forecast (Number)	No.		9,112		9,100	
50	Commercial	No.		3,099		3,108	
51	Industrial	No.		40		40	
52	Streetsights	No.		318		318	
53	Total	No.		12,569		12,600	
54							
55	Maximum Surcharge (all rate classes at caps)	\$		\$ 328,047		\$ 329,021	
56	Residential	\$		\$ 618,548		\$ 618,388	
57	Commercial	\$		\$ 80,000		\$ 80,000	
58	Industrial	\$		\$ 2,250		\$ 2,250	
59	Unmetered	\$		\$ 1,036,865		\$ 1,039,719	
60	Total	\$		\$ 1,487,662		\$ 1,489,357	
61							
62	Planned Surcharge	\$		\$ -		\$ -	
63	Residential	\$		\$ -		\$ -	
64	Commercial	\$		\$ -		\$ -	
65	Industrial	\$		\$ -		\$ -	
66	Streetsights	\$		\$ -		\$ -	
67	Unmetered	\$		\$ -		\$ -	
68	Total	\$		\$ -		\$ -	
69							
70							
71							
72							
73							
74							
75	Total	\$		\$ -		\$ -	



TRAVERSE CITY
LIGHT & POWER

To: TCL&P Board of Directors
From: Jessica Wheaton, Marketing & Community Relations Coordinator
Date: August 6, 2013
Subject: Low Income Energy Efficiency Pilot Program Results

Handwritten initials 'JW' in black ink, located to the right of the 'From:' field.

At the January 22nd TCL&P board meeting, Mayor Michael Estes recommended that TCL&P focus additional efforts to increase energy efficiency in low income housing in hopes that it will decrease customer utility bills and result in reduced “red tags” and utility shut-offs due to non-payment. From Mayor Estes’ recommendation, the TCL&P Board formed an ad hoc committee to consider alternatives to donating the red tag revenues to charities that would achieve low income housing energy efficiencies.

On February 21st the ad hoc committee, consisting of Chairman McGuire, Vice-Chairman Taylor and Commissioner Budros, City Manager Bifoss and TCL&P staff met to discuss the proposed pilot program concept, which was then presented to the full Board on February 26th.

The Low Income Energy Efficiency Pilot Program followed an outline similar to the TC Saves model, but was only available to customers who met the income qualification guideline (200% of the Federal Poverty Level and below). In addition, TCL&P covered the \$100 sign-up fee and provided up to a \$1,000 allowance to homeowners to assist in implementing the energy efficiency improvement recommendations made by the contractor (up to a \$500 allowance was offered to renters if the landlord matched 50% of the energy efficiency improvement cost).

TCL&P worked with Michigan Energy Options (MEO) to assist in implementing the pilot program, including identifying and income qualifying customers, performing the energy assessments, developing energy saving recommendations, and implementing the energy saving upgrades.

TCL&P and MEO worked with sixteen local service agencies to identify income qualified customers to participate in the pilot, including the Salvation Army, Department of Human Services, and Grand Traverse County. The Father Fred Foundation also sent out a direct mailing to TCL&P customers who had received services from the Foundation over the last year.

Although over thirty customers were identified through the outreach efforts, only twenty were recruited, income qualified and placed on the TC Saves schedule prior to the April 1st scheduling deadline. Of the twenty customers, sixteen site visits were completed. Four

FOR THE LIGHT & POWER BOARD MEETING OF AUGUST 13, 2013

customers didn't receive service due to insufficient documentation, living outside of the TC Saves program boundary, landlord issue, and unable to meet the scheduling deadline.

All of the energy assessments were completed before June 1st. A total of twelve Energy Star qualified refrigerators were installed, which included removal and recycling of the old unit, and one Energy Star dehumidifier. The program also included direct installation of eighty-two CFLs, sixteen LED night lights, five thermostats, five pipe wraps, three shower heads, and ten aerators.

The pilot program is estimated to have achieved an annual energy savings of 23,663.1 kilowatt hours (kWh); 16,284.1 kWh for refrigerator replacement and recycling and 7,379 kWh for direct installations.

The assessment included gas leak detection, combustion analysis, blower door diagnostics and submission to the BEACON home assessment software program. Educational material was also presented and reviewed during the assessment.

A follow up phone survey was conducted to ensure appliance replacements and the TCL&P pilot program service was well accepted. 100% of the customers interviewed responded the assessment was useful, the delivery process was satisfactory, and participants would recommend this program to their network. 80% of the customers also responded that they do expect to see an energy reduction as a result of the direct installations, appliance replacements and what they learned from the assessment.

Only \$12,400, of a \$30,000 budget, was spent on implementing the pilot program. Because of the pilot program's success, TCL&P staff plan to incorporate a similar program model into the Low Income Energy Efficiency program, required by PA295, in the future.

TJ Brown with MEO will be in attendance at the Board meeting to discuss the pilot program implementation and answer any further questions.



TRAVERSE CITY
LIGHT & POWER

To: Light & Power Board
From: Tim Arends, Executive Director
Date: August 2, 2013
Subject: TCL&P Comparative Report on Financial & Operating Ratios



Attached is a comparative summary report that provides ratios (often called performance indicators or performance metrics) of TCL&P's business model. The report also includes median values for each ratio using the APPA – North Central averages. This report is completed by municipal utilities periodically for APPA who compiles the responses and publishes a report that is useful to utilities in setting specific goals or to gauge the utility's effectiveness in certain areas. The latest APPA report (2012) is attached for your information.

This spreadsheet was prepared last fall ahead of the joint TCL&P/Cherryland Electric Board of Directors meeting. The information was not distributed or presented at that meeting for reasons unknown to me, but I believe it is useful in assisting the board in providing staff direction with goal setting for the organization as it embarks on strategic planning.

While the latest information is somewhat dated for TCL&P – through 6-30-2011, it still provides useful trends. Rates have not been adjusted since 2006 and the utility continues to have no debt or significant increases/decreases in customers. Also, many staffing changes have occurred in the past 10 months that does affect certain ratios. Staff plans to provide updated information to the board as the information is updated, and can also add any addition metrics as requested.

Traverse City Light & Power

Report on Financial and Operating Ratios (2005-2011)

APPA - North
Central/Plains

Ratio Description	2011				2006				2005				
Revenue per KWH*													
* All Retail Customers	\$	0.086	\$	0.083	\$	0.077	\$	0.072	\$	0.074			
* Residential Customers	\$	0.097	\$	0.094	\$	0.086	\$	0.079	\$	0.082			
* Commercial Customers	\$	0.094	\$	0.092	\$	0.088	\$	0.084	\$	0.079			
* Industrial Customers	\$	0.070	\$	0.066	\$	0.062	\$	0.056	\$	0.064			
Debt to Total Assets		N/A		N/A		0.046		0.048		0.303			
Operating Ratio		0.982		0.893		0.919		0.922		0.861			
Current Ratio		14.37		9.64		8.00		7.92		2.55			
Net income per revenue dollar	\$	0.050	\$	0.129	\$	0.068	\$	0.058	\$	0.066			
Uncollectible accounts per revenue dollar	\$	0.0007	\$	0.0018	\$	0.0012	\$	0.0004	\$	0.0016			
Retail customers per employee		269		320		350		466		345			
Total OM expense per KWH sold	\$	0.091	\$	0.075	\$	0.071	\$	0.065	\$	0.064			
Total OM expense per retail customer	\$	655	\$	558	\$	404	\$	392	\$	351			
Total power supply expense per KWH sold	\$	0.060	\$	0.055	\$	0.057	\$	0.052	\$	0.050			
Purchased power cost per KWH	\$	0.058	\$	0.052	\$	0.021	\$	0.050	\$	0.051			
Retail customers per meter reader		3,851		4,671		5,600		5,359		5,396			
Distribution OM expense per retail customer	\$	284	\$	243	\$	242	\$	213	\$	135			
Distribution expense per circuit mile	\$	21,559	\$	18,662	\$	17,861	\$	14,998	\$	5,327			
Customer accounting, service and sales expense per retail customer	\$	52	\$	55	\$	67	\$	51	\$	45			
Administrative and general expense per retail customer	\$	114	\$	247	\$	93	\$	99	\$	126			
Energy loss percentage		3.70%		4.05%		5.50%		5.07%		3.76%			

2008 Median Values



2012 Annual Summary for the Energy Optimization and Renewable Energy Plan

In 2008 a state law was passed directing all Michigan utilities to help its customers reduce their energy usage. Public Act 295, also known as the *Clean, Renewable and Efficient Energy Act* requires Traverse City Light & Power (TCL&P) to assist customers in improving their electric energy efficiency through Energy Optimization programs and increase the amount of renewable energy in the utility's generation portfolio.

Energy Optimization

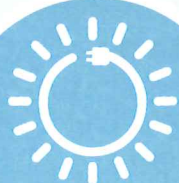
In 2012 TCL&P saved over 4.1 million kilowatt hours through the TC Light & Power Energy Smart Program, exceeding the state-mandated goal by 62% and saving enough energy to power approximately 628 Traverse City area homes for an entire year.

The program offered many opportunities for customers to save energy and money. Those opportunities included:

- Free compact fluorescent light (CFL) bulbs
- Coupons for discounted LED holiday light sets
- A \$60 incentive for recycling an older, inefficient refrigerator or freezer, which included free pickup of the unit
- A \$25 incentive for customers who purchased a new electric clothes dryer with moisture sensor, an electric hot water heater with an energy factor greater than or equal to 93%, or an ENERGY STAR® refrigerator
- A \$150 incentive for customers upgrading their furnace or central air conditioner

Additionally, TCL&P offered energy efficiency assistance to other customers:

- TCL&P provided CFLs and refrigerators to low-income homeowners. TCL&P also distributed energy saving kits, which included CFLs, an LED nightlight and educational material on saving energy, through the Department of Human Services. The program was available to customers whose household income was at or below 200% of the federal poverty level guidelines
- Business customers were offered incentives for upgrading to equipment with greater energy efficiency, including lighting, motors, air systems, refrigeration, HVAC units and building management systems



New in 2013

TCL&P is offering a \$75 rebate when customers participate in the SUN Alliance's community solar project!

For more information on the TC Light & Power Energy Smart Program, visit the website, tclp.org, and click on the 'Energy Smart' button at the bottom of the homepage.

Renewable Energy

In addition to helping Michigan residents become more energy efficient, Public Act 295 also requires Michigan utilities to acquire more renewable energy. TCL&P's successes to date in meeting the state-mandated renewable energy goal include:

- A long-term agreement to buy electricity that is generated from the Heritage Stoney Corners wind farm. Beginning in August 2010, the energy produced from this agreement was equivalent to powering approximately 4,171 Traverse City area homes
- A long-term agreement to buy electricity that is generated from the Granger landfill gas facility. In 2012, the energy produced from this agreement was equivalent to powering approximately 497 Traverse City area homes
- Owning and operating the country's largest utility grade wind turbine when it was installed in 1996 (*pictured*). At 600 kilowatts, it is small in comparison to today's larger units. Even though the unit was down 5 months in 2012 for repairs, it still produced enough energy to power 52 Traverse City area homes



For the 2012 reporting period, TCL&P generated or acquired 31,119,324 kilowatt hours of renewable energy. During this time frame, TCL&P's renewable energy was 8.54% of its total retail electric sales. State law requires utilities to have 10% renewable energy by 2015 and TCL&P exceeded this mandate in 2012 with a peak month of 12% for the year. TCL&P anticipates that it will achieve as much as 16% by 2015 with the increase in landfill gas energy production.

Cost to Customers

TCL&P currently does not charge its customers for either the Energy Optimization or Renewable Energy Plan expenses as allowed by Public Act 295.

- The 2012 itemized cost to a residential customer for implementing the Energy Optimization program requirements was \$1.13 per month
- The average electric residential customer is expected to save \$3.55 each month of the Energy Optimization program's life
- The 2012 itemized monthly surcharge for a TCL&P residential customer for the Renewable Energy Plan requirements under Public Act 295 was \$0.00
- For the average Michigan residential customer, renewable energy is estimated to avoid \$3.90 per month of new coal-fired generation costs
- The Michigan Public Service Commission's annual report on renewable energy can be viewed at the following website: www.michigan.gov/mpsc

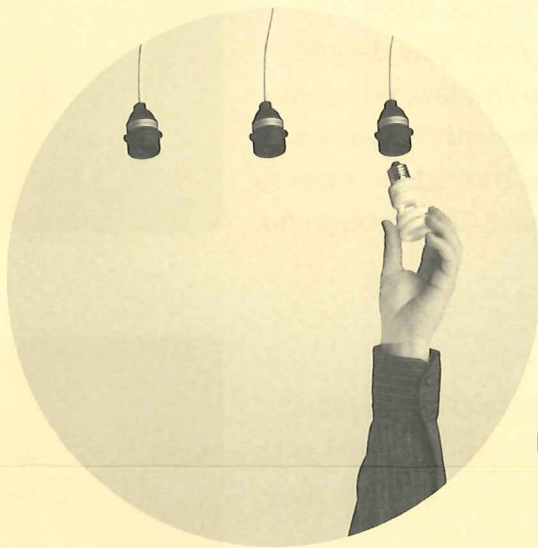
Copies of the complete 2012 annual report for both the Energy Optimization program and the Renewable Energy Plan are available at the Customer Service Desk in the Governmental Center (400 Boardman Ave.) and on TCL&P's website, tclp.org.

New Crosswalk Law



The City Commission approved a local law that states the police can issue a civil infraction (ticket) to drivers that do not stop and yield the right of way for a pedestrian within a marked crosswalk that has a "Stop for Pedestrian" sign erected. Drivers include anybody operating a motor or non-motorized vehicle, including bicyclists.

Later this summer, the City of Traverse City will kick off an education and information campaign for pedestrians and drivers, to help them understand their rights and responsibilities as well as to inform them of the recently adopted law. Following the educational/informational period, enforcement of the law with possible fines will follow for those that violate the local crosswalk law.



Free CFLs

Use the coupon below to pick up three FREE compact fluorescent light (CFL) bulbs! Lighting accounts for close to 20% of the average home's electric bill. ENERGY STAR® qualified CFLs use up to 75% less electricity than incandescent light bulbs, last up to 10 times longer, cost little up front, and provide a quick return on investment.

Free 3-Pack of 13-Watt CFL Bulbs

60-watt incandescent bulb equivalent

Coupon Redeemable only at: TCL&P Service Desk at the Governmental Center - 400 Boardman Ave.



Name _____

Email _____

Address _____

Account # _____

Phone # _____

Coupon expires September 13, 2013.
Limit one coupon per ratepayer household or business. No cash value



**TRAVERSE CITY
LIGHT & POWER**

Investing Our Energy In You

Did You Know...

Did you know that ceiling fans don't just provide cooling comfort from summer heat? They also reduce your energy bills when used instead of other air conditioning methods. Ceiling fans can save as much as 40% on summer cooling costs by making a room feel up to 8° cooler, so you can turn up the thermostat. When shopping for a new ceiling fan, be sure to look for one with the ENERGY STAR® label - it will be approximately 50% more efficient than basic units and move 20% more air.

TCL&P Mission:

To provide safe, reliable, competitively priced energy and related services in an environmentally conscious manner.

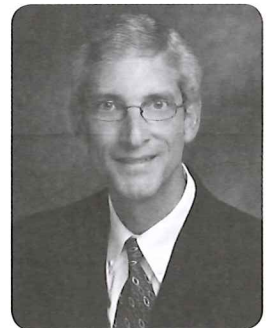
Board Member Spotlight

The City Commission appointed Jan Geht to serve on the TCL&P board on June 17, 2013. He is filling the unexpired term of John Snodgrass who recently resigned from the Board. Jan has an undergraduate degree in accounting from Truman State University, a masters degree in taxation from University of Illinois, and a law degree from University of Michigan. He has experience in tax law, employment law, business organizations, and business transactions. Currently, he practices law with Bowerman, Bowden, Ford, Clulo & Luyt, P.C. in Traverse City. Jan and his family moved to Traverse City last year and he looks forward to serving the citizens of Traverse City through his new role at TCL&P.



TCL&P News

On May 14, 2013 the TCL&P Board promoted Tim Arends to Executive Director, who had been serving as Interim Executive Director since October 2012. Tim has been with the City of Traverse City since 1990 and with the TCL&P department since 2008. Stay tuned for more information and updates from Tim in upcoming bill inserts.



**TRAVERSE CITY
LIGHT & POWER**

Investing Our Energy In You

1131 Hastings St. | Traverse City, MI 49686
Main Office and 24-Hour Service: **922-4940**
Billing & Account Questions: **922-4431**
Now available: Paperless billing!

See the Home Energy Saver and L&P Energy Smart Program at: tclp.org



Proudly serving our community for 101 years.

© Copyright 2013 Traverse City Light & Power. Printed in the USA.