

A REGULAR MEETING

Of The

TRAVERSE CITY LIGHT AND POWER BOARD

Will Be Held On

TUESDAY, February 25, 2014

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: 2-21-14
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.

None.

3. Unfinished Business

None.

4. New Business

- a. Consideration of approving minutes of the Joint Study Session of February 10 and Regular Meeting of February 11, 2014. (p. 4)
- b. Consideration of Maritime Heritage Alliance request to use Coal Dock for special event. (Arends) (p. 8)
- c. Consideration of approval of Six Year Capital Plan & Operating Budgets for fiscal year 2014-15; and forwarding to city commission for consideration. (Arends/Myers-Beman) (p. 16)
- d. Consideration of approving an Organizational Chart and new and modified administrative positions for the Light & Power Department. (Arends) (p. 32)

5. Appointments

None.

6. Reports and Communications

- a. From Legal Counsel.
- b. From Staff.
 1. Energy Supply Presentation #4. (RTD Consulting/Dave Walters, MPPA) (p. 45)
 2. Quarterly Financial Report. (Myers-Beman) (p. 68)
- c. From Board.

7. Public Comment

/st

**TRAVERSE CITY
LIGHT AND POWER BOARD**

Minutes of Joint Study Session of City Commission with
Traverse City Light and Power Board
Held at 7:00 p.m., Governmental Center, Commission Chambers
Monday, February 10, 2014

LIGHT AND POWER BOARD MEMBERS -

Present: Jim Carruthers, Jan Geht, Jeff Palisin Bob Spence, Pat McGuire

Absent: Barbara Budros, John Taylor

EX OFFICIO MEMBER -

Present: Jered Ottenwess

OTHERS: Tim Arends, Karla Myers-Beman, Jessica Wheaton

The meeting was called to order at 7:00 p.m. by Mayor Estes.

1. Presentation of TCL&P's Strategic Plan and general discussion regarding other TCL&P matters.

The following individuals addressed the City Commission and Traverse City Light and Power Board:

Tim Arends, Executive Director

Jessica Wheaton, Marketing & Community Relations Coordinator

2. Public Comment.

The following individuals addressed the City Commission and Traverse City Light and Power Board:

John Noonan, 908 South Union Street

Roger Griner, 316 Michigan Avenue, Frankfort

Jay Ruzak, 1944 Carroll Road, Peninsula Township, Maritime Heritage Alliance

Marsha Smith, 529 Washington Street, Rotary Charities and Rotary Camps and Services Executive Director

Randy Smith, Williamsburg

Fred Sitkins, Boyne City, Inland Seas Education Association President

Rick Buckhalter, 932 Kelley Street

Chris Maxbauer, 503 West Eighth Street

There being no objection, Mayor Estes declared the meeting adjourned at 9:00 p.m.

**TRAVERSE CITY
LIGHT AND POWER BOARD**

Minutes of Regular Meeting
Held at 5:15 p.m., Commission Chambers, Governmental Center
Tuesday, February 11, 2014

Board Members -

Present: Jim Carruthers, Jan Geht, Bob Spence, Patrick McGuire

Absent: Barbara Budros, Jeff Palisin, John Taylor

Ex Officio Member -

Present: Jered Ottenwess, City Manager

Others: Tim Arends, Scott Menhart, Karla Myers-Beman, Tom Olney, Rod Solak,
Stephanie Tvardek, Mark Watson, Jessica Wheaton, Blake Wilson

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

Item 2 on the Agenda being Consent Calendar

Moved by Carruthers, seconded by Geht, that the following actions, as recommended on the Consent Calendar portion of the Agenda, be approved:

- a. Minutes of the Regular Meeting of January 28, 2014.
- b. MECA Safety Training Contract renewal.
- c. Purchase order in the amount of \$70,962 for three 15 kV motor-operated interrupting switches for South Substation.
- d. Purchase order in the amount of \$78,316 for four 15 kV reclosers for South Substation.
- e. Purchase order in the amount of \$24,805 for five 69 kV potential transformers for South Substation.
- f. Purchase order in the amount of \$69,570 for two 69 kV circuit switchers for South Substation.
- g. Purchase order in the amount of \$69,700 for two 69 kV breakers for South Substation.

CARRIED unanimously. (Budros, Palisin, Taylor absent)

Items removed from the Consent Calendar

None.

Item 3 on the Agenda being Unfinished Business

None.

Item 4 on the Agenda being New Business**4(a).** Consideration of Strategic Plan Policy.

The following individuals addressed the Board:

Tim Arends, Executive Director

Moved by Spence, seconded by Geht, that the Board adopts the Strategic Plan Policy as presented.

CARRIED unanimously. (Budros, Palisin, 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.** Board and staff reviewed the 2014 Six Year Capital Plan.

The following individuals addressed the Board:

Tim Arends, Executive Director
Jered Ottenwess, City Manager
Karla Myers-Beman, Controller
Tom Olney, Operations Manager
Rod Solak, Line Superintendent
Scott Menhart, Manager of Telecom & Technology
Mark Watson, Field Engineer
Blake Wilson, System Engineer

C. From Board.**1.** Jim Carruthers confirmed the upcoming meeting schedule:

Study Session, February 18, 2014 at 4:30 p.m. in the Hastings Street Service Center
Regular Meeting, February 25, 2014 at 5:15 p.m. in the Commission Chambers

2. Jered Ottenwess provided an update on the status of the decision making process regarding the coal dock property.**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 7:06 p.m.

/st


Tim Arends, Secretary
LIGHT AND POWER BOARD

DRAFT

FOR THE LIGHT & POWER BOARD MEETING OF FEBRUARY 25, 2014



TRAVERSE CITY
LIGHT & POWER

To: Light & Power Board
From: Tim Arends, Executive Director 
Date: February 20, 2014
Subject: MHA Request to Use Coal Dock for Fundraising Event

Attached is a letter and proposal from Maritime Heritage Alliance to use the Coal Dock for its View360° Fundraising Event to be held of June 20, 2014. The proposal addresses traffic, alcohol, tickets, security, restrooms, trash, and other relevant details. Also included is a map of how the event would be situated on the Coal Dock.

In the past, TCL&P has offered use of the Coal Dock and parkland for minor events through a Letter of Understanding with the requesting party; however, this request goes well beyond the extent of those previously approved events, therefore, I am requesting the Board's input on consideration of this request.

Due to recent restrictions and fee increases imposed by the City Commission on the Open Space use, I am concerned that more event organizers will look to the Coal Dock property as a viable alternative to the Open Space. Another concern I have with approving this request is that I believe authorizing events or festivals at the Coal Dock exceeds the duties described in the Executive Director job description, as they have no relevance to running an electric utility.

Based on the summary comments from the recent Joint Study Session with the City Commission concerning the Coal Dock property, I believe this request should be forwarded to the City for its consideration and application of its policies/procedures surrounding similar events in the City.

MHA is planning a short presentation for the Board to explain the request and answer any questions you may have. I have also asked General Counsel to be in attendance to assist the Board with any specific legal questions.

If the Board agrees with staff's recommendation to forward this request to the City for its consideration the following motion would be appropriate:

(RECOMMENDED MOTION ON FOLLOWING PAGE)

FOR THE LIGHT & POWER BOARD MEETING OF FEBRUARY 25, 2014

MOVED BY _____, SECONDED BY _____,

**THAT THE BOARD REFERS THE REQUEST FROM MHA TO HOLD A
FUNDRAISING EVENT AT THE COAL DOCK TO THE CITY OF TRAVERSE CITY
FOR ITS CONSIDERATION.**



Where History Sets Sail 13268 S. West Bayshore Dr. • Traverse City, MI 49684 • 231-946-2647

February 17, 2014

Tim Arends, Executive Director
Traverse City Light & Power
1131 Hastings St.
Traverse City, MI 49686

Re: Maritime Heritage Alliance

Dear Tim:

Maritime Heritage Alliance is seeking TCL&P approval to hold a fundraising event on the Coal docks the evening of Friday June 20, 2014 for our SAIL Champion Program. Enclosed is the information you requested for your Board packets for our meeting on February 25, 2014 at 5:15 pm.

The SAIL Champion Program is a therapeutic sailing program for youth from at-risk environments in Northern Michigan. Created in 2008 by the Maritime Heritage Alliance and Mental Wellness Counseling, the program combines traditional sailing skills with one-on-one therapy with a licensed counselor to help youth learn leadership, responsibility, and self-awareness. This program is the only one of its kind in the country and has been extremely successful.

Our Tall Ships Madeline and Welcome have been operating from the Coal docks for over 10 years and Champion for five years, thus we are familiar with TCL & P requirements necessary to accommodate the public at the docks. Hopefully, our enclosed event proposal addresses all your concerns and questions. We are prepared to make a short presentation to your Board if needed, or to just answer questions they may have. Please let me know how you would like to proceed at your earliest convenience.

Thank you for your consideration.

Sincerely,

Rod Jones, Vice President
Maritime Heritage Alliance

Enclosures

Cc Jay Ruzak, President, MHA
Joe Sanok, Mental Wellness Counseling

sf

VIEW360°

A SAIL CHAMPION FUNDRAISER AND BEER TASTING EVENT

EVENT PROPOSAL

Jay Ruzak, MHA Board President

Rod Jones, Previous MHA Board President

Joseph R. Sanok, MHA Clinical Director

Prepared for Traverse City Light and Power

February 25, 2014



MARITIME HERITAGE ALLIANCE



Where History Sets Sail

EVENT SUMMARY

Event Proposal: An evening event on June 20, 2014 from 5:00-9:00 pm will be focused as a fundraiser for the Maritime Heritage Alliance's *SAIL Champion* program. This program helps youth from at-risk environments through learning to sail the traditionally rigged *Champion* and participating in individual counseling onboard the boat.

This event would be a paying event that takes place on the Traverse City Light & Power coal dock. Details of the event:

- 1 event tent 40'x40' would be on site for potential weather issues, music, and microbrew sales.
- Portable Restrooms would be on site to reduce the need to crossing M-22
- Food trucks would be invited and will have their own food license
- Total of 300 tickets would be sold

EVENT DETAILS

TRAFFIC AND PARKING

The primary concern of this event is the safety of the customers, volunteers, and community. This is one of the guiding principles of all decisions. With the unique layout of the Discovery Center campus, parking is a clear concern.

This concern is being addressed in several manners:

1. Planning for a bus to transport individuals across M-22 from parking lots on the west side of M-22.
2. Working with neighboring businesses to provide parking solutions.
3. Creating a clear system for handicapped drop off.
4. Creating and implementing signage indicating parking locations and no parking zones, as well as bus pick-up locations.

ALCOHOL

With significant discussions in the Traverse City area about the frequency of festivals and events, MHA is keenly aware of working closely with local officials and leaders to create a positive framework for this event.

MHA is coordinating with local brewers to align the alcohol sales plan with other events that have alcohol as a focal-point. Further, MHA will be applying for a *Special License for Consumption on the Premises* permit which includes board resolution, licensing process, and diagram of area for law enforcement.

TICKETS

Tickets will be issued through www.eventbright.com or a similar ticket sales website.

TENT, TRASH AND BATHROOMS

Tents will be rented through GJ's rentals. A 40'x40' tent will be located in the southwest corner of the coal docks, ensuring emergency access and Manitou transport access. The site will be restored to the previous condition.

SECURITY

Per the *Special License for Consumption on the Premises* and MHA's commitment to safety, local police and Elmwood Township Supervisor will be consulted in planning the event. Further, volunteer security will be on-site to reduce unsafe behavior.

In the event of the removal of an individual from the event, local police will be made aware of the situation when it escalates and trained de-escalation licensed counselors will be on-site.

MUSIC

Music will occur from 5:30-8:45 pm. Musicians will be of folk nature. So as to reduce noise complaints, music will conclude at 8:45 pm.

FOOD

Local food trucks will be invited to participate in the event so as to meet the food needs of customers. Only licensed vendors will participate.

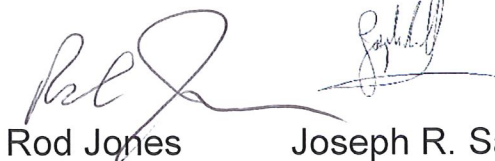
Thank you in advance for assisting in making VIEW360 a successful event. This event will spotlight the ability of the property to be used for the common good of the community. This event will put a spotlight on the collaboration of The Discovery Center campus, Traverse City Light and Power, and local non-profits that serve the most vulnerable and at-risk youth in northern Michigan.

We look forward to discussing questions and concerns to create a positive, safe, and successful event!

Respectfully,



Jay Ruzak

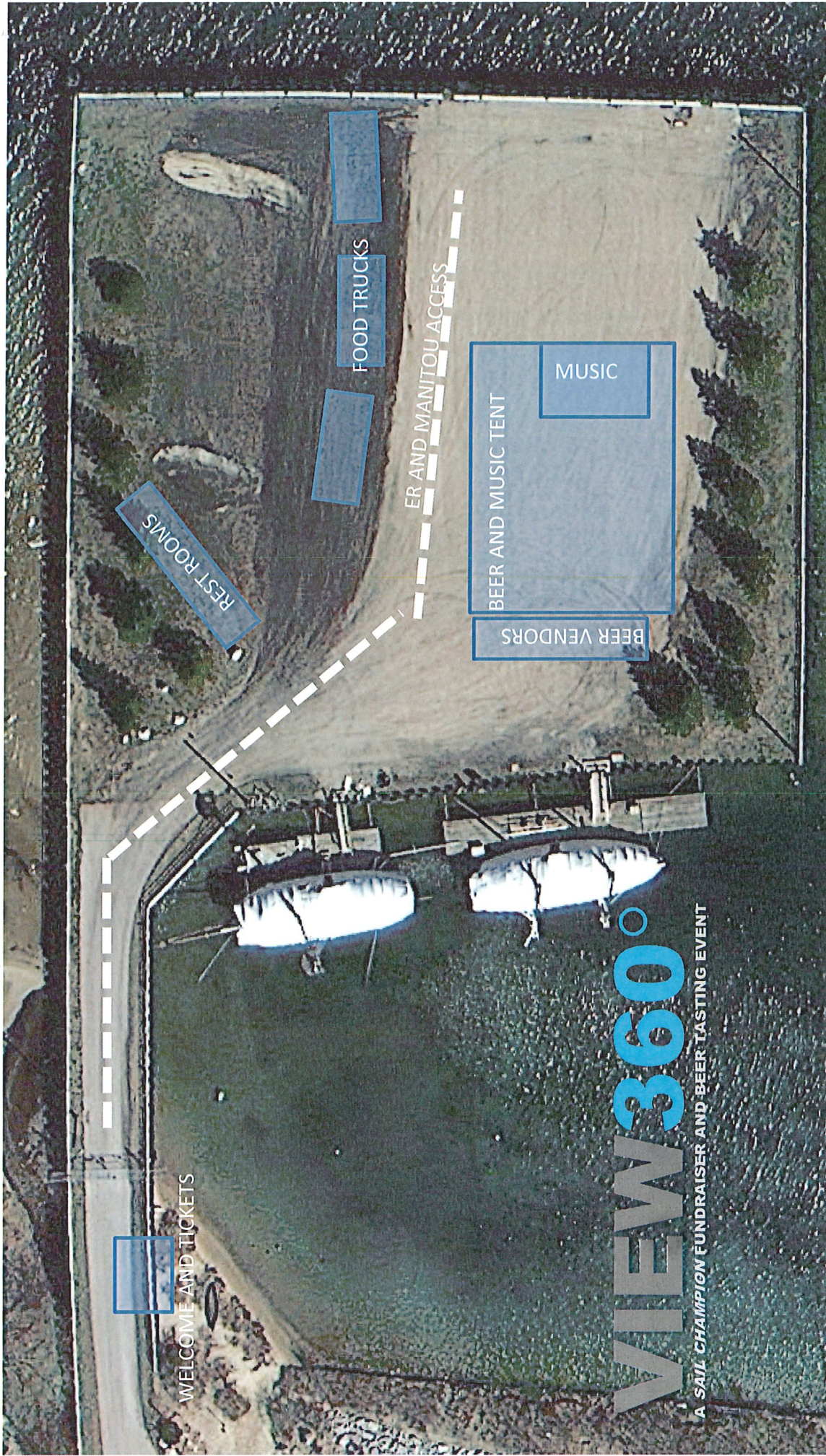


Rod Jones



Joseph R. Sanok

MHA Board President MHA Board Member MHA Clinical Director



WELCOME AND TICKETS

REST ROOMS

FOOD TRUCKS

DANGER AND MANITOU ACCESS

BEER VENDORS

BEER AND MUSIC TENT

MUSIC

VIEW 360°

A SAIL CHAMPION FUNDRAISER AND BEER TASTING EVENT



To: Light and Power Board
From: Tim Arends, Executive Director
Date: February 19, 2014
Subject: 2014-15 Budget and Six Year Capital Improvements Plan - 2014



In accordance with City Charter Chapter XVIII, section 179 (o), the 2014-15 Operating Budget and Six Year Capital Improvements Plan must be submitted to the City Commission by its last meeting in April.

The attached budget has been revised to incorporate the changes made by the Board at its February 18, 2014 Study Session. The changes incorporated are as follows:

1. It was initially recommended by staff for the base rates to increase 2 percent, however, after discussion with the Board it was agreed upon to reduce the base rate increase to 1.5 percent. Additionally, staff recommended in the meeting and the Board concurred to reduce purchase power costs by drawing down \$100,000 per month of the MPPA competitive trust fund dollars held at Michigan Public Power Agency (this money can only be used to reduce TCL&P's Belle River purchase power costs) for an annual reduction of purchased power costs in the amount of \$1.2M. This will directly impact and reduce the power cost recovery rate charged to customers. The combination of these two changes has reduce budgeted operating revenue approximately \$1.3M.
2. Reimbursements were decreased by \$200,000 based on their not being a definitive timeline when a specific streetscapes project will be completed and assessed.
3. Minor changes including changing vehicle rentals in Metering and Customer Accounting to zero, adding \$15,000 to vehicle rentals in Conservation and Public Services, and rounding a few amounts up or down.

Overall, net income was reduced from the proposed amount of \$2,714,851 to \$2,380,050.

No changes have been made to the Six Year Capital Plan - 2014 since the initial presentation.

Staff recommends that the Board approve submittal of the 2014-15 Budget and Six Year Capital Plan to the City Commission for its consideration. If the Board agrees with this recommendation the following motion would be appropriate to do so:

MOVED BY _____, SECONDED BY _____,

**THAT THE LIGHT & POWER BOARD APPROVES SUBMITTAL OF THE
2014-15 OPERATING BUDGET AND SIX YEAR CAPITAL
IMPROVEMENTS PLAN AS PRESENTED TO THE CITY COMMISSION
FOR ITS CONSIDERATION.**

City of Traverse City, Michigan
TRAVERSE CITY LIGHT & POWER DEPARTMENT
2014-15 Budgeted Revenues and Expenses Summary

	FY 11/12 Actual	FY 12/13 Actual	FY 13/14 Budget	FY 13/14 Projected	FY 14/15 Recommended
Operating Income:	\$ 31,834,482	\$ 31,809,664	\$ 32,675,000	\$ 34,100,600	\$ 36,426,200
Operating Expenses:					
Generation Expenses:					
Purchased Power - Lansing BWL	\$ 6,705,404	\$ 7,224,557	\$ 6,440,000	\$ 6,981,000	\$ 7,366,600
Stoney Corners - Wind Energy	2,380,113	2,782,535	2,970,000	2,765,600	2,894,000
Combustion Turbine Power Cost	4,692,108	3,401,472	3,978,000	3,907,000	4,536,000
Campbell #3 Power Cost	4,459,611	5,241,651	4,880,000	4,906,000	4,995,000
Belle River #1 Power Cost	3,817,115	4,627,616	3,960,000	4,495,000	2,830,000
Landfill Gas - Granger Project	110,647	326,712	460,000	613,000	925,000
Other Generation Expenses	85,684	178,884	78,000	168,700	271,600
Total Generation Expenses	22,250,681	23,783,427	22,766,000	23,836,300	23,818,200
Distribution Expenses:					
Operations & Maintenance	3,596,637	3,493,024	3,470,000	3,460,200	3,860,700
Transmission Expenses:					
Operations & Maintenance	179,975	366,978	420,900	373,800	339,800
Other Operating Expenses:					
Metering & Customer Accounting	500,426	516,919	573,400	593,450	553,050
Conservation & Public Services	676,733	1,689,992	1,027,750	613,500	802,800
Administrative & General	1,112,653	959,602	1,163,950	756,150	856,700
Insurance	52,215	55,453	66,350	66,350	68,000
Depreciation Expense	1,808,182	1,878,890	1,982,000	1,982,000	2,132,000
City Fee	1,598,157	1,599,866	1,634,700	1,707,700	1,889,500
Total Other Operating Expenses	5,748,366	6,700,722	6,448,150	5,719,150	6,302,050
Total Operating Expenses	31,775,659	34,344,151	33,105,050	33,389,450	34,320,750
Operating Income/Loss	\$ 58,823	\$ (2,534,487)	\$ (430,050)	\$ 711,150	\$ 2,105,450
Non Operating Revenues/(Expenses):					
Non Operating Revenues	828,563	(56,337)	430,050	700,400	634,600
Non Operating Expenses	(172,034)	(4,333)	0	0	(360,000)
Total Non Operating Revenue/(Exp)	656,529	(60,670)	430,050	700,400	274,600
Net Income	\$ 715,352	\$ (2,595,157)	\$ (0)	\$ 1,411,550	\$ 2,380,050

City of Traverse City, Michigan
TRAVERSE CITY LIGHT & POWER
 2014-15 Budgeted Revenues and Expenses

	FY 11/12 Actual	FY 12/13 Actual	FY 13/14 Budget	FY 13/14 Projected	FY 14/15 Recommended
OPERATING REVENUES:					
Residential Sales	\$ 5,407,313	\$ 5,543,163	\$ 5,675,000	\$ 6,175,000	\$ 6,600,000
Commercial Sales	14,236,306	14,143,835	14,425,000	14,786,500	15,810,000
Industrial Sales	9,219,732	9,020,921	9,325,000	9,961,900	10,770,000
Public Authority Sales	278,640	274,590	280,000	288,500	309,000
Street Lighting Sales	189,823	194,708	190,000	197,000	201,600
Yard Light Sales	78,753	77,197	76,000	78,000	79,900
Forfeited Discounts	43,823	56,978	58,000	58,000	58,000
Merchandise and Jobbing	56,637	40,647	65,000	65,000	65,000
Recovery of Bad Debts	80	108	-	200	200
Sale of Scrap	28,240	50,958	35,000	35,000	35,000
Miscellaneous Income	16,462	51,047	43,500	35,000	34,000
Refunds and Rebates	12,589	2,223	2,500	2,500	2,500
MISO Revenue	2,266,084	2,353,289	2,500,000	2,418,000	2,461,000
TOTAL OPERATING REVENUES	\$ 31,834,482	\$ 31,809,664	\$ 32,675,000	\$ 34,100,600	\$ 36,426,200
OPERATING EXPENSES:					
GENERATION-OPERATING & MAINTENANCE:					
Salaries and Wages	\$ -	\$ -	\$ -	\$ -	\$ 100,600
Fringe Benefits	-	-	-	-	54,800
Wind Generation - Traverse	18,157	100,009	25,000	10,500	-
Brown Bridge	1,553	-	-	-	-
Wind Generation Farm	1,841	-	-	-	-
Trap and Transfer	-	117	250	250	250
Union Street Fish Ladder	-	178	250	250	250
Operation Supplies	788	631	1,000	1,000	1,000
Purchased Power - Lansing BWL	6,705,404	7,224,557	6,440,000	6,981,000	7,366,600
Stoney Corners - Wind Energy	2,380,113	2,782,535	2,970,000	2,765,600	2,894,000
Combustion Turbine Power Cost	4,692,108	3,401,472	3,978,000	3,907,000	4,536,000
Campbell #3 Power Cost	4,459,611	5,241,651	4,880,000	4,906,000	4,995,000
Belle River #1 Power Cost	3,817,115	4,627,616	3,960,000	4,495,000	2,830,000
Landfill Gas - Granger Project	110,647	326,712	460,000	613,000	925,000
<i>Total Purchased Power</i>	<i>22,164,997</i>	<i>23,604,543</i>	<i>22,688,000</i>	<i>23,667,600</i>	<i>23,546,600</i>
<i>Purchased Power Cost as % of Sales</i>	<i>75.4%</i>	<i>80.7%</i>	<i>75.7%</i>	<i>75.2%</i>	<i>69.7%</i>
Coal Dock	8,740	13,895	11,800	8,900	2,500
Communications	288	307	500	500	500
Safety	8,000	13,350	13,600	7,700	5,000
Tools	607	-	300	300	500
Professional and Contractual	43,696	46,276	23,000	136,500	95,000
Professional Development	2,013	3,521	2,300	2,000	2,000
Uniforms	-	-	-	-	2,200
Vehicle Rentals	-	-	-	-	7,000
Miscellaneous	-	600	-	800	-
Total Generation O & M	22,250,681	23,783,427	22,766,000	23,836,300	23,818,200
DISTRIBUTION OPERATION & MAINTENANCE:					
Salaries and Wages	-	-	-	-	1,397,000
Fringe Benefits	-	-	-	-	989,900
Office Supplies	6,496	4,143	4,700	4,500	4,700
Operation Supplies	35,627	53,798	58,300	45,000	54,000
Utilities	47,067	49,703	60,300	50,000	51,300
Meals and Payments	-	-	-	-	4,800
Communications	17,574	52,920	53,000	47,000	16,700
Software and Hardware	-	-	-	-	122,500
Supervision and Maintenance	656,920	902,966	867,000	708,000	-
Substation	141,977	173,653	184,000	168,000	113,900

City of Traverse City, Michigan
TRAVERSE CITY LIGHT & POWER
2014-15 Budgeted Revenues and Expenses

	FY 11/12 Actual	FY 12/13 Actual	FY 13/14 Budget	FY 13/14 Projected	FY 14/15 Recommended
Overhead Lines	317,526	423,695	459,000	403,000	160,000
Load and Dispatching	529,680	433,298	408,000	474,000	-
Storm Damage Contingency	383,740	33,552	34,200	100,100	50,000
Underground Lines	186,258	217,598	184,000	210,000	50,000
Customer Installations	30,152	15,822	15,700	22,500	-
Electric Meters	53,190	47,476	45,400	64,000	12,000
Street Lighting	296,548	288,451	252,900	329,000	220,000
Traffic Signal Oper. & Maint.	157,134	186,697	197,900	169,000	70,000
Radio Equipment	1,468	1,146	1,500	1,500	2,500
Plant & Structures	314,830	219,019	257,000	265,000	90,000
Shop Labor	162,606	142,129	147,900	151,500	-
Safety	62,821	78,917	90,000	63,100	47,000
Tools	28,520	20,480	18,900	19,500	70,000
Uniforms	-	-	-	-	12,500
Professional and Contractual	54,348	47,514	37,400	57,100	95,800
Rent Expense	4,485	2,588	3,800	2,000	2,000
Professional Development	104,910	95,301	86,700	104,400	50,400
Printing and Publishing	1,376	1,861	1,900	1,500	4,000
Transportation	-	-	-	-	37,400
Vehicle Rentals	-	-	-	-	131,800
Miscellaneous	1,384	350	500	500	500
Inventory Adjustments	-	(53)	-	-	-
Total Distribution O & M	3,596,637	3,493,024	3,470,000	3,460,200	3,860,700
<u>TRANSMISSION OPERATIONS & MAINTENANCE:</u>					
Salaries and Wages	-	-	-	-	211,200
Fringe Benefits	-	-	-	-	5,000
Supervision & Maintenance	28,949	165,659	193,000	169,000	-
Substation	27,183	27,693	42,000	27,000	23,600
Overhead Lines	3,713	1,726	5,200	2,400	5,000
Load and Dispatching	50,817	91,350	97,000	91,400	-
MISO Transmission	21,190	25,154	24,000	25,000	28,000
Tools	-	-	-	-	3,000
Professional and Contractual	-	-	-	-	5,000
Miscellaneous-MPPA Transmission Project	48,123	55,396	59,700	59,000	59,000
Total Transmission O & M	179,975	366,978	420,900	373,800	339,800
<u>METERING & CUSTOMER ACCOUNTING:</u>					
Salaries and Wages	267,988	255,586	300,000	278,900	275,200
Fringe Benefits	118,975	119,846	130,200	144,800	130,900
Office Supplies	3,879	2,483	4,000	4,000	4,500
Communications	355	365	400	400	400
Meal Payments	68	330	600	500	500
Safety	9	24	100	1,400	3,200
Uniforms	3,453	2,629	3,700	2,500	3,600
Professional and Contractual	7,919	39,467	36,500	53,000	29,000
Postage	35,052	29,542	30,000	32,500	34,000
Uncollectable Accounts	16,796	27,856	17,350	30,000	30,000
Collection Costs	535	1,573	1,500	2,000	2,000
Data Processing	20,087	18,769	26,500	20,000	20,500
Transportation	5,281	4,557	5,000	5,000	5,500
Professional Development	3,792	1,374	2,500	2,500	7,000
Printing and Publishing	5,547	3,524	4,600	5,500	5,500
Vehicle Rentals	9,527	8,001	9,200	9,200	-
Miscellaneous	1,163	993	1,250	1,250	1,250
Total Customer Accounting	500,426	516,919	573,400	593,450	553,050

City of Traverse City, Michigan
TRAVERSE CITY LIGHT & POWER
 2014-15 Budgeted Revenues and Expenses

	FY 11/12 Actual	FY 12/13 Actual	FY 13/14 Budget	FY 13/14 Projected	FY 14/15 Recommended
<u>CONSERVATION & PUBLIC SERVICES:</u>					
Salaries and Wages	-	-	-	-	59,900
Fringe Benefits	-	-	-	-	24,400
Professional and Contractual	44,944	20,788	50,000	5,000	25,000
Contract Labor - Energy Optimization	-	100,000	100,000	100,000	160,000
Public Service & Communications	43,422	8,486	30,000	10,000	21,500
In-Kind Community Services	62,205	38,861	46,000	58,500	-
Community Investment Fund	-	1,000,000	-	-	-
Professional Development	-	-	-	-	5,000
Vehicle Rentals	-	-	-	-	15,000
Increased Energy Optimization Efforts	162	-	300,000	-	-
PA295 Energy Optimization Compliance	526,000	521,857	501,750	440,000	492,000
Total Conservation & Public Services	676,733	1,689,992	1,027,750	613,500	802,800
<u>ADMINISTRATIVE AND GENERAL:</u>					
Salaries and Wages	716,345	461,899	625,000	327,300	356,000
Fringe Benefits	137,566	163,923	200,000	142,300	163,000
Office Supplies	9,708	11,427	8,750	8,750	9,000
Communications	8,089	7,144	6,850	4,600	4,500
Software and Hardware	-	-	-	-	60,000
Fees and Per Diem	51,508	55,627	56,500	62,100	65,000
Board Related Expenses	3,755	4,228	3,350	10,600	15,000
Professional & Contractual	88,284	167,648	150,000	101,500	80,000
Legal Services	58,151	66,563	74,300	63,000	60,000
Employee Appreciation	6,611	4,925	5,000	8,000	9,200
City Fee	1,598,157	1,599,866	1,634,700	1,707,700	1,889,500
Transportation	2,151	1,517	2,700	2,500	2,500
Professional Development	16,074	6,081	20,000	15,500	20,000
Printing & Publishing	2,847	6,034	7,000	6,000	6,000
Insurance and Bonds	52,215	55,453	66,350	66,350	68,000
Miscellaneous	11,564	2,586	4,500	4,000	6,500
Depreciation Expense	1,808,182	1,878,890	1,982,000	1,982,000	2,132,000
Total Administrative and General	4,571,207	4,493,811	4,847,000	4,512,200	4,946,200
Total Operating Expenses	31,775,659	34,344,151	33,105,050	33,389,450	34,320,750
Operating Income / (Loss)	\$ 58,823	\$ (2,534,487)	\$ (430,050)	\$ 711,150	\$ 2,105,450
<u>NON OPERATING REVENUES/(EXPENSES):</u>					
Rents and Royalties	\$ 21,235	\$ 23,635	\$ 44,250	\$ 45,000	\$ 45,000
Pole Rentals	31,773	41,593	35,800	36,000	36,000
Reimbursements	354,909	163,980	150,000	371,400	353,600
Interest & Dividend Earnings	420,646	(285,545)	200,000	200,000	200,000
Gain/(Loss) on Sale of Fixed Assets	(172,034)	(4,333)	-	48,000	(360,000)
Total Non Operating Revenue/(Expenses)	656,529	(60,670)	430,050	700,400	274,600
NET INCOME/(LOSS)	\$ 715,352	\$ (2,595,157)	\$ (0)	\$ 1,411,550	\$ 2,380,050

**Traverse City Light & Power
Fiber Optics Fund
2014-15 Budgeted Revenues and Expenses**

	FY 11/12 Actual	FY 12/13 Actual	FY 13/14 Budgeted	FY 13/14 Projected	FY 14/15 Recommended
<u>Operating revenues:</u>					
Charges for services	\$ 216,850	\$ 208,030	\$ 229,000	\$ 216,000	\$ 243,200
Wi-fi Service Fee - DDA	-	-	-	-	-
Total operating revenues	\$ 216,850	\$ 208,030	\$ 229,000	\$ 216,000	\$ 243,200
<u>Operating expenses:</u>					
Salaries and wages	\$ -	\$ -	\$ -	\$ -	\$ 30,960
Fringe benefits	-	-	-	-	20,930
Office & operation supplies	2,200	-	2,000	2,000	1,000
Supervision & maintenance	15,000	13,858	41,000	14,500	-
Overhead & Underground lines	7,000	8,926	16,000	10,600	4,000
Customer installations	2,750	1,762	6,500	5,500	500
Wi-fi operations & maintenance	30,000	-	-	-	-
Termination boxes	46,200	5,096	16,500	9,900	2,000
Tools	900	-	150	500	1,000
Professional services	20,000	-	-	6,000	4,000
Legal services	500	-	-	-	2,000
City fee	10,800	10,402	10,100	10,800	12,160
Professional development	500	2,238	2,150	2,000	2,000
Insurance	1,300	925	1,000	900	1,100
Repair and maintenance	450	35	500	-	-
Vehicle rental	-	-	-	-	4,400
Miscellaneous	150	-	-	100	-
Depreciation expense	86,500	87,222	87,600	87,500	90,000
Total operating expenses	\$224,250	\$130,464	\$183,500	\$150,300	\$176,050
Operating income/(loss)	\$ (7,400)	\$ 77,566	\$ 45,500	\$ 65,700	\$ 67,150
<u>Non-operating revenues:</u>					
Reimbursements	37,400	6,431	18,000	20,000	5,000
Net income	\$ 30,000	\$ 83,997	\$ 63,500	\$ 85,700	\$ 72,150



SIX YEAR CAPITAL IMPROVEMENTS PLAN – 2014

GENERATION:

Community Solar Garden Phase II

Location: Local solar generation either inside or outside city limits

Character: Free standing solar panels

Extent: Installation of solar panels to provide up to 84.6 KW of generation.

Estimated Cost: \$250,000 – Amount to be recovered through 25 year Sun Shares to customers

Fiscal Year(s): 2016-17

Decommission M-72 Wind Turbine (CHANGE)

Location: Wind turbine on M-72 outside of city limits

Character: Site returned to condition before the turbine was installed.

Extent: Removal of turbine and all ancillary equipment and infrastructure.

Estimated Cost: \$200,000 – net of salvage value

Fiscal Year(s): 2014-15

DISTRIBUTION and SUBSTATION:

Line Improvements, Extensions, and 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 upgrades to existing services or new customer services.

Estimated Cost: \$5.95 Million

Fiscal Year(s): 2014-15 through 2019-20 (Annual Program)

Distribution Circuit Rebuild

Location: Throughout the entire service area. In 2014-15, the commercial corridor of BW-31 will be rebuilt. Following the spring annual pole study, future projects will be evaluated based on specific criteria developed by Engineering.

Character: Replace deteriorated overhead/underground facilities with new wire, conduit, poles, etc. to include conversion of overhead facilities to underground as appropriate.

Extent: New circuits and upgrade of existing circuits to improve reliability and serve anticipated growth to include undergrounding facilities as appropriate.

Estimated Cost: \$6.15 Million

Fiscal Year(s): 2014-15 through 2019-20 (Annual Program)



SIX YEAR CAPITAL IMPROVEMENTS PLAN – 2014

DISTRIBUTION and SUBSTATION (continued):

69kV/13.8kV Distribution South Substation

Location: *South central portion of service area outside city limits*

Character: *Construction of new 69/13.8kV distribution substation and related circuits.*

Extent: *Facility costs*

Estimated Cost: *\$3.4 Million (estimated balance to complete)*

Fiscal Year(s): *2014-15*

Overhead to Underground Conversion Projects

Location: *Throughout the entire service area*

Character: *Conversion of overhead distribution facilities to underground.*

Extent: *Annual Program for approved projects. In the upcoming year, the focus area will be Spruce St. and design of the Orchard Heights area.*

Estimated Cost: *\$2 Million*

Fiscal Year(s): *2014-15 through 2019-20 (Annual Program)*

Pine Street Overhead to Underground Conversion (CHANGE)

Location: *Starting from behind Hall Street Substation crossing the Boardman River South along Pine Street to Hannah Park and ending in Lay Park.*

Character: *Convert existing overhead distribution facilities to underground.*

Extent: *In concert with TIF 97 Pedestrian Way project and the proposed Uptown Development.*

Estimated Cost: *\$1,665,000*

Fiscal Year(s): *2014-15*

Street Lighting System - Expanded (CHANGE)

Location: *Street lighting expanded in Central Neighborhood*

Character: *LED street lighting*

Extent: *Installation of new LED street lights; and low level pedestrian lights.*

Estimated Cost: *\$200,000*

Fiscal Year(s): *2015-16*



SIX YEAR CAPITAL IMPROVEMENTS PLAN – 2014

DISTRIBUTION and SUBSTATION (continued):

Cowell Family Cancer Center Alternate Feed (NEW)

Location: Munson Campus

Character: Underground alternate feed from CD-31.

Extent: Bore underground from Elmwood Ave to Sixth St.

Estimated Cost: \$190,000

Fiscal Year(s): 2014-15

Parsons Switching Station (NEW)

Location: Parsons Substation

Character: Addition of switching equipment to create a fully looped transmission system for increased reliability.

Extent: Installation of substation infrastructure and equipment.

Estimated Cost: \$700,000

Fiscal Year(s): 2015-16 through 2016-17

Recloser Upgrades (NEW)

Location: Cass and Barlow Substations

Character: Upgrading recloser equipment already located at the substation to allow for reconfiguration of distribution systems and maintaining reliable service in the event of a fault.

Extent: This is a one-time occurrence of equipment upgrade.

Estimated Cost: \$200,000

Fiscal Year(s): 2014-15 through 2016-17

Street Lighting (LED) System Replacements

Location: Throughout the entire utility service area

Character: LED street lighting replacements.

Extent: Removal of any old high pressure sodium street lights and replace with LED lights.

Estimated Cost: \$420,000

Fiscal Year(s): 2014-15 through 2016-17

TRANSMISSION and SUBSTATION:

Substation Transformer Upgrades

Location: Parsons Substation and Cass Road Substation

Character: Installation of higher rated transformers as recommended by Engineers.

Extent: Upgrade existing substation transformers for system reliability due to load growth.

Estimated Cost: \$3 Million

Fiscal Year(s): 2018-19 through 2019-20



SIX YEAR CAPITAL IMPROVEMENTS PLAN – 2014

TRANSMISSION and SUBSTATION (continued):

Transmission Line Reconductor (CHANGE)

Location: Existing transmission corridor along Wayne Hill, Hammond, Barlow, LaFranier, Cass, and Wadsworth.

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

Extent: Reconductor/rebuilding of existing 69kV transmission lines with new lines and higher poles to bring circuits to current day standards.

Estimated Cost: \$4.275 Million

Fiscal Year(s): 2015-16 through 2018-19

FACILITIES AND OTHER:

Stringing Trailer (NEW)

Location: Will be utilized throughout the entire service area.

Character: Trailer that will feed the wire for internal distribution circuit rebuilt projects.

Extent: One-time purchase with minimal maintenance.

Estimated Cost: \$60,000

Fiscal Year(s): 2014-15

Telephone System Upgrade (NEW)

Location: 1131 Hastings Street

Character: Upgrade telephone system.

Extent: Upgrade of telephones for both Building A and B at Hastings St Facility

Estimated Cost: \$65,000

Fiscal Year(s): 2014-15

Meter Test Board (NEW)

Location: 1131 Hastings Street

Character: New meter test board to energize meters and test for consumption accuracy.

Extent: Installation of meter test board located in the metering department.

Estimated Cost: \$40,000

Fiscal Year(s): 2014-15

System Modeling Software (NEW)

Location: 1131 Hastings Street

Character: New software system for the GIS System.

Extent: Installation of software that provides accuracy control over updates to the GIS System.

Estimated Cost: \$80,000

Fiscal Year(s): 2014-15



SIX YEAR CAPITAL IMPROVEMENTS PLAN – 2014

FACILITIES AND OTHER (continued):

Hastings Service Center Facility Improvements (CHANGE)

Location: 1131 Hastings Street

Character: Site improvements to existing facility.

Extent: Remodel of Building B, construction of new Building C, and an outdoor covered area for inventory & equipment.

Estimated Cost: \$1.3 Million

Fiscal Year(s): 2014-15 through 2016-17

SCADA, COMMUNICATIONS, and OTHER ITEMS:

Smart Metering Technologies (AMI) PILOT (CHANGE)

Location: Entire Service Area

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

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

Estimated Cost: \$2,250,000

Fiscal Year(s): 2015-16 through 2018-19

SCADA System Replacement (NEW)

Location: 1131 Hastings Street and Substations

Character: Installation of new SCADA equipment.

Extent: Upgrade the system to allow it to interconnect with other related systems such as AMI, billing, GIS, OMS and other technologies.

Estimated Cost: \$350,000

Fiscal Year(s): 2015-16

JOINT TCL&P, CITY OF TRAVERSE CITY, and DDA PROJECTS:

Disaster Recovery Center (NEW)

Location: DPS Building (former bowling alley) located on Woodmere Ave.

Character: Renovation of the DPS building to be used as a disaster recovery center.

Extent: Renovation of building and installation of equipment for backup operations center for TCL&P along with other city departments.

Estimated Cost: \$350,000

Fiscal Year(s): 2015-16 through 2016-17



SIX YEAR CAPITAL IMPROVEMENTS PLAN – 2014

JOINT TCL&P, CITY OF TRAVERSE CITY, and DDA PROJECTS (continued):

Work Order and Asset Management System (NEW)

Location: 1131 Hastings Street

Character: Replace City-wide work order and asset management software program.

Extent: Installation of software programs will be in-house and in the line trucks.

Estimated Cost: \$92,000

Fiscal Year(s): 2014-15

Corridor Upgrade Improvements – OH to UG Improvements around major intersections (NEW)

Location: Various Locations

Character: Conversion of overhead facilities to underground or rerouting facilities, if possible.

Extent: This will entail various major intersections throughout the City.

Estimated Cost: Unknown

Fiscal Year(s): Various

Front St Lighting Circuits and Receptacles (NEW)

Location: Downtown North and South along Front Street.

Character: Upgrade circuit to accommodate increased load

Extent: New conduit, wire, and addition of event outlets

Estimated Cost: \$800,000

Fiscal Year(s): 2016-17 through 2017-18

W. Front (TCSB Building) to Oak Street Streetscapes (NEW)

Location: W. Front Street (former Traverse City State Bank building) to Oak Street

Character: New street lighting installations in conjunction with planned streetscape.

Extent: To be determined in coordination with City.

Estimated Cost: \$150,000

Fiscal Year(s): 2014-15

Riverwalk Lighting (N Side of Boardman River) (NEW)

Location: North Side of Boardman River from Front St to Dam

Character: New Boardman Riverwalk lighting

Extent: To be determined in coordination with City & Uptown Development.

Estimated Cost: \$200,000

Fiscal Year(s): 2014-15



SIX YEAR CAPITAL IMPROVEMENTS PLAN – 2014

JOINT TCL&P, CITY OF TRAVERSE CITY, and DDA PROJECTS (continued):

Cass & Lake Street Streetscapes

Location: Cass Street from Eighth St to Cass Street bridge and along Lake Street from Cass St to Eighth St.

Character: New street lighting installations in conjunction with planned streetscape.

Extent: To be determined in coordination with DDA.

Estimated Cost: \$350,000

Fiscal Year(s): 2015-16

East Front Street Streetscapes

Location: Along East Front Street from Boardman Ave. to Grandview Parkway

Character: New street lighting installations in conjunction with planned streetscape.

Extent: To be determined in coordination with DDA.

Estimated Cost: \$400,000

Fiscal Year(s): 2015-16

Garland Street Streetscapes

Location: Garland Street in the Warehouse District

Character: New street lighting installation in conjunction with planned streetscape.

Extent: To be determined in coordination with DDA.

Estimated Cost: \$300,000

Fiscal Year(s): 2014-15 through 2015-16

Park Street Streetscapes

Location: From State Street to Grandview Parkway

Character: New street lighting installation and underground existing overhead services.

Extent: Removal of existing fixtures/poles/wires in coordination with DDA project.

Estimated Cost: \$100,000

Fiscal Year(s): 2014-15

FIBER FUND PROJECTS

Wi-Fi Project – DDA (CHANGE)

Location: Downtown Development Authority District

Character: Provide Wi-Fi nodes on top of various utility poles for the Wi-Fi network.

Extent: To accommodate WI-FI service to the downtown district.

Estimated Cost: \$700,000

Fiscal Year(s): 2014-15

**TRAVERSE CITY LIGHT & POWER
SIX YEAR CAPITAL IMPROVEMENTS PLAN 2014**

(This worksheet is for illustration purposes only and is supplemental information to the Plan)

		Fiscal Year 2014-15	Fiscal Year 2015-16	Fiscal Year 2016-17	Fiscal Year 2017-18	Fiscal Year 2018-19	Fiscal Year 2019-20	Project Totals	Project Notes	2013 Funding Level	Change
Generation:											
NO CHANGE	Community Solar Garden Phase II (project to be similar as the 2013 joint TCL&P/Cherryland project - No cost of land included - location to be determined)	---	---	\$ 250,000	---	---	---	\$ 250,000	Funding to come from Leaseholders	\$ 250,000	\$ -
CHANGE	Decommission M-72 Wind Turbine (previously classified as refurbished)	200,000	---	---	---	---	---	200,000		\$ 350,000	\$ (150,000)
Total Generation		200,000	0	250,000	0	0	0	450,000		600,000	(150,000)
Distribution and Substation:											
NO CHANGE	Line Improvements, Extensions, and New Services	850,000	900,000	950,000	1,000,000	1,100,000	1,150,000	5,950,000	Annual Program	\$ 5,625,000	\$ 325,000
NO CHANGE	Distribution Circuit Rebuild	900,000	950,000	1,000,000	1,050,000	1,100,000	1,150,000	6,150,000	Annual Program	\$ 5,850,000	\$ 300,000
NO CHANGE	69kV/13.8kV Distribution South Substation (updated estimated cost to complete)	3,400,000	---	---	---	---	---	3,400,000		\$ 4,600,000	\$ (1,200,000)
NO CHANGE	OH to URG Conversion Projects (residential projects to enhance system reliability)	250,000	350,000	350,000	350,000	350,000	350,000	2,000,000	Annual Program	\$ 2,025,000	\$ (25,000)
CHANGE	Pine Street Overhead to Underground Conversion (increased extent to include uptown development undergrounding and south river crossing bore)	1,665,000	---	---	---	---	---	1,665,000		\$ 1,000,000	\$ 665,000
CHANGE	Street Lighting System - Expanded (Central Neighborhood)	---	200,000	---	---	---	---	200,000	Special Assessment Fund	\$ 325,000	\$ (125,000)
NEW	Cowell Family Cancer Center Alternate Feed (redundant feed for the Cancer Center)	190,000	---	---	---	---	---	190,000	Funding to come from Cowell Family Cancer Center	\$ -	\$ 190,000
NEW	Parsons Switching Station	---	100,000	600,000	---	---	---	700,000		\$ -	\$ 700,000
NEW	Recloser Upgrades	100,000	---	100,000	---	---	---	200,000		\$ -	\$ 200,000
NO CHANGE	Street Lighting (LED) System Replacements (accelerated funding to complete 400 changeovers a year)	180,000	180,000	60,000	---	---	---	420,000		\$ 595,000	\$ (175,000)
Total Distribution and Substation		7,535,000	2,680,000	3,060,000	2,400,000	2,550,000	2,650,000	20,875,000		20,020,000	855,000
Transmission and Substation:											
DELETED	69kV Load Break Switches	---	---	---	---	---	---	0		\$ 600,000	\$ (600,000)
DELETED	69kV Transmission Line & Substation - EAST (project completed)	---	---	---	---	---	---	0		\$ 4,200,000	\$ (4,200,000)
NO CHANGE	Substation Transformer Upgrades	---	---	---	---	1,500,000	1,500,000	3,000,000		\$ 3,000,000	\$ -
CHANGE	Transmission Line Reconductor (removed Boardman Lake and added Wayne Hill)	---	1,575,000	600,000	1,500,000	600,000	---	4,275,000		\$ 4,275,000	\$ -

**TRAVERSE CITY LIGHT & POWER
SIX YEAR CAPITAL IMPROVEMENTS PLAN 2014**

(This worksheet is for illustration purposes only and is supplemental information to the Plan)

		Fiscal Year 2014-15	Fiscal Year 2015-16	Fiscal Year 2016-17	Fiscal Year 2017-18	Fiscal Year 2018-19	Fiscal Year 2019-20	Project Totals	Project Notes	2013 Funding Level	Change
Total Transmission and Substation		0	1,575,000	600,000	1,500,000	2,100,000	1,500,000	7,275,000		12,075,000	(4,800,000)
Facilities and Other:											
NEW	Stringing Trailer	60,000	---	---	---	---	---	60,000		\$ -	\$ 60,000
NEW	Telephone System Upgrade	65,000	---	---	---	---	---	65,000		\$ -	\$ 65,000
NEW	Meter Test Board	40,000	---	---	---	---	---	40,000		\$ -	\$ 40,000
NEW	System Modeling Software	80,000	---	---	---	---	---	80,000		\$ -	\$ 80,000
CHANGE	Hasting Service Center Facility Improvements <i>(upgrade to Building B, new Building C, and covered area for inventory)</i>	350,000	---	950,000	---	---	---	1,300,000		\$ 700,000	\$ 600,000
Total Facilities and Other		595,000	0	950,000	0	0	0	1,545,000		700,000	845,000
SCADA, Communications, and Other Items:											
CHANGE	Smart Metering Technologies (AMI) PILOT	---	50,000	200,000	1,000,000	1,000,000	---	2,250,000		\$ 200,000	\$ 2,050,000
NEW	SCADA System Replacement	---	350,000	---	---	---	---	350,000		\$ -	\$ 350,000
DELETED	Substation Security Cameras <i>(project will be completed by 6/30/2014)</i>	---	---	---	---	---	---	0		\$ 75,000	\$ (75,000)
Total SCADA, Communications, and Other Items		0	400,000	200,000	1,000,000	1,000,000	0	2,600,000		275,000	2,325,000
Joint TCL&P, City of Traverse City, and DDA Projects											
NEW	Disaster Recovery Center <i>(renovation of DPS building to include installation of equipment for backup operational site)</i>	---	250,000	100,000	---	---	---	350,000		\$ -	\$ 350,000
NEW	Work Order and Asset Management Software System	92,000	---	---	---	---	---	92,000		\$ -	\$ 92,000
NEW	Corridor Improvement Projects	---	---	---	---	---	---	0	Project costs unknown at this time.	\$ -	\$ -
NEW	Front St Lighting Circuit and Receptacles	---	---	400,000	400,000	---	---	800,000		\$ -	\$ 800,000
NEW	W. Front St (TCSB) to Oak Street Streetscapes	150,000	---	---	---	---	---	150,000	Special Assessment Fund	\$ -	\$ 150,000
NEW	Riverwalk Lighting (N Side of Boardman River)	200,000	---	---	---	---	---	200,000	Grant Funding Reimbursement	\$ -	\$ 200,000
DELETED	Bayfront Trail Lighting Phase I & II	---	---	---	---	---	---	0		\$ 150,000	\$ (150,000)

**TRAVERSE CITY LIGHT & POWER
SIX YEAR CAPITAL IMPROVEMENTS PLAN 2014**

(This worksheet is for illustration purposes only and is supplemental information to the Plan)

		Fiscal Year 2014-15	Fiscal Year 2015-16	Fiscal Year 2016-17	Fiscal Year 2017-18	Fiscal Year 2018-19	Fiscal Year 2019-20	Project Totals	Project Notes	2013 Funding Level	Change
NO CHANGE	Cass & Lake Street Streetscapes	---	350,000	---	---	---	---	350,000	Special Assessment Fund	\$ 350,000	\$ -
NO CHANGE	East Front Street Streetscapes	---	400,000	---	---	---	---	400,000	Special Assessment Fund	\$ 400,000	\$ -
NO CHANGE	Garland Street Streetscapes	200,000	100,000	---	---	---	---	300,000	Special Assessment Fund	\$ 300,000	\$ -
NO CHANGE	Park Street Streetscapes	100,000	---	---	---	---	---	100,000	Special Assessment Fund	\$ 100,000	\$ -
DELETED	Pine Street Pedestrian Way <i>(In coordination with Pine Street Overhead to Underground - funding to be determined by the Board, if any)</i>	---	---	---	---	---	---	0		\$ 655,000	\$ (655,000)
Total Joint TCL&P, City of Traverse City and DDA Projects		742,000	1,100,000	500,000	400,000	0	0	2,742,000		1,955,000	787,000
TOTAL		\$ 9,072,000	\$ 5,755,000	\$ 5,560,000	\$ 5,300,000	\$ 5,650,000	\$ 4,150,000	\$ 35,487,000		\$ 35,625,000	\$ (138,000)

FIBER FUND PROJECTS:

CHANGE	Wi-Fi Project - DDA <i>(funding reinstated with DDA)</i>	700,000	---	---	---	---	---	700,000	Funding to come from Downtown Development Authority	\$ -	\$ 700,000
Total Fiber Fund Projects		\$ 700,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 700,000		\$ -	\$ 700,000

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



To: Light and Power Board
From: Tim Arends, Executive Director
Date: February 20, 2014
Subject: Organizational Chart and New Administrative Positions

A handwritten signature in black ink, appearing to be "T. Arends", is written over the "From:" line of the header.

Attached is an updated organization chart for your consideration of approval. The organization chart has two new positions, while eliminating two current positions, and a renaming of one. The changes are described below. Please note there are two recommended motions for this agenda item.

In the course of undergoing the Efficiency Study and the development of the Strategic Plan certain recommendations and goals have been provided to the Board that supports the creation of two new positions from former existing positions, Manager of Energy Services and Key Accounts and Manager of Human Resources and Communications. Both of these positions were discussed at the February 18, 2014 Study Session. The position of Marketing and Community Relations Coordinator will be eliminated with the consolidation of its duties within the two newly created positions.

Additionally, staff is requesting a renaming and slightly modifying the job duties of the Engineering Analyst position. If approved, it will be titled GIS Specialist, which is currently not filled but included in the budget. This change better reflects the duties of that position. Another change includes the elimination of the Staff Engineer position. Those duties have been assigned to the Operations Manager position. Should there be a future need for a Staff Engineer it will be re-justified to the board for its consideration of approval.

If the Board is in agreement with approving new organizational chart and administrative position changes, as presented, the following motion would be appropriate:

**MOVED BY _____, SECONDED BY _____, THAT
THE LIGHT & POWER BOARD APPROVES THE ORGANIZATIONAL CHART AS PRESENTED.**

Each new position is described below with the individual job descriptions attached for more a detail review of the positions duties and responsibilities.

Manager of Energy Services and Key Accounts

This position will report to the Executive Director and will focus on developing and administrating the Key Accounts program along with managing Energy Optimization programs as mandated by the State and Board. It is classified as a grade level three with a pay range of \$56,047 to \$72,861 plus benefits.

Manager of Human Resources and Communications

This position will report to the Executive Director and will focus on bringing the functions of Human Resources back in house in order to focus on goals established in the Strategic Plan that cannot be accomplished adequately with a Human Resource staff person one day per week. In addition, this person will be responsible for the utility's external communications with customers, media and public. It is classified as a grade level three with a pay range of \$56,047 to \$72,861 plus benefits.

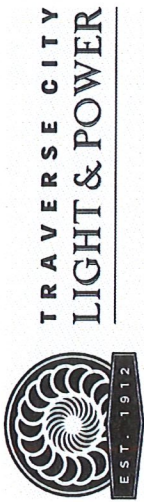
GIS Specialist

This position will report to the Manager of Telecommunications and Technology. Previously titled, Engineering Analyst, this position is being renamed and the duties have been slightly modified to address the current and future technology needs of the TCL&P. The new duties incorporated into this position include adding additional GIS responsibilities and assisting the Manager of Telecommunications and Technology on future technological capital projects approved by the Board through the Strategic Plan and Capital Plan process. This position will remain classified as a grade level two with a pay range of \$52,380 to \$68,095 plus benefits.

I recommend the above position changes and if the Board is in agreement with the recommendations the following motion would be appropriate:

MOVED BY _____, SECONDED BY _____, THAT

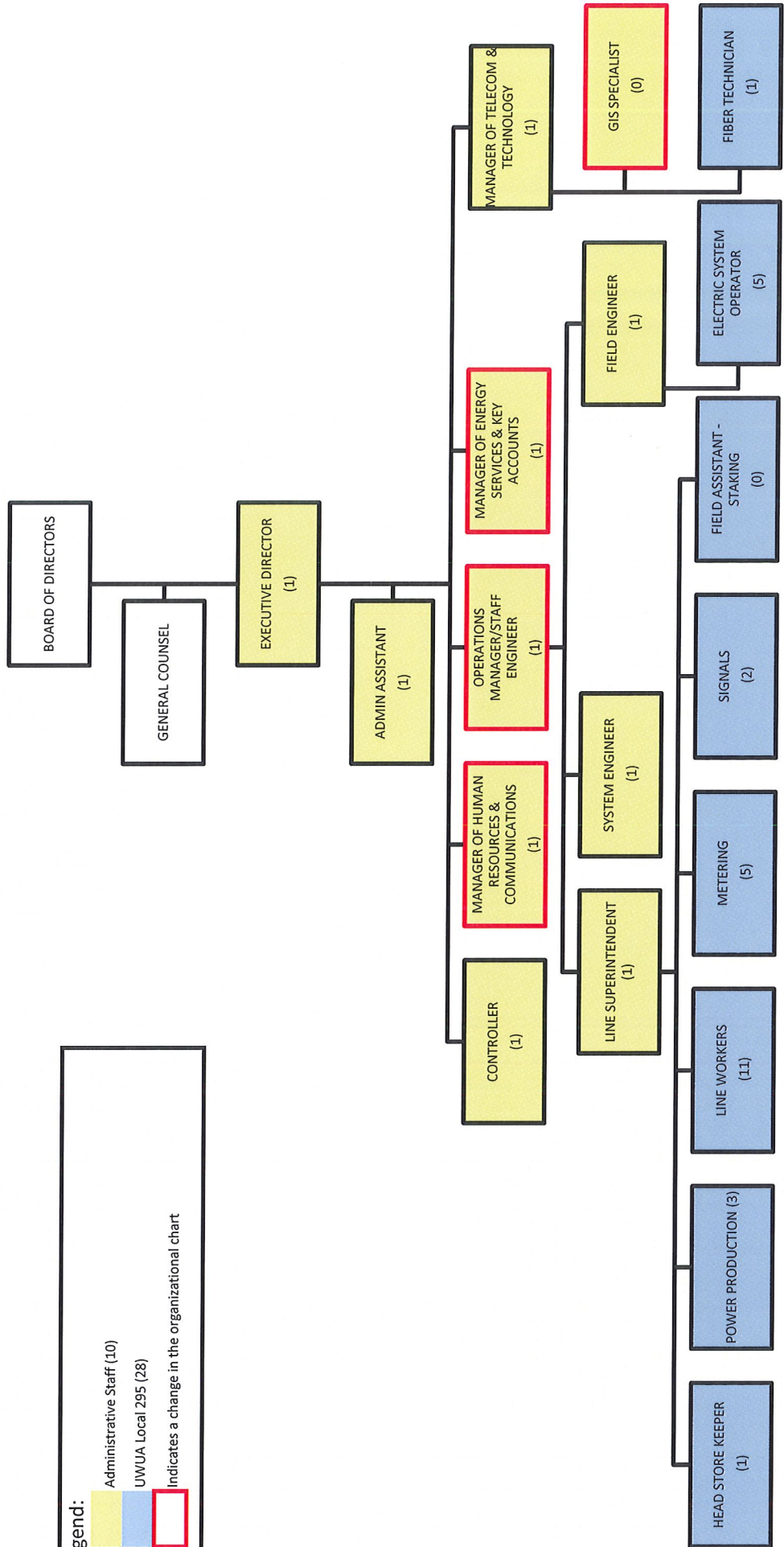
THE LIGHT & POWER BOARD APPROVES THE POSITIONS OF MANAGER OF ENERGY SERVICES AND KEY ACCOUNTS, MANAGER OF HUMAN RESOURCES AND COMMUNICATIONS, AND GIS SPECIALIST.



PROPOSED Organizational Chart

Legend:

- Administrative Staff (10)
- UMWUA Local 295 (28)
- Indicates a change in the organizational chart



TRAVERSE CITY LIGHT & POWER JOB DESCRIPTION

MANAGER OF ENERGY SERVICES & KEY ACCOUNTS

Supervised By: Executive Director
Supervises: No supervisory responsibility recommended
Status: Exempt

Position Summary:

Under the general direction of the Executive Director, develops effective business relationships with current and potential major customers to meet their electrical and service needs. Responsible for developing and administering residential and commercial energy optimization programs ensuring the State requirements are met and performs other duties as assigned.

Essential Job Functions:

An employee in this position may be called upon to do any or all of the following essential functions. These examples do not include all of the duties which the employee may be expected to perform. To perform this job successfully, an individual must be able to perform each essential function satisfactorily.

1. Develops and implements energy optimization programs for residential customers including fielding customer questions, assisting customers with the application process, processing appropriate customer rebates, and accurately tracking the program's energy savings results.
2. Develops and implements the energy optimization programs for all business customers including fielding customer questions, performing energy efficiency evaluations of the customer's facility and providing energy saving recommendations, assisting customers with the application process, processing customer rebates, and accurately tracking the program's energy savings results.
3. Administers the utility's Key Accounts program including the coordination of an annual key account customer meeting, specialized services such as infrared scanning, and serving as the customer's primary contact on matters relating to energy efficiency and conservation, rate structure, customer service and new product offerings.
4. Establishes contact with key account customers and maintains a credible and working business relationship, through regular communication and meetings with key decision makers.
5. Researches new energy efficiency opportunities and develops a long-term plan designed to implement programs and incentives that will manage load growth aimed at reducing on-peak demand and maximize energy efficiency outcomes for dollar amounts budgeted for the benefit of all ratepayers.
6. Identifies, coordinates, and advocates services, including rate analysis and special projects requiring the utilities involvement, for key account customers, ensuring the customer needs are met and exceeded.

7. Promotes and educates customers on energy efficiency and conservation through a variety of means including radio or television interviews, presenting to community groups, printed media campaigns, and utilizing the customer bill insert.
8. Responsible for representing the utility on energy efficiency and key account relationship matters to various entities, committees, civic groups, and at special events. Attends meetings, prepares related correspondence, and presents as necessary.
9. Ensures that the residential and business energy optimization programs are implemented successfully within the annual board approved budget.
10. Represents the utility on MPPA's Energy Efficiency Service Committee to ensure TCL&P is meeting the State mandated energy optimization goals.
11. Responsible for filing annual reports to the State for the utility's Energy Optimization Program and Renewable Energy Plan.
12. Develops and implements a bi-annual newsletter specifically aimed at communicating with business customers.
13. Responds to customer inquiries, investigates complaints and works with other employees to resolve utility billing issues.
14. Supervises and monitors the activities of outside consultants contracted for specific work related projects.
15. Participates in the budget process for energy optimization programs and related services, projects and capital improvements.
16. Keeps abreast of legislative or regulatory developments and other current issues through continued education and professional growth. Attends conferences, workshops, and seminars as appropriate.
17. Performs other duties as assigned.

Required Knowledge, Skills, Abilities and Minimum Qualifications:

The requirements listed below are representative of the knowledge, skills, abilities and minimum qualifications necessary to perform the essential functions of the position. Reasonable accommodations may be made to enable individuals with disabilities to perform the job.

- Bachelor degree in business management or a related field plus three years experience in sales, communications or a similar discipline. Energy conservation and energy efficiency certifications preferred.
- State of Michigan Vehicle Operator's License.
- Thorough knowledge of the principles and practices of marketing, business retention, customer service, energy conservation, energy efficiency, and energy auditing.

- Thorough knowledge of the legislative and regulatory issues surrounding utilities.
- Knowledge of the technical products and equipment utilized by TCL&P and the ability to effectively explain their purpose and operation to customers.
- Considerable technical knowledge of electrical principles and theories to effectively communicate with large customers.
- Skill in researching complex issues, assembling and analyzing data, and communicating comprehensive and accurate explanations to customers.
- Skill in effectively communicating ideas and concepts orally and in writing, making presentations and maintaining public relations.
- Ability to establish effective working relationships and use good judgment, initiative and resourcefulness when dealing with customers, professional contacts, and the public.
- Ability to use basic office equipment such as telephone, calculator, photocopier, fax, personal computer and applicable software applications such as word processing, spreadsheet and presentation software.

Physical Demands and Work Environment:

The physical demands and work environment characteristics described here are representative of those an employee encounters while performing the essential functions of the job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

While performing the duties of this job, the employee is regularly required to communicate in person and by telephone, read regular and small print, view and produce written and electronic documents and enter data on a computer keyboard. The employee must be mobile in an office setting, stand, sit, stoop and kneel, use hands to finger, handle, or feel and reach with hands and arms. The employee must occasionally lift and/or move items of light weight.

While performing the duties of this job, the employee regularly works indoors but must drive a motor vehicle between work sites. The typical work environment of this job is a business office setting where the noise level is quiet and sometimes moderate.

TRAVERSE CITY LIGHT & POWER
Job Description

MANAGER OF HUMAN RESOURCES AND COMMUNICATIONS

Supervised By: Executive Director, TCL&P
Supervises: No supervisory responsibility
Status: Exempt

General Summary:

Under the general supervision of the Executive Director, manages the human resource and communication functions including administration of the utility's safety program. Position directs and implements programs, policies and procedures, labor relations, employee relations, recruitment, compensation, organizational development, employee safety and health, communications and public relations.

Essential Job Functions:

An employee in this position may be called upon to do any or all of the following essential functions. These examples do not include all of the duties which the employee may be expected to perform. To perform this job successfully, an individual must be able to perform each essential function satisfactorily.

1. Administers the TCL&P Collective Bargaining Agreement, drafting language and researching and reporting on the potential cost and service impacts of proposed provisions. Assists Management and employees with information on, and interpretation of the Collective Bargaining Agreement and serves as a member of the collective bargaining team.
2. Ensures regulatory compliance with federal, state, and local regulations related to safety, injury and accident prevention, identifying safety improvement opportunities, developing and tracking safety programs, and reducing the utility's liability due to safety issues.
3. Develops and administers both internal and external communication mechanisms including surveys, customer bill inserts, employee newsletters and external print and media campaigns.
4. Develops and administers community outreach programs, serving as public relations liaison with customers, the public, at meetings, special events and schools. Acts as media liaison per direction from the Executive Director.
5. Researches and implements Social Media communication methods, capturing online reviews and comments and responding accordingly. Monitors trends in Social Media tools, applications, channels and design.
6. Directs and participates in the recruitment, hiring, discipline and discharge process of TCL&P employees. Handles the investigation of complaints and grievances. Analyzes job descriptions, prepares job postings, reviews applications, conducts interviews in conjunction with other department staff, performs reference and background checks and makes employment offers. Oversees the proper maintenance and access to TCL&P employee personnel files.
7. Works with City HR to assist in administering TCL&P employee benefit programs including health, dental, vision, life and disability insurance, deferred compensation and the Employee Assistance Program (EAP). Orients new employees in the benefit program and assists retirees with retirement processes, responds to inquiries regarding benefit coverages.

8. Administers the TCL&P employee health care savings plan (HCSP) and defined benefit retirement program, serving as liaison with MERS.
9. Receives and processes work injury reports, and submits claims to the workers compensation insurance carrier.
10. Administers the employee performance evaluation and compensation program. Updates and maintains TCL&P wage ranges and benefits. Directs the performance evaluation process and conducts surveys and job analysis to determine the appropriate wage and benefit levels offered.
11. Develops and implements TCL&P personnel policies.
12. Ensures compliance with all applicable Federal and State laws and TCL&P policies and procedures related to personnel administration. Coordinates American's with Disability Act (ADA) compliance for TCL&P. Researches and responds to inquiries from staff and public. Serves as TCL&P's Equal Opportunity Coordinator.
13. Processes new employees ensuring required employment and payroll documentation is completed, establishes personnel files and reviews TCL&P personnel policies and procedures.
14. Investigates, assesses and recommends staff educational, training and professional development programs. Assists departments in arranging and administering educational curriculums, and in developing assessment tools to measure satisfaction.
15. Updates and maintains TCL&P's website content for accurate and up-to-date information.
16. Prepares and assembles statistical data. Prepares monthly, quarterly and annual reports for a variety of regulatory and administrative purposes. Utilizes a variety of computer programs to track data and compile reports.
17. Keeps abreast of current issues, changing legislation and policies, new administrative techniques, and developments in the public administration field through continued education and professional growth. Attends conferences, workshops, and seminars as appropriate.
18. Performs related work as required.

Required Knowledge, Skills, Abilities and Minimum Qualifications:

The requirements listed below are representative of the knowledge, skills, abilities and minimum qualifications necessary to perform the essential functions of the position. Reasonable accommodations may be made to enable individuals with disabilities to perform the job.

- Education requirements include a Bachelor's degree in public or business administration, human resources, labor relations or related field.
- Minimum of three (3) years' experience in personnel administration and labor relations.
- Thorough knowledge of the laws, statutes and regulations pertaining to employee recruitment, hiring, discharge, record keeping, training, insurance, retirement and payroll and benefits administration.

- Knowledge of the basic fundamentals of marketing and the use of social media.
- Knowledge of personnel administration techniques and practices.
- Skill in counseling employees and developing appropriate personnel recommendations.
- Skill in conducting interviews and selecting the most qualified applicants.
- Basic understanding of the electric utility industry.
- Knowledge of records retention and benefit programs.
- Ability to maintain and organize records, compiling data and prepare comprehensive reports on matters related to personnel administration.
- Skill in utilizing computer software including databases, spreadsheets, word processing and marketing software.
- Ability to coordinate and manage multiple tasks and establish appropriate timetables for completion.
- Ability to establish effective working relationships and use good judgment, initiative and resourcefulness when dealing with customers, employees, retirees, outside agencies, the media and the public.
- Ability to communicate effectively and present ideas orally and in writing, making presentations and maintaining public relations.
- Ability to work effectively under stress and changes in work priorities.

Physical Demands and Work Environment:

The physical demands and work environment characteristics described here are representative of those an employee encounters while performing the essential functions of the job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

While performing the duties of this job, the employee is regularly required to talk or hear. The employee frequently is required to use hands to finger, handle, or feel and reach with hands and arms. The employee occasionally is required to travel to other locations. The employee must frequently lift and/or move light weight items. Specific vision abilities required by this job include close vision, distance vision, peripheral vision, depth perception, and ability to adjust focus.

While performing the duties of this job, the employee regularly works in a business office setting. The noise level in the work environment is usually quiet to moderate.

TRAVERSE CITY LIGHT & POWER
Job Description

GIS SPECIALIST

Supervised By: Manager of Telecommunications & Technology
Supervises: No supervisory responsibility
Status: Exempt

Position Summary:

Under the general supervision of the Manager of Telecommunications & Technology, performs a wide variety of duties with emphasis on Geographic Information Systems (GIS) support, including advanced system setup and configuration, enterprise database development, complex data analysis, asset gathering and identification, user training, computer systems, and applications development

Essential Job Functions:

An employee in this position may be called upon to do any or all of the following essential functions. These examples do not include all of the duties which the employee may be expected to perform. To perform this job successfully, an individual must be able to perform each essential function satisfactorily.

1. Develops and implements standards associated with mapping and editing of the GIS environment.
2. Manages and creates ArcGIS Server services and GIS applications as well as other related high level functions.
3. Designs and updates the GIS database, applying additional knowledge of spatial feature representations.
4. Gathers, analyzes, and integrates spatial data from GPS devices, field personnel, and staff.
5. Researches, investigates, and recommends new technologies in the GIS field and develops plans for testing and implementing new systems and system enhancements.
6. Responsible for providing and maintaining accurate, updated maps to support the safety of field and operations personnel.
7. Prepares and updates plans, designs, drawings, maps, records, reports, procedures, cost estimates and work instructions.
8. Develops and provides training as required to all TCL&P employees on applications such as GIS and the work order management system.
9. Assists in the development of load modeling studies, load forecasting, demand response programs and smart metering applications.
10. Conducts studies and develops inspection processes to support the operation and maintenance of TCL&P systems, including electric and fiber.

11. Assists the Manager of Telecommunication and Technology in providing general support for the TCL& P computer systems and applications including installing, configuring and maintaining personal computers and other computer related hardware and software.
12. Performs other duties as assigned.

Required Knowledge, Skills, Abilities and Minimum Qualifications:

The requirements listed below are representative of the knowledge, skills, abilities and minimum qualifications necessary to perform the essential functions of the position. Reasonable accommodations may be made to enable individuals with disabilities to perform the job.

- Educational requirements include a Bachelor's degree in Geographic Information Systems, Computer Science or related field.
- Experience requirements include a minimum of three (3) years working with ESRI's software suite (ArcGIS, ArcSDE, ArcServer) and programming languages with ESRI technologies.
- Advanced knowledge of ArcGIS Server, SQL Server databases, GPS devices, and related computers hardware and software.
- Ability to design, program, and implement GIS applications using general programming languages.
- Knowledge of coordinate geometry, geography terms, vector maps and the general uses and capabilities of Geographical Information.
- Ability to read and understand survey drawings, design plans and maps, and translate data sources into usable information.
- Skill in the use of office equipment and technology to assist with general technical support which includes computer setups, software installations, printer issues, and general networking support.
- Ability to establish effective working relationships and use good judgment, initiative and resourcefulness when dealing with department administrators, employees, vendors, representatives of other City units and professional contacts.
- Ability to communicate effectively and present ideas orally and in writing.
- Ability to critically assess situations, solve problems, and work effectively under stress within deadlines and with changes in work priorities.
- Possess and maintain a valid State of Michigan Vehicle Operator's License.

Physical Demands and Work Environment:

The physical demands and work environment characteristics described here are representative of those an employee encounters while performing the essential functions of the job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

While performing the duties of this job, the employee is regularly required to talk or hear. The employee frequently is required to use hands to finger, handle, or feel and reach with hands and arms. In the course of inspecting engineering projects, the employee is occasionally required to stand, walk, stoop, kneel, crouch, and crawl. The employee must occasionally lift and/or move items of light to moderate weight. Specific vision abilities required by this job include close vision, distance vision, color vision, depth perception, and ability to adjust focus.

While performing the duties of this job, the employee regularly works in a business office setting. The employee is occasionally exposed to outside weather conditions. The noise level in the work environment is usually quiet, and may become loud in field situations.

GIS Specialist
February 2014

Overview: Michigan Public Power Agency

David Walters
General Manager and CEO
Michigan Public Power Agency



Michigan “Public Power”

- Michigan has 41 municipally-owned electric utility systems (Detroit Public Lighting Department?)
- Range in size from a small village of less than 200 customers (Daggett) to the Lansing Board of Water and Light with almost 100,000 customers
- Total aggregate annual retail electricity sales to public power customers in Michigan is approximately 7.7 billion kWh (or about 7.4% of the State’s total retail electricity sales)
- All public power systems in the State are members of the **Michigan Municipal Electric Association (MMEA)**



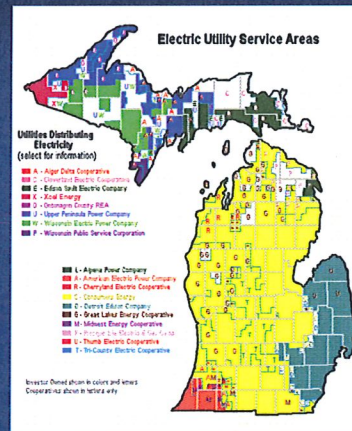
Michigan “Public Power”

- Municipal utilities in Michigan are departments of municipal corporations (i.e. subdivisions of local government) and are regulated by local City Councils and/or Utility Boards (rates and service rules are not under the jurisdiction of the MPSC – except EOP and REP require MPSC review and conformance with State shut-off protection and low-income assistance rules)
- Public power systems can provide service outside of municipal limits but are restricted to serving contiguous townships



Michigan “Public Power”

- 12 municipal electric systems are located in Michigan’s Upper Peninsula
- 20 municipal utilities within the Consumers Energy service territory
- 4 in the Detroit Edison footprint
- 5 are located in the south-eastern lower peninsula in the service territory of Indiana Michigan Power Company (AEP)



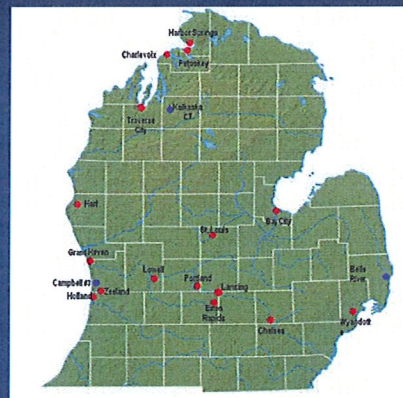
Michigan “Public Power”

- Michigan PA 448 of 1976, as amended, encourages the formation of **Joint Action Agencies (JAAs)** to allow municipal electric utilities to jointly “*acquire, finance, maintain, and operate generating, transmission, and distribution facilities of electric power, fuel and energy reserves and all necessary related properties, equipment, and facilities;*”
- Three JAAs are currently serving Michigan’s municipal electric utilities:
 - Michigan Public Power Agency (MPPA) – 17 members
 - Michigan South Central Power Agency (MSCPA) – 5 members
 - Wisconsin Public Power Inc. (WPPI Energy)
 - 6 MI municipal members in Upper Peninsula



Michigan Public Power Agency

- 17 member systems (16 in MI lower peninsula)
- MPPA members supply about 5.7 billion kWh annually to retail customers (about 74% of all MI municipal sales)
- Peak member demand of approximately 1,250 MW
- LBWL represents about 38% of MPPA member retail load



Michigan Public Power Agency

- MPPA is a “Project” based JAA

Member utilities can choose to participate in each Agency project or service committee independently



- MPPA primary generation projects:



CECO Campbell #3 (40 MW) – 10 members

DTE Belle River (232 MW) – 11 members

MPPA Kalkaska CT (50 MW) – 5 members

Landfill Gas (phased 23 MW) – 14 members

AFEC (35 MW) – 13 members



Michigan Public Power Agency

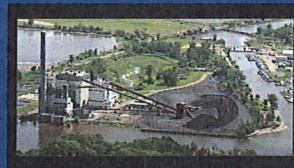
- Member Owned Generation:



Coal (773 MW of which 493 @ LBWL)

Natural Gas/Oil (388 MW)

Renewables (20 MW)



- Scheduling/Dispatch/Market Participation Services:

Energy Services Project – 15 members



Michigan Public Power Agency

- Other Projects/Service Committees (SC):

- Transmission Project – 13 members

- NERC Compliance Support SC – 15 members

- Base Resource Study SC – 11 members

- Combine Cycle Study SC – 9 members

- Renewable Resources Study SC – 12 members

- Renewable Energy Planning SC – 15 members

- Energy Efficiency SC – 23 participants (incl. non-members)

- MIREC Support SC – 15 members

- Full-requirements SC – 9 members



- MPPA's Core Purpose

- To create opportunities for joint action that enable Michigan's local public power utilities to successfully provide reliable, cost effective and environmentally responsible electric utility service



Michigan Public Power Agency

- MPPA looks at blending each of its member's existing internal and jointly-owned resources and individual system energy and capacity requirements with those of other members in mutually beneficial relationships and then proposes and recommends short-term and mid-term power purchases and/or long-term project development or PPA opportunities that meet our members' needs



MPPA's Future Power Supply Needs

- MPPA continues to evaluate longer term projects within its committee structure
 - Base Resource Study SC
 - Combined Cycle Study SC
 - Renewable Resources SC
 - Full-Requirements SC



Questions?

David Walters
General Manager and CEO
Michigan Public Power Agency

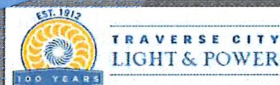
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www.mpower.org



**JOINT ACTION PRESENTATION
TCL&P BOARD MEETING
FEBRUARY 25, 2014**

David Walters
General Manager and CEO
Michigan Public Power Agency



Michigan Public Act 448 of 1976

Encourages the formation of Joint Action Agencies (JAAs) to allow municipal electric utilities to jointly *“acquire, finance, maintain, and operate generating, transmission, and distribution facilities of electric power, fuel and energy reserves and all necessary related properties, equipment, and facilities”*



MPPA's Core Purpose

"To create opportunities for joint action that enable Michigan's local public power utilities to successfully provide reliable, cost effective and environmentally responsible electric utility service"



3

"Project" based vs. "Full-Requirements" JAA

In a **Project** based agency, the members can choose to participate in each project or service committee independently and to what level

- JAA evaluates and presents "opportunities" consistent with its mission and purpose
- **Members retain the choice** to participate in any agency project **and the responsibility** to plan their own power supply future
- Agency does not have obligation to serve or plan unless provided under member contract
- Leads to member specific resource portfolios

In a **Full-Requirements** agency, the agency Board, on behalf of all members decides what projects and services the agency will provide and all members participate and are allocated (and pay for) resources and services, typically in proportion to their loads

- Leads to common resource portfolio and pricing
- MSCPA and WPPI are full-requirements agencies



4

MPPA's Generation Projects

- (1) 4.8% of 830 MW CECO **Campbell #3** (40 MW) – Baseload Coal
TCL&P 26.35% or approximately 10.5 MW
- (2) 18.6% of 1,270 MW DTE **Belle River** (236 MW) – Baseload Coal
TCL&P 4.53% or approximately 10.7 MW
- (3) 100% **Kalkaska** Combustion Turbine (50 MW) – Peaking Nat. Gas
TCL&P 75.9% or approximately 38 MW
- (4) **Landfill Gas** (phased 23 MW) – Baseload Renewable
(Two Power Purchase Agreements with Granger and NANR)
TCL&P 8.13% or approximately 1.87 MW in 2015
- (5) 5.16% of 675 MW AMP **Fremont Energy Center** (35 MW) – Int. NG
TCL&P 0%



5

2014 Projected TCLP Resource Requirements

Approximately 42% of TCL&P system needs are projected to come from MPPA's **Belle River** and **Campbell 3** Projects in 2014
(budgeted at approx. \$63 / MWh delivered to TC)

Approximately 5% of TCL&P system needs are projected to come from the MPPA **Kalkaska** Combustion Turbine in 2014

Approximately 3% of TCL&P system needs are projected to come from the MPPA **Landfill Gas** Project (\$88 / MWh w/o trans)

The remaining approximately 50% of TCL&P system needs will come from other Bilateral Contracts and from the day-ahead and real-time MISO regional market



6

TCL&P Transmission Requirements

Although MPPA projects provide approximately 50% of TCL&P annual energy needs, billings for these projects (Belle River, Campbell 3, Kalkaska CT, Transmission Project, and Transmission Service Committee) supply adequate transmission entitlements and network transmission service for all of TCL&P system needs (including 3rd party direct purchases)

In many months, TCL&P gets paid for its excess transmission position through MPPA's "transmission sharing"

MPPA's transmission entitlements associated with these projects allow TCL&P to avoid payments to MISO for Network Integration Transmission Service (NITS)

The average MPPA project transmission entitlement embedded cost is less than ½ the NITS rate (annual savings to TCL&P estimated to be about \$1.5 million, including payments for sharing)



7

TCL&P Transmission Requirements

TCL&P's annual transmission entitlement costs from MPPA (excluding costs associated with ITC system ownership receiving MISO revenue distribution in Belle River) is about \$1.22 million for approximately 62 MW of transmission

Additionally, TCL&P pays about \$120K annually for additional NITS and receives about \$300K in transmission sharing revenues

Spreading these transmission costs on a unit basis over all TCL&P purchases, results in a per MWh charge of approximately \$3/MWh (what TCL&P actually sees in its billings is \$6/MWh purchased from MPPA and \$0/MWh purchased from others)



8

2013 MPPA Sales

MPPA's 17 member systems supplied approximately 5.7 billion kWh to their retail customers in 2013 (peak demand of about 1,250 MW)

TCL&P's retail load is about 6% of this total

MPPA's generation projects highlighted previously (i.e. BR, C3, CT, AFEC, and Landfill Gas) supplied about 1/3 of the necessary energy (about 1.96 billion kWh) to meet the members' total 2013 system energy requirements (their retail sales plus any T & D losses)

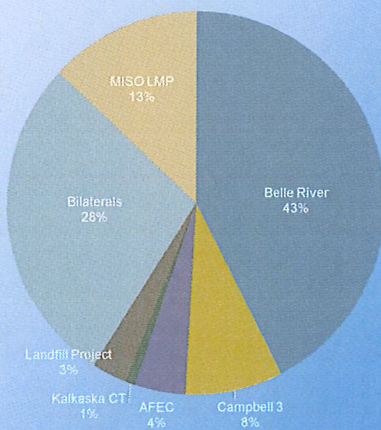
Additionally, MPPA facilitated bilateral transactions and day-ahead and real-time MISO market purchases of another 1.35 billion kWh in 2013 (MPPA total annual sales of 3.31 billion kWh – **TCL&P 0.17 or 5%**)

MPPA then supplied about 56% of its members' total 2013 energy requirements; the remaining was supplied by member internal generation and member "direct" power purchase arrangements (i.e. transactions that did not flow through MPPA)



9

2013 MPPA Energy Sales (% of MWh)



10

Member Power Supply Diversity

Marquette purchased about 15% of its 2013 system requirements from MPPA (primarily served by internal generation) – Grand Haven is normally quite similar

MPPA's smallest members purchase 100% of their system requirements from MPPA

LBWL purchases only its entitlement of the **Belle River** Project from MPPA (about 40% of its retail system requirements) – 27% of MPPA 2013 sales

Each MPPA member's power supply portfolio is unique to that utility



11

MPPA Energy Services Project

All bilateral contracts and day-ahead and real-time market transactions through MPPA occur under the contractual requirements of the Energy Services Project and are performed consistent with MPPA's approved Energy Risk Management Policy

15 members of MPPA have signed the Energy Services Agreement designating MPPA as their MISO "Market Participant"

About 41% of MPPA's 2013 sales volume was transactions under the Energy Services Agreement



12

MPPA Power Supply Practices

- (1) MPPA provides all generation project entitlements to member systems consistent with each members' applicable power sales and project support agreements
- (2) For those members within the Energy Services Project, MPPA regularly follows system load, generation project supplies, and internal generation and arranges for day-ahead and real-time purchases and sales to balance load and available power supply resources
- (3) Consistent with each ESP participant identified longer-term Hedge Plan and established power purchasing strategies, MPPA arranges for longer-term bilateral "block" purchases to minimize market exposure
- (4) Special PPAs or project ownership "opportunities" are evaluated as compared to available longer-term purchase options for all interested parties



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MPPA Power Supply Practices

MPPA maintains "active" enabling agreements with counterparties allowing for ongoing bilateral transactions

MPPA only transacts with "credit worthy" counterparties meeting the established credit management requirements of MPPA's ERM Policy. "Active" counterparties must be included in independent third-party continuous credit monitoring and evaluation program and meet minimum credit criteria

MPPA does not "speculate" - bilateral transactions are only permitted for the purpose of hedging "physical delivery"

MPPA primarily uses "standard" financially firm Board approved commodities and products – any non-standard products require Board approval



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MPPA Risk Mitigation

To the extent possible, MPPA combines necessary member bilateral purchases into "economical" block sizes

Members, in consultation with MPPA staff, establish individual hedging strategies minimizing risk (counterparty concentration risk, commodity market price risk, volumetric risk, etc.)

MPPA recommends purchases consistent with established member risk profile – MPPA provides updated quarterly power supply plans and timely purchase recommendations to maintain compliance within member approved hedge plan – member retains final purchase approval of longer-term products (unless delegated in writing to MPPA)

Multiple bids are solicited for standard products



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Recent Market Observations

From a historical perspective, the recent short term regional market has been very attractive

- (1) If one was willing to accept the potential upside risk, the cheapest power supply alternative over the last couple years would have no doubt been to simply buy at the Locational Marginal Price, or LMP (within the day-ahead or real-time MISO market)
- (2) The average day-ahead LMP at the Michigan Hub in 2013 was about \$39/MWh on-peak and approximately \$29/MWh off-peak (note: January, 2014 avg. peak \$85, avg. off-peak \$50)

MPPA, obviously doesn't recommend this "unhedged" strategy

Financially firm bilateral contracts in 2013 provided MPPA members price certainty, but resulted in average hedge cost of about \$15/MWh (difference between average bilateral and Day-Ahead)




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Recent Market Observations

- 1) For 2014, MPPA 5 x 16 annual block (peak) bilateral purchased power contracts have averaged approximately \$57/MWh at MichHub
annual 5 x 16 contracts ranged from \$40.88 - \$67.35
- 2) MPPA 2014 annual 7 x 24 (base) bilateral purchases to date have averaged about \$45/MWh at MichHub
annual 7 x 24 contracts ranged from \$34.43 - \$56.90
- 3) 2014 MPPA capacity purchases have averaged approximately \$2 / kW-month (MISO Zone 7)


Note: More recent purchases have been lower than the average



Recent Market Observations

	2014 5 x 16 Annual Bilateral PPA		2014 AFEC Budget @ 50% Capacity Factor		2014 Kalkaska CT Forecasted @ 6% Capacity Factor	
Fixed "Capacity" Expenses per kW-Month	\$2.00	(1)	\$7.58	(4)	\$8.00	(6)
Variable Expenses per MWh	\$57.00	(2)	\$35.50	(5)	\$45.00	(7)
Average Cost per MWh	\$62.88	(3)	\$56.26			

- (1) Average annual capacity MPPA purchased for Zone 7 (13/14 and 14/15)
More recent purchases are in the range of 50 cents per kW-month
- (2) Average annual 5 x 16 block MPPA purchased for 2014 - financially firm
More recent purchases are in the range of \$40-\$45 / MWh
- (3) Assumes 4,080 hours in 5 x 16 block
- (4) Includes Debt Service and fixed O & M and A & G
- (5) Includes natural gas @ \$4.57 / mmbtu, average heat rate of 7,250, and \$2.40 variable expenses
- (6) Includes plant debt service and all O & M and A & G expenses
Excludes fuel and transmission related expenses (debt service and O & M = \$2.20 / kW-month)
- (7) Includes natural gas @ \$4.21 / mmbtu, average heat rate of 10,700



Recent Market Observations

Purchased power prices over the near term have been relatively low and stable (until January, 2014!)

Natural gas futures price remains quite flat through 2017 (and beyond?)

At these purchase power prices for financially-firm energy and capacity

Is there incentive to build?



daily natural gas pricing report

as of February 12, 2014

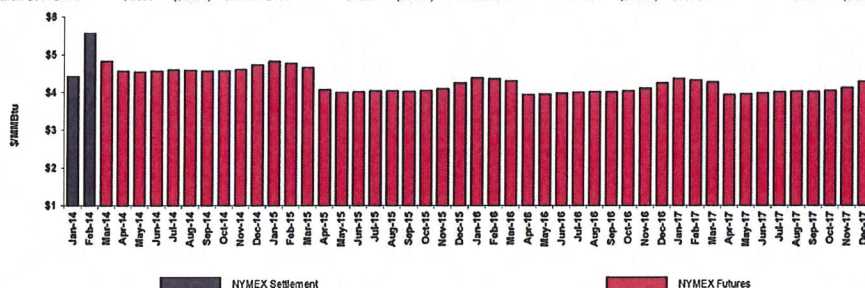
NYMEX Natural Gas Settlements and Futures

	daily change		daily change		daily change		daily change
January 2014	\$ 4.407	January 2015	\$ 4.814	January 2016	\$ 4.372	January 2017	\$ 4.349
February 2014	\$ 5.557	February 2015	\$ 4.759	February 2016	\$ 4.346	February 2017	\$ 4.320
March 2014	\$ 4.822	March 2015	\$ 4.650	March 2016	\$ 4.291	March 2017	\$ 4.262
April 2014	\$ 4.553	April 2015	\$ 4.061	April 2016	\$ 3.931	April 2017	\$ 3.937
May 2014	\$ 4.633	May 2015	\$ 3.993	May 2016	\$ 3.941	May 2017	\$ 3.948
June 2014	\$ 4.553	June 2015	\$ 4.008	June 2016	\$ 3.985	June 2017	\$ 3.973
July 2014	\$ 4.592	July 2015	\$ 4.024	July 2016	\$ 3.991	July 2017	\$ 4.001
August 2014	\$ 4.582	August 2015	\$ 4.031	August 2016	\$ 4.005	August 2017	\$ 4.018
September 2014	\$ 4.558	September 2015	\$ 4.016	September 2016	\$ 4.002	September 2017	\$ 4.014
October 2014	\$ 4.570	October 2015	\$ 4.040	October 2016	\$ 4.029	October 2017	\$ 4.042
November 2014	\$ 4.607	November 2015	\$ 4.082	November 2016	\$ 4.097	November 2017	\$ 4.112
December 2014	\$ 4.722	December 2015	\$ 4.240	December 2016	\$ 4.238	December 2017	\$ 4.278

* NYMEX Settlement Price

NYMEX Natural Gas Strip Pricing

12 Month	\$4.639	(\$0.006)	Winter 2014-2015	\$4.710	(\$0.005)	Winter 2015-2016	\$4.266	(\$0.022)	Winter 2016-2017	\$4.253	(\$0.009)
Summer 2014	\$4.563	(\$0.007)	Summer 2015	\$4.025	(\$0.027)	Summer 2016	\$3.681	(\$0.009)	Summer 2017	\$3.990	(\$0.009)
Calendar 2014 Dimin	\$4.609	(\$0.007)	Calendar 2015	\$4.227	(\$0.021)	Calendar 2016	\$4.101	(\$0.012)	Calendar 2017	\$4.104	(\$0.006)



Recent Market Observations

OMS/MISO Resource Adequacy Survey cover letter from John Bear, MISO President and CEO, dated January 30, 2014

“MISO believes the most recent survey (as of January 31, 2014) confirms there is still a significant amount of uncertainty as to whether the system will have adequate resources in 2016. This concern, combined with the fact that any shortfall mitigation occurs on a pro rata across the footprint, is intensified when we consider the results of the zonal analysis”

Zone 7 survey results (Mich LP) shows greatest 2016 “expected shortfall”



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Recent Market Observations

Generally, given the uncertainty in long-term capacity prices there may be rationale for MPPA to consider ownership in a “right-sized” natural gas fired combined cycle project (located in MISO Zone 7) to satisfy a portion of our members’ current long-term peak and intermediate demands



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Considerations when evaluating such a project

1) **Location**

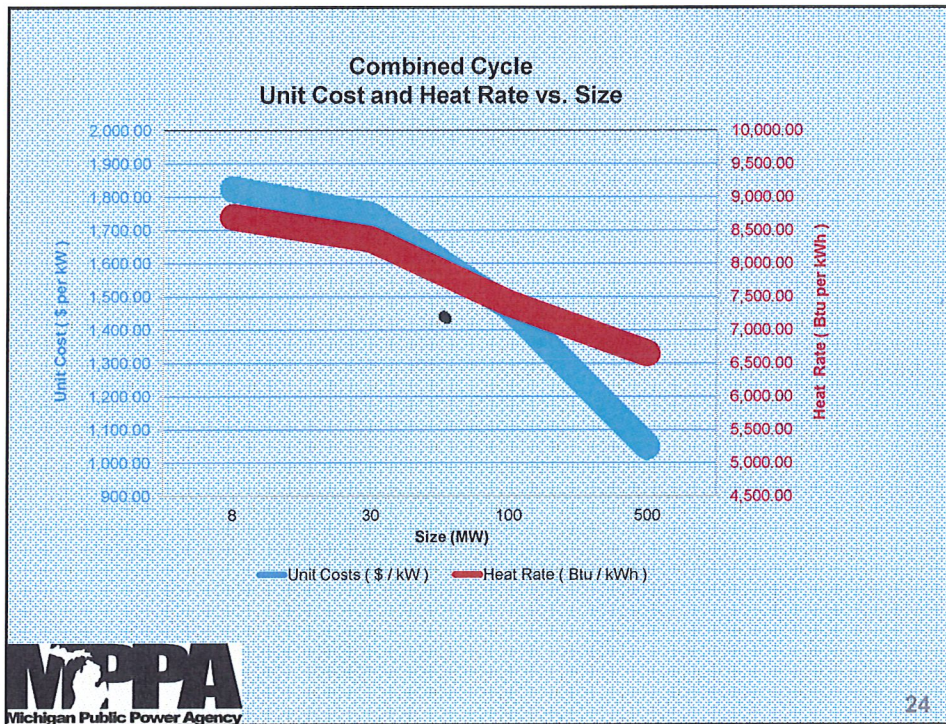
- Natural gas interconnection adequacy and cost and locational fuel supply alternatives
- Electric transmission interconnection adequacy and costs
- LMP/system congestion analysis

2) **Size**

- Project must possess "competitive" Heat Rate (measure of plant's efficiency)
- Appropriate economic project scale?

3) **Operating / Ownership Partner(s)**

- MPPA unlikely to reach necessary project scale without partner(s)
- Strength of partnership - impacts financing costs



500 MW vs. 30 MW New Combined Cycle Plant

500 MW (own 30 MW entitlement or 6%)

Unit costs = \$1,000 to \$1,100 per kW (total plant = \$525 million)

Estimated 30 MW share of plant costs = **\$31.5 million**

CC Heat Rate = 6,650 Btu per kWh

Fuel Cost @ \$4.50 / mmbtu = **\$29.93 / MWh**

30 MW (own 100%)

Unit costs = \$1,700 to \$1,800 per kW

Estimated total plant cost = **\$52.5 million (67% more)**

CC Heat Rate = 8,360 Btu per kWh

Fuel Cost @ \$4.50 / mmbtu = **\$37.62 / MWh (26% more)**



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Considerations when evaluating such a project

Obvious problems with larger jointly owned projects:

- (1) MPPA likely to be "minority" participant in such a project
- (2) Project development primarily responsibility of others – MPPA doesn't have enough load to develop a project at the economically efficient scale without others taking the lead
- (3) Timing of potential project also likely driven by others
- (4) If TCL&P opts for an MPPA project, not only does it need to share control with other MPPA members, MPPA will likely have a minority stake in a project (ex. AFEC has over 100 municipal utilities in multiple states participating)



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Considerations when evaluating such a project

What do these considerations suggest about:

- (1) Independent TCL&P only project vs. jointly owned project with other partners (how will TCL&P achieve efficient scale alone?)
- (2) Will only one local project provide equal diversity and risk mitigation as compared to potentially participation in multiple more remote and larger projects/PPAs?
- (3) Will a single smaller local project achieve same fuel transportation, delivery, and storage alternatives? Fuel supply diversity?
- (4) A smaller local project may provide tangential benefits. (waste heat for other uses, economic development, stand-by power etc.) Can these benefits offset higher costs of installation and operation?

Why aren't more CC generation projects moving forward?

- (1) Focus on renewable energy development and energy efficiency has slowed demand for more traditional project developments
- (2) Recession has additionally slowed demand growth
- (3) RTO markets have no doubt improved economic efficiency of regional generation dispatch
- (4) Natural gas price reductions brought on through increased use of fracking has made existing generation more economical to run
- (5) MISO regional capacity markets have not provided incentive for new installations
- (6) State regulatory agencies have not determined need

What to do in the interim?

- (1) Determine best power purchase options – develop an effective purchasing and hedge plan program consistent with TCL&P's own risk profile
- (2) Evaluate future project "opportunities" as compared to available purchase alternatives
- (3) Build flexibility and adaptability into you long-term power purchases, allowing you to take advantage of a project option if it proves to be a viable, cost effective solution
- (4) Energy risk management and power purchasing procedures should use cost effective "best practices"



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Questions?

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To: Light and Power Board
From: Karla Myers-Beman, Controller *KMB*
Date: February 20, 2014
Subject: Quarterly Financial Report

Enclosed in your packet are the first quarter financial statements for the Electric and Fiber Funds.

Electric Utility Fund:

As of September 30, 2013 (25% through the fiscal year) operating revenues are 28.9% of budgeted operating revenues. Residential sales have shown the largest percentage increase over the prior year at 8.4%, while commercial sales increased .6% and industrial sales decreased (3.6%). The Boards action to freeze the Power Cost Recovery Rate (PCR) until October 1, 2013 has resulted in customer savings in the amount of \$1.3M through the first quarter. Overall, total revenues are (3.8%) lower than this time last year.

Total operating expenses are at 24.4% of budget year-to-date, or very nearly on-budget. Since revenues (sales) have exceeded budget estimates slightly, expenses for purchased power are also higher. With the exception of purchased power, most other expense categories are at or slightly under budget through the first quarter. Conservation & Public Services is significantly under budget at 5.5% through the first quarter.

Net income through the first quarter is \$1.5 million, which is similar to last year.

The largest difference from prior year is the MISO Revenue, which last year there was overpayments made earlier in the year that were later reconciled.

Fiber Fund:

Revenues in the Fiber Fund are on-budget while expenses are under budget (favorable). Net income of \$31,731 is 50.0% of budget through September. The fund has positive cash flow and may begin reimbursements to the electric utility fund for the initial investment of the backbone fiber network.

Total operating expenses are at 24.4% of budget year-to-date, or very nearly on-budget. Supervision and maintenance have exceeded budget estimates slightly because of the assistance provided to GTACS in starting up their connection to our fiber network, which is offset by the reimbursements received in non-operating revenues.

Staff is meeting with the DDA Wi-Fi Committee in the near future to determine if there is a feasible business plan in place for both the DDA and Light & Power.

TRAVERSE CITY LIGHT & POWER

Balance Sheet

September 30, 2013

ASSETS		LIABILITIES AND NET ASSETS	
Current assets		Current liabilities	
Cash and cash equivalents	\$1,888,420	Accounts payable	\$1,806,478
Investments	20,111,235	Customer deposits & credits	132,834
Receivables		Accrued expenses & other liabilities	348,649
Customer (net of allowance)	4,193,227	Due to primary government	159,865
Accrued interest	64,836		
Taxes	0	Total current liabilities	2,447,826
Other	137,316		
Inventories	1,731,463	Long-term liabilities	
Prepaid expenses	69,868	Compensated absences	230,349
Total current assets	28,196,365	Total liabilities	2,678,175
Long-term assets		Net assets	
Long-term advances & OPEB assets	1,105,674	Invested in capital assets	44,205,237
Land and land improvements	1,309,431	Unrestricted	26,623,865
Construction in progress	5,059,975		
Capital assets, net	37,835,831	Total net assets	70,829,102
Total long-term assets	45,310,911		
		Total liabilities and net assets	\$73,507,276
Total assets	\$73,507,276		
		Total Cash & Investments	\$ 21,999,655.00
		Difference	\$ -

TRAVERSE CITY LIGHT & POWER
Schedule of Revenues & Expenses - Budget and Actual
For the Month Ended September 30, 2013

	Current Month	Y-T-D Actual	Annual Budget	% of Budget
Operating revenues - sales	\$ 2,536,149	\$ 8,665,888	\$ 29,971,000	28.9%
Other operating revenues	275,685	788,566	2,704,000	29.2%
Total operating revenues	2,811,834	9,454,454	32,675,000	28.9%
<u>Generation expense:</u>				
Purchased power	462,035	2,025,992	6,440,000	31.5%
Stoney corners-wind energy	194,145	497,368	2,970,000	16.7%
Combustion turbine	249,147	727,621	3,978,000	18.3%
Campbell/belle river	942,539	2,638,847	8,840,000	29.9%
Landfill gas	26,596	104,787	460,000	22.8%
Other operations & maintenance	(34,275)	52,016	78,000	66.7%
Total generation expenses	1,840,187	6,046,631	22,766,000	26.6%
<u>Distribution expense:</u>				
Operations & maintenance	272,043	759,061	3,470,000	21.9%
<u>Transmission expense:</u>				
Operations & maintenance	26,496	78,685	420,900	18.7%
<u>Other operating expense:</u>				
Metering & customer accounting	16,671	110,019	573,400	19.2%
Conservation & public services	15,672	56,442	1,027,750	5.5%
General administration	54,613	194,483	1,163,950	16.7%
Insurance	5,655	8,562	66,350	12.9%
Depreciation expense	156,575	469,806	1,982,000	23.7%
City fee	120,000	360,000	1,634,700	22.0%
Total other operating expenses	369,186	1,199,312	6,448,150	18.6%
Total operating expenses	2,507,912	8,083,689	33,105,050	24.4%
Operating income/(loss)	303,922	1,370,765	(430,050)	-318.7%
<u>Other revenues/(expenses):</u>				
Non-operating revenues	53,552	172,646	430,050	40.1%
Non-operating expenses	0	0	0	---
Net income	\$ 357,474	\$ 1,543,411	\$ -	#DIV/0!

TRAVERSE CITY LIGHT & POWER
Revenue & Expenses Compared

	September 2013	September 2012	Increase/ Decrease	%	Y-T-D 9/30/2013	Y-T-D 9/30/2012	Increase/ Decrease	%
Federal Grants	\$ -	\$ -	\$ -	#DIV/0!	\$ -	\$ -	\$ -	#DIV/0!
State Grant - Other	-	-	-	#DIV/0!	-	-	-	#DIV/0!
Residential Sales	444,739.00	410,454.59	34,284.41	8.4	1,656,527.00	1,685,399.86	(28,872.86)	(1.7)
Commercial Sales	1,231,378.00	1,224,319.63	7,058.37	0.6	4,301,126.00	4,232,268.03	68,857.97	1.6
Industrial Sales	805,213.00	834,865.99	(29,652.99)	(3.6)	2,489,728.00	2,498,035.31	(8,307.31)	(0.3)
Public Authority Sales	28,363.00	31,152.66	(2,789.66)	(9.0)	120,300.00	117,764.73	2,535.27	2.2
Street Lighting Sales	16,019.00	16,222.53	(203.53)	(1.3)	64,120.00	48,667.59	15,452.41	31.8
Yard Light Sales	6,287.00	6,650.40	(363.40)	(5.5)	21,689.00	20,296.69	1,392.31	6.9
Forfeited Discounts	4,150.00	5,047.33	(897.33)	(17.8)	12,398.00	13,827.61	(1,429.61)	(10.3)
Merchandise & Jobbing	4,182.00	6,716.30	(2,534.30)	(37.7)	8,256.00	8,393.80	(137.80)	(1.6)
Interest & Dividend Earnings	44,506.00	1,974.99	42,531.01	2,153.5	126,352.00	23,751.82	102,600.18	432.0
Rents & Royalties	2,678.00	4,127.66	(1,449.66)	(35.1)	31,005.00	10,358.00	20,647.00	199.3
Sale of Fixed Assets	-	-	-	#DIV/0!	-	-	-	#DIV/0!
Reimbursements	5,965.00	22,023.77	(16,058.77)	(72.9)	10,728.00	24,338.24	(13,610.24)	(55.9)
Recovery of Bad Debts	-	-	-	#DIV/0!	143.00	-	143.00	#DIV/0!
Sales of Scrap	6,480.00	4,795.98	1,684.02	35.1	13,206.00	15,230.97	(2,024.97)	(13.3)
Miscellaneous Income	3,011.00	2,840.15	170.85	6.0	9,904.00	7,206.11	2,697.89	37.4
Refunds & Rebates	403.00	-	403.00	#DIV/0!	403.00	-	403.00	#DIV/0!
Pole Rentals	-	-	-	#DIV/0!	4,158.00	2,760.00	1,398.00	50.7
MISO Revenues	262,012.00	408,304.85	(146,292.85)	(35.8)	757,057.00	1,060,446.58	(303,389.58)	(28.6)
Total Revenues	\$ 2,865,386.00	\$ 2,979,496.83	\$ (114,110.83)	(3.8)	\$ 9,627,100.00	\$ 9,768,745.34	\$ (141,645.34)	(1.4)
Expenses:								
Generation Operations & Maint	\$ 1,840,187.00	\$ 1,859,692.25	\$ (19,505.25)	(1.0)	\$ 6,046,631.00	\$ 6,109,325.19	\$ (62,694.19)	(1.0)
Distribution Operations & Maint	272,044.00	283,187.21	(11,143.21)	(3.9)	759,061.00	813,179.08	(54,118.08)	(6.7)
Transmission Operations & Maint	26,496.00	17,299.04	9,196.96	53.2	78,685.00	50,879.65	27,805.35	54.6
Metering & Customer Accounting	16,671.00	36,192.91	(19,521.91)	(53.9)	110,019.00	103,202.91	6,816.09	6.6
Conservation & Public Services	15,672.00	58,067.56	(42,395.56)	(73.0)	56,442.00	145,225.80	(88,783.80)	(61.1)
Administration	54,613.00	75,490.26	(20,877.26)	(27.7)	194,483.00	233,584.31	(39,101.31)	(16.7)
Other	282,229.00	276,109.94	6,119.06	2.2	838,368.00	818,645.28	19,722.72	2.4
Total Expenses	\$ 2,507,912.00	\$ 2,606,039.17	\$ (98,127.17)	(3.8)	\$ 8,083,689.00	\$ 8,274,042.22	\$ (190,353.22)	(2.3)
Net Income	\$ 357,474.00	\$ 373,457.66	\$ (15,983.66)	(4.3)	\$ 1,543,411.00	\$ 1,494,703.12	\$ 48,707.88	3.3

**TRAVERSE CITY LIGHT & POWER
FIBER FUND
Balance Sheet
9/30/2013**

ASSETS		LIABILITIES AND NET ASSETS	
Current assets		Current liabilities	
Cash and cash equivalents	\$255,533	Accounts payable	\$0
Accounts receivable	1,500	Due to primary government	10,402
Prepaid Insurance	681	Deferred revenue	13,200
Total current assets	257,714	Total liabilities	23,602
Long-term assets		Net assets	
Construction in progress	90,789	Contribution from other funds	1,357,087
Capital assets, net	1,266,627	Unrestricted fund balance	234,441
Total long-term assets	1,357,416	Total net assets	1,591,528
Total assets	\$1,615,130	Total liabilities and net assets	\$1,615,130

**TRAVERSE CITY LIGHT & POWER
FIBER FUND
Schedule of Revenues & Expenses - Budget and Actual
For the Month Ended September 30, 2013**

	Current Month	Y-T-D Actual	Annual Budget	% of Budget
<u>Operating revenues:</u>				
Charges for services	\$ 19,680	\$ 56,840	\$ 229,000	24.8%
Wi-fi Service Fee - DDA	-	-	-	---
Total operating revenues	19,680	56,840	229,000	24.8%
<u>Operating expenses:</u>				
Office & operating supplies	-	-	2,000	0.0%
Supervision & maintenance	8,670	18,515	41,000	45.2%
Overhead & underground lines	852	1,179	16,000	7.4%
Customer installations	-	-	6,500	0.0%
Wi-Fi Operations & Maintenance	-	-	-	---
Termination boxes	-	-	16,500	0.0%
Safety	-	-	-	---
City fee	-	-	10,100	0.0%
Professional development	-	-	2,150	0.0%
Insurance	76	110	1,000	11.0%
Repairs and Maintenance	-	-	500	0.0%
Miscellaneous	-	-	150	0.0%
Depreciation expense	7,268	21,805	87,600	24.9%
Total operating expenses	16,866	41,609	183,500	22.7%
Operating income/(loss)	2,814	15,231	45,500	33.5%
<u>Non-operating revenues:</u>				
Reimbursements	1,500	16,500	18,000	91.7%
Net income	\$ 4,314	\$ 31,731	\$ 63,500	50.0%