

A REGULAR MEETING

Of The

TRAVERSE CITY LIGHT AND POWER BOARD

Will Be Held On

WEDNESDAY, June 11, 2014

At

5:15 p.m.

In The

LIGHT AND POWER SERVICE CENTER
1131 Hastings Street

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

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

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

Posting Date: 6-6-14
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.

- a. Consideration of approving minutes of the Regular Meeting of May 13, 2014. (Approval recommended) (p. 4)
- b. Consideration of authorizing the transfer of the Coal Dock Deed to the City of Traverse City. (Approval recommended) (Doren) (p. 7)
- c. Consideration of authorizing the Gray Substation Interconnection Facilities Agreement. (Approval recommended) (Arends/Wolverine) (p. 18)
- d. Consideration of authorizing a Construction Contract for the WiFi system. (approval recommended) (Arends/Menhart) (p. 33)
- e. Consideration of authorizing an Operation & Maintenance Agreement for the WiFi system. (Approval recommended) (Arends/Menhart) (p. 46)
- f. Consideration of approving the budget and capital plan for 2014-15. (Approval recommended) (Myers-Beman) (p. 59)
- g. Consideration of authorizing the withdrawal of funds from the MPPA Competitive Trust. (Approval recommended) (Myers-Beman) (p. 62)
- h. Consideration of approving the Affordable Care Act new hire waiting period. (Approval recommended) (Schroeder) (p. 64)
- i. Consideration of approving the 2014-2015 Insurance Renewal. (Approval recommended) (Myers-Beman) (p. 67)
- j. Consideration of authorizing the renewal of the AT&T Agreement for the T1 line to the Kalkaska Combustion Turbine. (Approval recommended) (Myers-Beman) (p. 70)

Items Removed from the Consent Calendar

- a.

3. Unfinished Business

None.

4. New Business

- a. Proposed rate increase July 1, 2014. (Myers-Beman) (p. 74)
- b. Consideration of Hastings Street Service Center addition. (Arends/Sommerville) (p. 98)
- c. Consideration of a periodic personnel evaluation of Tim Arends, Executive Director. (Taylor/H.R. Ad Hoc Committee) (p. 103)

5. Appointments

None.

6. Reports and Communications

- a. From Legal Counsel.
- b. From Staff.
 - 1. TCL&P Facebook page presentation. (Wheaton/Menhart) (p. 139)
 - 2. Community Solar Project II update. (Arends) (verbal)
 - 3. *TCL&P news and correspondence. (General – No Official Report)(p. 144)*
- c. From Board.

7. Public Comment

/st

**TRAVERSE CITY
LIGHT AND POWER BOARD**

Minutes of Regular Meeting
Held at 5:15 p.m., Commission Chambers, Governmental Center
Tuesday, May 13, 2014

Board Members -

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

Ex Officio Member -

Present: Jered Ottenwess, City Manager

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

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

Tim Arends requested items 2c and 2d be removed from the agenda to be discussed at a future meeting.

Tim Arends requested item 6B4, Hall to Gray Transmission Line upgrade process update, be added to Staff Reports.

Item 2 on the Agenda being Consent Calendar

Moved by Budros, seconded by McGuire, that the following actions, as recommended on the Consent Calendar portion of the Agenda as amended, be approved:

- a. Minutes of the Regular Meeting of April 22, 2014.
- b. Receive and file minutes of the Human Resources Ad Hoc Committee Meeting of April 11, 2014.
- c. *Removed from the Consent Calendar (Operation & Maintenance Agreement for the WiFi system).*
- d. *Removed from the Consent Calendar (Construction Contract for the WiFi system).*

CARRIED unanimously.

Items Removed from the Consent Calendar

None.

Item 3 on the Agenda being Unfinished Business

None.

Item 4 on the Agenda being New Business

None.

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. Karla Myers-Beman reported on the second quarter financials.

The following individuals addressed the Board:

Tim Arends, Executive Director

2. Tom Olney provided an update re: the BW-31 circuit rehab project.

The following individuals addressed the Board:

Tim Arends, Executive Director

3. Staff provided an update re: the Strategic Plan.

The following individuals addressed the Board:

Tim Arends, Executive Director

Karla Myers-Beman, Controller

Tom Olney, Operations Manager

Blake Wilson, System Engineer

Scott Menhart, Manager of Telecom & Technology

Kelli Schroeder, Human Resource Generalist

Jessica Wheaton, Marketing & Community Relations Coordinator

4. Tim Arends provided an update re: the Hall to Gray Transmission Line upgrade process.

The following individuals addressed the Board:

Jered Ottenwess, City Manager

C. From Board.

1. Chairman Taylor announced the May 27, 2014 Regular Meeting will be canceled.

Item 7 on the Agenda being Public Comment

Patty Olson, 1815 Wayne Street, Ratepayer

Willow Al-Shamma, 131 North Elmwood, Ratepayer

Sandy Cartwright, 602 North Elmwood, Ratepayer

There being no objection, Chairman Taylor declared the meeting adjourned at 6:36 p.m.

/st

Tim Arends, Secretary
LIGHT AND POWER BOARD

DRAFT



TRAVERSE CITY
LIGHT & POWER

To: Light & Power Board
From: Tim Arends, Executive Director
Date: June 3, 2014
Subject: Coal Dock Conveyance

Handwritten initials 'TA' in a circle.

Attached is a memorandum from Mr. Doren that describes the process for conveying the Coal Dock property to the City of Traverse City. Since this topic has been discussed at several board meetings in recent months, I am placing this item on the Consent Calendar for your consideration of approval.

Mr. Doren has included two separate motions to be considered. The first is to authorize execution and delivery of the conveyance documents. The second is to give notice to MHA of lease termination on the uplands property. I recommend the Boards approval of both recommended motions.

This item is appearing on the Consent Calendar as it is deemed by staff to be a non-controversial item. Approval of this item on the Consent Calendar means you agree with staff's recommendation.

If any member of the Board or the public wishes to discuss this matter, other than clarifying questions, it should be placed on the "Items Removed from the Consent Calendar" portion of the agenda for full discussion.

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

**(RECOMMENDED MOTIONS ARE INCLUDED IN MR. DOREN'S MEMORANDUM
ON THE FOLLOWING PAGES)**



To: Light & Power Board
From: W. Peter Doren, General Counsel
Date: June 2, 2014
Subject: Coal Dock Conveyance

Attached are the conveyance documents for transferring the Coal Dock property to the City of Traverse City. They consist of the following:

1. Quit Claim Deed to the City;
2. Assignment of License to Use Coal Dock and Bottomlands – Traverse Tall Ship Company, LLC, without attachments;
3. Assignment of Lease and License to Use Coal Dock and Bottomlands – Maritime Heritage Alliance, Inc., without attachments;
4. Assignment of Agreement to Use and Occupy Unpatented Great Lakes Bottomlands for Private Purposes (AS-161) without attachments; and
5. Assignment of Agreement to Use and Occupy Unpatented Great Lakes Bottomlands for Private Purposes (AS-162) without attachments.

My understanding is that if you authorize these conveyance documents, they will not be executed until after the City Commission adopts a motion or resolution accepting the conveyance.

The documents attached have been approved by Lauren Tribble-Laucht, City Attorney.

In addition to the License granted to MHA for the use of the Coal Dock and Bottomlands, TCL&P entered into a Lease with MHA for the uplands on October 1, 2003. At that time, MHA was considering on embarking on a fundraising effort to construct a building. That has not occurred and under the terms of the Lease, TCL&P may terminate it upon one year's notice. I would recommend that you give this notice to MHA so that when the City goes through its public process on the future of the Coal Dock, the property will not be encumbered with a Lease. You are assigning this Lease with the other documents and could let the City Commission decide on the termination. However, I think it would be cleaner to take care of this matter and provide a cleaner conveyance of the property to the City. I have addressed the termination of this Lease as a separate motion. If you would rather leave this decision to the City, that motion should not be made.

FOR THE LIGHT & POWER BOARD MEETING OF JUNE 11, 2014

The following are my suggested motions:

MOVED TO AUTHORIZE THE EXECUTIVE DIRECTOR TO EXECUTE AND DELIVER THE FOLLOWING CONVEYANCE DOCUMENTS CONVEYING THE COAL DOCK PROPERTY TO THE CITY OF TRAVERSE CITY:

1. QUIT CLAIM DEED TO THE CITY;
 2. ASSIGNMENT OF LICENSE TO USE COAL DOCK AND BOTTOMLANDS – TRAVERSE TALL SHIP COMPANY, LLC;
 3. ASSIGNMENT OF LEASE AND LICENSE TO USE COAL DOCK AND BOTTOMLANDS – MARITIME HERITAGE ALLIANCE, INC.;
 4. ASSIGNMENT OF AGREEMENT TO USE AND OCCUPY UNPATENTED GREAT LAKES BOTTOMLANDS FOR PRIVATE PURPOSES (AS-161); and
 5. ASSIGNMENT OF AGREEMENT TO USE AND OCCUPY UNPATENTED GREAT LAKES BOTTOMLANDS FOR PRIVATE PURPOSES (AS-162)
- UPON RECEIPT OF A NOTICE FROM THE CITY THAT THEY ARE READY TO ACCEPT CONVEYANCE.

MOVED TO TERMINATE THE LEASE BETWEEN TCL&P AND THE MARITIME HERITAGE ALLIANCE, INC., DATED OCTOBER 1, 2003, AND TO AUTHORIZE THE EXECUTIVE DIRECTOR TO GIVE THE REQUIRED NOTICE UNLESS MHA WILL AGREE TO EARLIER TERMINATION OF THE LEASE.

c via email:
Tim Arends

QUIT CLAIM DEED

The Grantor, **Traverse City Light and Power Department**, a Michigan municipal electric utility, of 1131 Hastings Street, Traverse City, MI 49686, hereby conveys and quit claims to the Grantee, the **City of Traverse City**, a Michigan municipal corporation, of 400 Boardman Avenue, Traverse City, MI 49684, the following described premises situated in the Township of Elmwood, County of Leelanau, State of Michigan, to-wit:

Parcel 1 That part of Sec. 33, T 28 N, R 11 W, described as follows: Commencing at the N ¼ post of said Sec. 33; th. E along the N Sec. line of Sec. 33, 1443.10 ft.; th. S 4°-24' E 1173.37 ft.; th. S 89°-41' E, 73.64 ft. to the POB; th. S 89°-50' E, 120.17 ft.; th. S 88°-59' E, 413.13 ft.; th. S 1°-14' W, 233.35 ft.; th. N 89°-28' W, 204.53 ft.; th. N 6°-16' W, 179.94 ft.; th. N 51°-22' W, 31.12 ft.; th. N 88°-22' W, 108 ft.; th. S 58°-21' W 36.48 ft.; th. S 3°-50' W 27 ft.; th. S 75°-24' W, 127.73 ft.; th. N 85°-48' W 19.3 ft.; th. N 2°-10' E 100 ft. to the POB, together with full riparian right and also including those riparian rights owned by Franklin C. Sears which are attached and appurtenant to his ownership of the shore front property South of the above described land as described in 5 certain deeds recorded in the office of the Register of Deeds for the County of Leelanau in Liber 67D, p 14; Liber 75D, p 45; Liber 82D, p 324; Liber 96, p 41; and Liber 67, p 78, but only insofar as such riparian rights may be necessary for the use, operation, maintenance, and replacement of the dock above described, and for the enlargement of said dock by extending it in a Southerly direction not in excess of 50 feet, nor in excess of the present width of said dock on its Southerly boundary.

Parcel 2

All that part of the parcel described in L 115, p 370, of the Leelanau County Register of Deeds office, lying W of State Highway M-22 and described as a part of Gov't Lot 1 of Sec. 33, T 28 N, R 11 W, more fully described as follows: Commencing on Grand Traverse Bay 403.5 ft. S of the E and W centerline of Gov't Lot 1 of Sec. 33; th. W to a street surveyed by Tuller in 1901; th. S 200 ft.; th. E to a point 300 ft. W of the centerline of State Highway M-22; th. N 60 ft.; th. E 300 ft. to said centerline; th. N 40 ft.; th. E to the shore of Grand Traverse Bay; th. N'y along the shore of Grand Traverse Bay 100 ft. more or less to the Place of beginning covering entire Lots 13 and 14 of an unrecorded plat and the N 40 ft. of Lot 12 of an unrecorded plat lying W of the centerline of State Highway M-22, excepting parcel conveyed to John Akers and wife as recorded in L 70, p 597; and excepting parcel conveyed to State of Michigan, State Highway Commissioner Charles Ziegler, Nov. 30, 1949, described as commencing on Grand Traverse Bay 403.5 ft. S of E and W centerline of Lot 1; Sec. 33; th. W to a street surveyed by Tuller in 1901; th. S 200 ft.; th. E to a point 300 ft. W of the centerline of State Highway M-22; th. N 60 ft.; th. E 300 ft. to said centerline; th. N 40 ft.; th. E to shore of Grand Traverse Bay; th. N'y along shore of Grand Traverse Bay 100 ft. more or less to the Place of beginning which lies E'ly of a line 43 ft. W'ly of and measured at Right angles and parallel to the centerline of M-22.

Parcel 3

That part of Gov't. Lots 1 and 2, Sec. 33, T 28 N, R 11 W, more fully described as: Commencing at the North ¼ corner of said Sec. 33; th. East 1443.10 feet along the North line of said Sec. 33; th. South 4° 24' East, 1173.37 feet; th. South 89° 41' East, 73.64 feet; th. South 2° 10' West, 100.00 feet to the point of beginning; th. South 85° 48' East, 19.13 feet; th. North 75° 24' East, 127.73 feet; th. South 3° 50' West, 232.08 feet, along the face of a revetment for Grand Traverse Bay; th. North 89° 47' West, 134.61 feet to the Easterly right-of-way of State Highway M-22; th. North 2° 10' East, 200.37 feet, along said right-of-way to the point of beginning; together with all land between the side-lines of the above described property extended Easterly to the waters edge.

This conveyance is for the sum of ONE DOLLAR (\$1.00).

This property may be located within the vicinity of farmland or farm operations. Generally accepted agricultural and management practices which may generate noise, dust, odors, and other associated conditions may be used and are protected by the Michigan Right to Farm Act.

The Grantor grants to the Grantee the right to make all division(s) under Section 108 of the Land Division Act, Act No. 288 of the Public Acts of 1967.

Dated: _____

Dated: _____

Grantor:

Accepted by Grantee:

Traverse City Light and Power Department
By: Timothy Arends
Its: Executive Director

City of Traverse City
By: Jered Ottenwess
Its: City Manager

STATE OF MICHIGAN)
):ss.
COUNTY OF GRAND TRAVERSE)

On _____, personally appeared before me **Timothy Arends, Executive Director, Traverse City Light and Power Department**, signor of the within instrument, who duly acknowledged to me that he executed the same.

_____, Notary Public
County, Michigan
My commission expires:
Acting in the County of Grand Traverse

STATE OF MICHIGAN)
):ss.
COUNTY OF GRAND TRAVERSE)

On _____, personally appeared before me **Jered Ottenwess, City Manager, City of Traverse City**, signor of the within instrument, who duly acknowledged to me that he executed the same.

_____, Notary Public
County, Michigan
My commission expires:
Acting in the County of Grand Traverse

This instrument is exempt from transfer taxes pursuant to MCL 207.526(h)(i) and MCL 207.505(h)(i).

The above legal description was furnished by the Grantor, and drafter has not examined and makes no representations respecting title or description.

Prepared by and
Send Recorded Document to:

Send Subsequent Tax Bills To:

W. Peter Doren (P23637)
Sondee, Racine & Doren, PLC
310 W. Front Street, Suite 300
Traverse City, MI 49684
(231) 947-0400

Grantee

Tax Parcel #

Recording fee: \$

Transfer Tax: \$0

**ASSIGNMENT OF LICENSE TO USE COAL DOCK AND BOTTOMLANDS BY
TRAVERSE TALL SHIP COMPANY, LLC**

This Assignment is made on the _____ day of _____, 2014 by the Traverse City Light & Power Department (Assignor), whose address is 1131 Hastings Street, Traverse City, Michigan 49686, a Michigan municipal electric utility, and the City of Traverse City (Assignee), whose address is 400 Boardman Avenue, Traverse City, Michigan 49684, a municipal corporation.

In consideration of the mutual covenants contained in this Assignment and as a part of the transfer of the coal dock property by Assignor to Assignee, the parties agree as follows:

1. Assignment. Assignor hereby assigns and Assignee hereby accepts the assignment of a License to Use Coal Dock and Bottomlands dated February 6, 2012, between Assignor and the Traverse Tall Ship Company, LLC, and which has been assigned as a part of a financing transaction by the Traverse Tall Ship Company, LLC, to the Traverse City State Bank. Copies of this License and its Assignment to the Traverse City State Bank are attached hereto as Attachment A and incorporated here by reference. The Traverse Tall Ship Company, LLC, and the Traverse City State Bank are hereinafter referred to as Licensee.

2. Consideration. The annual consideration being paid by Licensee shall be prorated between the parties to this Assignment on a per diem calendar year basis as of the date of closing on the transfer of the coal dock property.

3. Bottomlands Agreement. Assignor has obtained from the State of Michigan an Agreement to Use and Occupy Unpatented Great Lakes Bottomlands for Private Purposes, AS-161, dated December 13, 2005, which is being transferred to the City of Traverse City as a part of the transfer of the coal dock property. This Assignment is subject to and subordinate to that Bottomlands Agreement and subject to and conditioned on approval of the State of Michigan Department of Environmental Quality Land and Water Management Division of the transfer of that Bottomlands Agreement and this Assignment.

4. Notice. Assignor shall give written notice to the Licensee of the Assignment of the License. Assignee shall give notice to the Licensee of its address and contact information.

In witness whereof, each party to this Assignment has caused it to be effective on the date and year first above written.

ASSIGNOR:

ASSIGNEE:

By: _____
Timothy J. Arends, Executive Director
Traverse City Light & Power Department
Dated: _____, 2014

By: _____
Jered Ottenwess, City Manager
City of Traverse City
Dated: _____, 2014

**ASSIGNMENT OF LEASE AND LICENSE TO USE COAL DOCK AND
BOTTOMLANDS BY MARITIME HERITAGE ALLIANCE, INC.**

This Assignment is made on the _____ day of _____, 2014 by the Traverse City Light & Power Department (Assignor), whose address is 1131 Hastings Street, Traverse City, Michigan 49686, a Michigan municipal electric utility, and the City of Traverse City (Assignee), whose address is 400 Boardman Avenue, Traverse City, Michigan 49684, a municipal corporation.

In consideration of the mutual covenants contained in this Assignment and as a part of the transfer of the coal dock property by Assignor to Assignee, the parties agree as follows:

1. Assignment. Assignor hereby assigns and Assignee hereby accepts the assignment of the following:

A. Lease between Assignor as Lessor and the Maritime Heritage Alliance, Inc., as Lessee dated October 1, 2003, a copy of which is marked Attachment A and is incorporated here by reference.

B. License to Use Coal Dock and Bottomlands by Maritime Heritage Alliance, Inc., dated May 25, 2012, a copy of which is marked Attachment B and is incorporated here by reference.

2. Bottomlands Agreement. Assignor has obtained from the State of Michigan an Agreement to Use and Occupy Unpatented Great Lakes Bottomlands for Private Purposes, AS-162, dated December 13, 2005, which is being transferred to the City of Traverse City as a part of the transfer of the coal dock property. This Assignment is subject to and subordinate to that Bottomlands Agreement and subject to and conditioned on approval of the State of Michigan Department of Environmental Quality Land and Water Management Division of the transfer of that Bottomlands Agreement and this Assignment.

3. Notice. Assignor shall give written notice to the Licensee of the Assignment of the License. Assignee shall give notice to the Licensee of its address and contact information.

In witness whereof, each party to this Assignment has caused it to be effective on the date and year first above written.

ASSIGNOR:

ASSIGNEE:

By: _____
Timothy J. Arends, Executive Director
Traverse City Light & Power Department
Dated: _____, 2014

By: _____
Jered Ottenwess, City Manager
City of Traverse City
Dated: _____, 2014

**ASSIGNMENT OF AGREEMENT TO USE AND OCCUPY
UNPATENTED GREAT LAKES BOTTOMLANDS
FOR PRIVATE PURPOSES – AS-161**

This Assignment is made on the ____ day of _____, 2014 by the Traverse City Light & Power Department (Assignor), whose address is 1131 Hastings Street, Traverse City, Michigan 49686, a Michigan municipal electric utility, and the City of Traverse City (Assignee), whose address is 400 Boardman Avenue, Traverse City, Michigan 49684, a municipal corporation.

In consideration of the mutual covenants contained in this Assignment and as a part of the transfer of the coal dock property by Assignor to Assignee, the parties agree as follows:

1. Assignment. Assignor hereby assigns and Assignee hereby accepts the assignment of an Agreement to Use and Occupy Unpatented Great Lakes Bottomlands for Private Purposes – AS-161, between Assignor and the Department of Environmental Quality of the State of Michigan (MDEQ). A copy of this Agreement is attached hereto as Attachment A and incorporated here by reference.
2. MDEQ Approval. This Assignment is conditioned on approval of the State of Michigan Department of Environmental Quality Land and Water Management Division of the transfer of the Bottomlands Agreement, this Assignment and the conveyance of the uplands.
3. Notice. Assignee shall give notice to the MDEQ of its address and contact information.

In witness whereof, each party to this Assignment has caused it to be effective on the date and year first above written.

ASSIGNOR:

ASSIGNEE:

By: _____
Timothy J. Arends, Executive Director
Traverse City Light & Power Department
Dated: _____, 2014

By: _____
Jered Ottenwess, City Manager
City of Traverse City
Dated: _____, 2014

**ASSIGNMENT OF AGREEMENT TO USE AND OCCUPY
UNPATENTED GREAT LAKES BOTTOMLANDS
FOR PRIVATE PURPOSES – AS-162**

This Assignment is made on the ____ day of _____, 2014 by the Traverse City Light & Power Department (Assignor), whose address is 1131 Hastings Street, Traverse City, Michigan 49686, a Michigan municipal electric utility, and the City of Traverse City (Assignee), whose address is 400 Boardman Avenue, Traverse City, Michigan 49684, a municipal corporation.

In consideration of the mutual covenants contained in this Assignment and as a part of the transfer of the coal dock property by Assignor to Assignee, the parties agree as follows:

1. Assignment. Assignor hereby assigns and Assignee hereby accepts the assignment of an Agreement to Use and Occupy Unpatented Great Lakes Bottomlands for Private Purposes – AS-162, between Assignor and the Department of Environmental Quality of the State of Michigan (MDEQ). A copy of this Agreement is attached hereto as Attachment A and incorporated here by reference.
2. MDEQ Approval. This Assignment is conditioned on approval of the State of Michigan Department of Environmental Quality Land and Water Management Division of the transfer of the Bottomlands Agreement, this Assignment and the conveyance of the uplands.
3. Notice. Assignee shall give notice to the MDEQ of its address and contact information.

In witness whereof, each party to this Assignment has caused it to be effective on the date and year first above written.

ASSIGNOR:

ASSIGNEE:

By: _____
Timothy J. Arends, Executive Director
Traverse City Light & Power Department
Dated: _____, 2014

By: _____
Jered Ottenwess, City Manager
City of Traverse City
Dated: _____, 2014



TRAVERSE CITY
LIGHT & POWER

To: Light & Power Board
From: Tim Arends, Executive Director
Date: June 2, 2014
Subject: Gray Substation IFA

Handwritten initials 'TA' inside a circle.

Attached for your consideration is a proposed Interconnection Facilities Agreement (“Agreement”) between TCL&P, Wolverine Power Supply Cooperative, Inc. (“Wolverine”), and Michigan Electric Transmission Company, LLC (“METC”) for the Gray Transmission Substation.

Wolverine and TCL&P entered into a Joint Construction/Ownership Agreement for a transmission substation on December 19, 2007. The “Gray Substation” went into commercial operation approximately November 2, 2009. It was discovered that an IFA was never executed between the parties relating to the Gray Substation, an oversight.

The North American Electric Reliability Corporation (NERC) is requiring utilities to meet specific reliability standards for operations, testing and maintenance of facilities, and to document that compliance. METC and Wolverine decided over two years ago to amend and restate IFA’s for 11 substations, with Gray Substation being one of the 11, when it discovered there was no executed agreement for the Gray Substation. The goal has been to clearly identify the owner of the facilities and clearly state who is responsible for the operation and maintenance of the facilities. If approved by all parties, the Agreement will be submitted to Federal Energy Regulatory Commission (FERC) for its approval.

Under Section 1.4 to the Agreement TCL&P is requesting that it be corrected to properly include TCL&P as joint owner of the METC transfer as TCL&P is 50% owner of the station. As of this writing, Wolverine has agreed to the change and we are awaiting METC’s response. The cost to TCL&P of this asset transfer will be 50% of the total asset cost, or \$11,000.

Staff recommends the Board approve the Agreement as presented. The Agreement has been reviewed by staff, GRP Engineering, and General Counsel. This item is appearing on the Consent Calendar as it is deemed by staff to be a non-controversial item. Approval of this item on the Consent Calendar means you agree with staff’s recommendation.

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

FOR THE LIGHT & POWER BOARD MEETING OF JUNE 11, 2014

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

MOVED BY _____, SECONDED BY _____,

THAT THE BOARD AUTHORIZES THE CHAIRMAN AND THE SECRETARY TO ENTER INTO AN INTERCONNECTION FACILITIES AGREEMENT WITH MICHIGAN ELECTRIC TRANSMISSION COMPANY, LLC AND WOLVERINE POWER SUPPLY COOPERATIVE, INC., SUBJECT TO APPROVAL AS TO SUBSTANCE BY THE EXECUTIVE DIRECTOR AND APPROVAL AS TO FORM BY GENERAL COUNSEL.

**INTERCONNECTION FACILITIES AGREEMENT
BETWEEN
MICHIGAN ELECTRIC TRANSMISSION COMPANY, LLC
AND
WOLVERINE POWER SUPPLY COOPERATIVE, INC.
AND
TRAVERSE CITY LIGHT AND POWER DEPARTMENT**

Gray Substation

**INTERCONNECTION FACILITIES AGREEMENT
 BETWEEN
 MICHIGAN ELECTRIC TRANSMISSION COMPANY, LLC
 AND
 WOLVERINE POWER SUPPLY COOPERATIVE, INC
 AND
 TRAVERSE CITY LIGHT AND POWER DEPARTMENT**

Gray Substation

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**INTERCONNECTION FACILITIES AGREEMENT
BETWEEN
MICHIGAN ELECTRIC TRANSMISSION COMPANY, LLC
AND
WOLVERINE POWER SUPPLY COOPERATIVE, INC
AND
TRAVERSE CITY LIGHT AND POWER DEPARTMENT**

Gray Substation

This INTERCONNECTION FACILITIES AGREEMENT, herein termed "Agreement", is made and entered into as of the ____ day of _____, 2014 by and among MICHIGAN ELECTRIC TRANSMISSION COMPANY, LLC, a Michigan limited liability company, 27175 Energy Way, Novi, Michigan 48377, herein termed "METC," WOLVERINE POWER SUPPLY COOPERATIVE, INC., a Michigan nonprofit corporation, 10125 West Watergate Road, Cadillac, Michigan 49601, herein termed "Wolverine," and TRAVERSE CITY LIGHT AND POWER DEPARTMENT, a Michigan municipal electric utility, 1131 Hastings Street, Traverse City, Michigan 49686, herein termed "TCL&P." METC, Wolverine and TCL&P are sometimes referred to individually as "Party" and collectively as "Parties" where appropriate.

WHEREAS, METC is engaged in the transmission of electric energy in the State of Michigan; and

WHEREAS, Wolverine owns electric facilities and is engaged in the generation, transmission, purchase, and sale of electric energy in the State of Michigan; and

WHEREAS, TCL&P is engaged in the transmission of electric energy in the City of Traverse City, County of Grand Traverse, State of Michigan; and

WHEREAS, on December 19, 2007, TCL&P and Wolverine contemporaneously entered into both a Joint Construction/Ownership Agreement, Gray Road 138-69 kV Substation and a Joint Operation/Maintenance Agreement, Gray Road 138-69 kV Substation (referred to collectively herein as the "Gray Joint Agreements") to jointly plan, design, fund, construct, own, operate and maintain a 138-69 kV transmission substation as set forth in the Gray Joint Agreements located in Elmwood Township, Leelanau County, Michigan, which is now known as the "Gray Substation" to be interconnected with METC's transmission line, using a Waukesha 138-69 kV, 90/120/150 MVA Auto Transformer; and

WHEREAS, TCL&P and Wolverine built the Gray Substation using a Waukesha 138-69 kV, 90/120/150 MVA Auto Transformer, which went into commercial operation on approximately November 2, 2009; and

WHEREAS, the Gray Road Substation interconnects to a 138 kV transmission line owned by METC located in Elmwood Township, Leelanau County, Michigan; and

WHEREAS, Wolverine and TCL&P jointly executed the Loss Methodologies Letter of Understanding and Methodologies for Gray Substation and Grand Traverse Substation, dated July 11, 2013; the Amended & Restated Joint Operation/Maintenance Agreement, dated April 12, 2013; and the Joint Operating Interconnection Procedure, dated April 12, 2013; and;

WHEREAS, METC, Wolverine and TCL&P now desire to enter into this Agreement for the purposes, among others, of (a) defining the Interconnection Facilities, as set forth in Section 1 herein; (b) describing the Connection Facilities, as set forth in Section 1 herein; (c) describing the ownership interest of the Parties in such facilities; (d) establishing the respective obligations and rights of the Parties with respect to the procurement, construction, installation, operation and maintenance of such facilities; (e) describing other modifications and additions to TCL&P's and Wolverine's transmission system that are necessary to maintain safety, reliability and integrity of TCL&P's and Wolverine's respective transmission systems as a result of the interconnection.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein set forth, the Parties agree as follows:

SECTION 1. GRAY INTERCONNECTION FACILITIES

1.1 General

The Parties have provided certain 138 kV and 69 kV electric facilities and associated appurtenances utilized in the connection of the Gray Substation jointly owned by Wolverine and TCL&P to METC's Gray Road Substation. The facilities comprising the Gray Interconnection are all located in Section 31, Elmwood Township, T28N-R11W, Elmwood Township, Leelanau County, Michigan. Such facilities and associated appurtenances include, but are not limited to, connection, transformation, switching, control, metering, telemetering, protective relaying equipment (such protective relaying equipment required by all Parties to protect each Party's system and its customers from electrical faults occurring on the other Parties' system or on the systems of others to which any Party is directly or indirectly connected) and any necessary additions or reinforcements by METC to METC's system required as a result of installing facilities for the Gray Interconnection. The 138 kV and 69 kV transmission lines, substation facilities and associated appurtenances, as described in Subsections 1.2, and 1.3 herein, are sometimes referred to herein as the "Gray Interconnection Facilities".

In the event future changes in either (i) design or operation of Wolverine's system, (ii) design or operation of TCL&P's system, (iii) Federal, state or local laws, regulations or codes, or (iv) design or operation of METC's system, later necessitate additional facilities or modifications to the then existing Connection Facilities as defined herein, the Parties shall undertake such additions or modifications as may be necessary. Before undertaking such future additions or modifications, the Parties shall consult, develop plans and coordinate schedules of activities so as to minimize interruptions to the Gray Interconnection. The cost of such future additions or modifications to the Gray Interconnection Facilities shall be borne by the Party or Parties requesting the additions or modifications, unless agreed otherwise at the time. The ownership, operation and maintenance responsibilities for any such future additions or modifications shall be made consistent with the responsibilities allocated in this Agreement.

1.2 Wolverine's and TCL&P's Gray Interconnection Facilities

- 1.2.1 Wolverine and TCL&P constructed, acquired, built, and jointly own (except for those METC Gray Interconnection Facilities stated in Subsection 1.3), facilities at the Gray Interconnection, which include but are not limited to the following, and as further described and agreed in their Gray Joint Agreements, or such other facilities as may be mutually agreed upon in writing:
- a. Termination facilities in the Wolverine and TCL&P Gray Substation for 138 kV circuit conductors from METC, more particularly described in Subsections 1.2.1 (b), 1.2.1(c), and 1.2.1 (d), including a 138 kV transmission line dead-end structure, 138kV circuit breaker, associated 138 kV disconnect switches and a 90/120/150 MVA, 138/69 kV transformer;
 - b. Circuit breakers, disconnect switches and associated equipment for the operation of three 69 kV line exits provided by Wolverine and TCL&P pursuant to Subsection 1.2.1(c);
 - c. Transmission lines, supporting structures (and associated hardware, insulators, guys, anchors and ground wire) to provide three line exits from the Wolverine and TCL&P Gray Substation.
 - d. Protective relaying and other protective equipment acceptable to METC to coordinate with similar facilities provided by METC at its Gray Road Substation pursuant to Subsection 1.3.3.
 - e. A substation control house with space inside that is suitable for the location and protection of the billing metering equipment;
 - f. All facilities required to provide telemetry, as well as underground communication cables for exchange of relaying signals between relaying equipment located at the Wolverine/TCL&P Gray Substation and relaying equipment located at the METC Gray Road Substation;
 - g. Billing metering transformers (138 kV) and all electrical connections thereto;
 - h. Communication interface equipment and computer programming which will receive and process the telemetry signals from the Gray Interconnection to Wolverine's designated Energy Control Center.
- 1.2.2 In addition to the facilities co-owned with TCL&P described in Section 1.2.1 above, Wolverine also owns 100% of the following equipment at the Gray Interconnection: Billing metering equipment, including but not limited to watt-hour and var-hour meters; watt, var and voltage transducers and a satellite receiver, Ethernet communications equipment, telephone modem or telephone circuits for such billing meters.

- 1.2.3 Wolverine has coordinated with the telephone company for telephone service at the Gray Interconnection for a normal switched voice grade circuit to meet the requirements set forth in Section 1.2.2, including telephone line isolation equipment installed by the telephone company.
- 1.2.4 Commencing on the effective date of this Agreement, Wolverine will provide information to METC (MW and var hour pulses, MW and var flows, voltages and breaker status) from the transformer bank provided by Wolverine and TCL&P.

1.3 METC's Gray Interconnection Facilities

- 1.3.1 METC has constructed, installed, owns, operates and maintains a 138 kV dead-end transmission line structure (and associated hardware, insulators, guys, anchors and ground wire) in its Gray Road Substation.
- 1.3.2 METC constructed and installed approximately 385 feet of 1590 AAC 138 kV transmission line and supporting structures (and associated hardware, insulators, guys, anchors and ground wire) extending in a westerly direction from METC's dead-end transmission line structure in the METC Gray Road Substation specified in Subsection 1.3.1 above to termination facilities specified in Subsection 1.2.1(a) above;
- 1.3.3 METC has provided, and owns appropriate protective relaying equipment at its METC Gray Road Substation.

1.4 METC Asset Transfer to Wolverine.

Effective as of the date of this Agreement, METC has conveyed to Wolverine and Wolverine now owns, operates and maintains approximately 385 feet of 1590 AAC 138 kV transmission line and supporting structures (and associated hardware, insulators, guys, anchors and ground wire) extending in a westerly direction from METC's dead-end transmission line structure in the METC Gray Road Substation specified in Subsection 1.3.1 above to termination facilities specified in Subsection 1.2.1(a) above.

1.5 Facilities Added in the Future

If and when additional 138 kV facilities are added (i) to the Gray Interconnection by Wolverine and TCL&P or (ii) to the Gray Substation or 138 kV transmission line by METC, it is agreed that the Party requiring the new facilities shall, at no cost to the other Party(ies), install (or cause to be installed) 138 kV facilities and/or protective relay systems that will provide for the isolation of any electrical faults that occur on the interconnected systems of either Wolverine and TCL&P or METC from having an effect on the other's interconnected system. The 138 kV facilities and/or protective relay systems shall be designed to fit into the electrical system configuration and shall be acceptable to each Party. METC and Wolverine and TCL&P agree that each will give advance notice to the other Parties of any such additions which it may contemplate making so as to assure the maximum practicable coordination of future system plans and the design of any necessary facilities.

SECTION 2. OPERATION AND MAINTENANCE

2.1 Operation and Maintenance by METC

METC shall have sole authority and responsibility to operate and maintain METC owned Gray Interconnection Facilities required pursuant to Subsection 1.3 in accordance with the applicable standards of METC and prudent electrical practices.

2.2 Operation and Maintenance by Wolverine and TCL&P

Wolverine and TCL&P shall have sole authority and responsibility to operate and maintain the Wolverine and TCL&P jointly owned Gray Interconnection Facilities required pursuant to Subsection 1.2 in accordance with the applicable standards of Wolverine or TCL&P, as applicable, and prudent electrical practices.

SECTION 3. CONNECTION POINT/METERING/TELEMETERING

3.1 Delivery Point

The Point of Delivery shall be at the Gray 138 kV billing metering transformers provided pursuant to Subsection 1.2.1(g).

3.2 Metering

Wolverine shall own the billing meters associated with the Gray Interconnection. Measurements of electric capacity and energy flow at the Gray Interconnection shall be made at 138 kV by standard types of electric meters installed. The standard electric meters shall be tested by Wolverine with a frequency not to be less than once every two (2) years. On request of METC or TCL&P, a special test may be made at the expense of the requesting party. Representatives of METC and/or TCL&P, as the case may be, shall be afforded the opportunity to be present at all routine or special tests and upon occasions when any readings, for purposes of settlements, are taken from meters not bearing an automatic record.

If any test of the meters shall disclose any inaccuracy exceeding two percent (2%), the accounts between METC and Wolverine, or METC and TCL&P for service delivered at the Gray Interconnection shall be adjusted to correct for the inaccuracy disclosed over the shorter of the following two periods: (1) for the thirty-day period immediately preceding the day of the test or (2) for the period that such inaccuracy may be determined to have existed, not to exceed six (6) months. Should the meters as provided for under this Section at any time fail to register, the electric capacity and energy delivered shall be determined by the Parties from the best available data.

Wolverine shall provide to the applicable Meter Data Management Agent (the "MDMA") and to those third parties that presently require such data to calculate network load (i.e., METC, TCL&P, and Consumers) direct dial-in, Ethernet, satellite or other data communication access to the billing metering data. The MDMA shall be responsible for reporting such data to the Midcontinent Independent System Operator, Inc., or successor organization.

Wolverine shall provide all services associated with the metering, including preventive maintenance services; provided, however, that additional costs related to non-preventive maintenance that only benefit METC or TCL&P shall be METC's or TCL&P's responsibility.

3.3 Telemetry

Certain telemetry facilities have been provided at the Gray Interconnection in accordance with the provisions of this Agreement. Wolverine shall own, operate and maintain said telemetry facilities.

3.4 Gray Interconnection Point

The connection point, and the point of change in ownership between the Parties, shall be the point at which the WPSC/TCLP 138 kV transmission line purchased pursuant to Subsection 1.4 originates from the METC dead-end structure pursuant to Subsection 1.3.1 on the METC side of the Gray Road Substation ("Gray Interconnection Point").

SECTION 4. SERVICE CONDITIONS

4.1 Reactive Control

METC and TCL&P shall endeavor to control the supply of kilovars so that the quantity flowing from any Party to another Party at the Gray Interconnection shall be as close to zero as possible. METC and Wolverine will comply with the terms of Settlement Agreement dated February 23, 2004 ("Settlement Agreement"), as amended, approved by the Federal Energy Regulatory Commission ("FERC"), in FERC Docket no. ER03-901-000 and agree that the Gray Substation point of interconnection will be grouped with group 3 of the Settlement Agreement: the Grand Traverse # 1 and Grand Traverse #2 points of interconnection.

4.2 Continuity of Service

Each Party shall exercise reasonable care to maintain continuity of service in the delivery and receipt of electric capacity and energy as provided under this Agreement. If continuity of service becomes interrupted for any reason, the cause of such interruption shall be removed and normal operating conditions restored as soon as practicable. No Party shall be responsible to the other Parties for any damage or loss of revenue or other liability, damage or expense of any kind whatsoever, caused by or resulting from or in connection with any such interruption. Settlement of strikes and labor disturbances shall be wholly within the discretion of the Party having the difficulty.

SECTION 5. INDEMNITY; LIMITATION ON LIABILITY; FORCE MAJEURE

5.1 Indemnity.

Each Party shall at all times assume all liability for, and shall indemnify and save the other Parties harmless from, any and all damages, losses, claims, demands, suits, recoveries, costs, legal fees, and expenses for injury to or death of any person or persons whomsoever occurring on its own system, or for any loss, destruction of or damage to any property of third

persons, firms, corporations or other entities occurring on its own system, arising out of or resulting from, either directly or indirectly, its own facilities, or arising out of or resulting from, either directly or indirectly, any electric energy furnished to it hereunder after such energy has been delivered to it by such other Party, unless caused by the sole negligence or intentional wrongdoing of any other Party.

5.2 Limitation on Liability.

NO PARTY SHALL IN ANY EVENT BE LIABLE TO ANOTHER PARTY FOR ANY SPECIAL, INCIDENTAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES SUCH AS, BUT NOT LIMITED TO, LOST PROFITS, REVENUE OR GOOD WILL, INTEREST, LOSS BY REASON OF SHUTDOWN OR NON-OPERATION OF EQUIPMENT OR MACHINERY, INCREASED EXPENSE OF OPERATION OF EQUIPMENT OR MACHINERY, COST OF PURCHASED OR REPLACEMENT POWER OR SERVICES OR CLAIMS BY CUSTOMERS, WHETHER SUCH LOSS IS BASED ON CONTRACT, WARRANTY, NEGLIGENCE, STRICT LIABILITY OR OTHERWISE, EVEN IF THE PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

5.3 Force Majeure.

IN NO EVENT SHALL ANY PARTY BE LIABLE TO ANOTHER PARTY FOR ANY ACT, OMISSION OR CIRCUMSTANCE OCCASIONED BY OR IN CONSEQUENCE OF ANY ACT OF GOD, LABOR DISTURBANCE, ACT OF THE PUBLIC ENEMY, WAR, INSURRECTION, RIOT, FIRE, ICE, STORM OR FLOOD, EXPLOSION, BREAKAGE OR ACCIDENT TO MACHINERY OR EQUIPMENT, CURTAILMENT, ORDER, REGULATION OR RESTRICTION IMPOSED BY GOVERNMENTAL, MILITARY OR LAWFULLY ESTABLISHED CIVILIAN AUTHORITIES OR BY THE MAKING OF NECESSARY REPAIRS UPON THE PROPERTY OR EQUIPMENT OF ANY PARTY HERETO, OR BY ANY OTHER CAUSE OR CAUSES BEYOND ANY PARTY'S REASONABLE CONTROL. NO PARTY SHALL BE REQUIRED TO SETTLE ANY STRIKE OR OTHER LABOR PROBLEM IN A MANNER NOT COMPLETELY SATISFACTORY TO IT.

SECTION 6. SUCCESSORS AND ASSIGNS

6.1 Binding Effect

This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the respective Parties.

6.2 Assignment

No Party shall assign, transfer or otherwise alienate its interest in this Agreement in whole or in part without the prior written consent of the other Parties, and any attempted assignment without securing the consent of the other Parties shall be null and void, and of no force and effect. Such consent shall not be unreasonably withheld.

SECTION 7. NOTICE TO PARTIES

Unless otherwise provided in this Agreement, any notice, consent or other communication required to be made under this Agreement shall be in writing and shall be mailed by first class US mail, postage prepaid or delivered to the address set forth below or such other address as the receiving Party may designate in writing.

Michigan Electric Transmission Company, LLC
27175 Energy Way
Novi, Michigan 48377
Attention: Daniel J. Oginsky, Senior Vice President and General Counsel

Wolverine Power Supply Cooperative, Inc.
10125 West Watergate Road
P O Box 229
Cadillac, Michigan 49601-0229
Attention: Legal Department

Traverse City Light & Power
1131 Hastings St.
Traverse City, Michigan 49686
Attention: Executive Director

All notices shall be effective when received.

SECTION 8. GOVERNING LAW

This Agreement shall be deemed to be a Michigan contract and shall be construed in accordance with and governed by the laws of Michigan, exclusive of its conflict of laws principles.

SECTION 9. EFFECTIVE DATE, TERM AND TERMINATION

This Agreement shall become effective on the first day of the month following the month in which the Agreement is accepted for filing and designated to become effective in accordance with its terms by the FERC, and shall remain in full force and effect until terminated, which may occur at any time by mutual agreement of the Parties or upon not less than sixty (60) months written notice given by any of the Parties hereto to the other Parties.

If Wolverine gives written notice of its desire to terminate this Agreement, METC and TCL&P shall meet to discuss appropriate changes to this Agreement that will allow the interconnection facilities to continue to function. Similarly, if TCL&P gives written notice of its desire to terminate this Agreement, METC and Wolverine shall meet to discuss appropriate changes to this Agreement that will allow the interconnection facilities to continue to function.

SECTION 10. RETIREMENT

At such time, before or after the Gray Interconnection is ready to be connected to METC's system that the Gray Interconnection is no longer required by Wolverine and TCL&P, then the retirement of the facilities comprising the Gray Interconnection shall be the responsibility of the Party owning such facilities. Said retirement and removal of facilities shall be done as expeditiously as possible.

SECTION 11. ENTIRE AGREEMENT, THIRD PARTIES AND AMENDMENTS

With respect to the subject matter hereof, this Agreement supersedes all previous representations, understandings, negotiations and agreements either written or oral among the Parties or their representatives and constitutes the entire agreement of the Parties. This Agreement is intended for the benefit of the parties hereto and does not grant any rights to any third parties unless otherwise specifically stated herein. No amendments or changes to this Agreement shall be binding unless made in writing and duly executed by all Parties. This Agreement may be executed in several counterparts, each of which may be deemed an original, and all of such counterparts together shall constitute one and the same Agreement.

[Remainder of Page Intentionally Left Blank; Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement.

**MICHIGAN ELECTRIC TRANSMISSION
COMPANY, LLC**

By: ITC Holdings Corp., its Manager

By: Gregory Ioanidis
Its: Vice President

**WOLVERINE POWER SUPPLY
COOPERATIVE, INC.**

By: Eric D. Baker
Its: President & CEO

**TRAVERSE CITY LIGHT AND POWER
DEPARTMENT**

By: John A. Taylor
Its: Chairman

By: Timothy Arends
Its: Secretary

[Signature Page to Gray Substation Interconnection Facilities Agreement]



TRAVERSE CITY
LIGHT & POWER

To: Light & Power Board
From: Tim Arends, Executive Director
Date: May 29, 2014
Subject: Wi-Fi Construction Agreement

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Attached for your review is a proposed Construction Agreement between Traverse City Light & Power (TCL&P) and Aspen Wireless for the construction of the Wi-Fi system in the DDA District. This Agreement, including the costs, is consistent with the recent contract approved by the Board between the utility and the DDA.

While projects of this nature are typically competitively bid by the utility, this project was designed and costs were projected by Aspen Wireless using equipment customary for the type of system required by the contract between the utility and the DDA. Performance of the system is dependent on the contractor's recommendations for specific equipment and locations around the city. Therefore, it was not advantageous of the utility to competitively bid the equipment/construction of the system as that would require new engineering.

Staff recommends the Board's approval of the Wi-Fi Construction Agreement between TCL&P and Aspen Wireless, as presented and reviewed by General Counsel. This item is appearing on the Consent Calendar as it is deemed by staff to be a non-controversial item. Approval of this item on the Consent Calendar means you agree with staff's recommendation.

If any member of the Board or the public wishes to discuss this matter, other than clarifying questions, it should be placed on the "Items Removed from the Consent Calendar" portion of the agenda for full discussion.

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

MOVED BY _____, **SECONDED BY** _____,

THAT THE COMPETITIVE BIDDING PROCESS BE WAIVED AND THE BOARD AUTHORIZES THE EXECUTIVE DIRECTOR TO ENTER INTO A CONSTRUCTION CONTRACT WITH ASPEN WIRELESS FOR THE DDA WI-FI PROJECT, SUBJECT TO APPROVAL AS TO FORM BY GENERAL COUNSEL.

**TRAVERSE CITY LIGHT AND POWER
CONSTRUCTION AGREEMENT**

THIS AGREEMENT made this ____ day of _____, by and between the TRAVERSE CITY LIGHT AND POWER DEPARTMENT (Owner), a Michigan municipal electric utility, of 1131 Hastings St., Traverse City, Michigan 49686, and ASPEN WIRELESS TECHNOLOGIES, INC., a Michigan corporation (Contractor).

WHEREAS, Owner desires to engage the services of the Contractor to furnish technical and professional assistance concerning construction of the project which is described as:

TRAVERSE CITY DDA DISTRICT WI-FI NETWORK

and the Contractor wishes to furnish such technical and professional service to Owner and has represented that Contractor has the education, expertise, capability, equipment, and the necessary licenses to perform such services;

THEREFORE, the parties mutually agree as follows:

1. Scope of Work. The Contractor shall provide services in accordance with and as set forth in Schedule "A", "Scope of Work", attached hereto and incorporated herein by reference. Contractor shall provide the equipment and materials described in Schedule C, attached hereto and incorporated herein by reference.
2. Compensation and Method of Payment. Owner shall pay to the Contractor and the Contractor agrees to accept as full compensation for services, equipment and material under this Agreement an amount of \$381,720 in accordance with Schedule "B", "Timetable for Activities and Schedule of Payments", attached hereto and incorporated herein by reference including any change orders approved in advance by the Executive Director.
3. Period of Performance. The work to be rendered under this Agreement shall commence with the time period specified in Schedule "B". Performance and completion of performance shall be in accordance with the schedules attached hereto.
4. Independent Contractor. The relationship of the Contractor to Owner is that of an independent Contractor and in accordance therewith, Contractor covenants and agrees to conduct itself consistent with such status and that neither it nor its employees, officers or agents will claim to be an officer, employee or agent of Owner, or make any claim, demand or application, to or for any rights or privileges applicable to any officer or employee of same, including, but not limited to worker's compensation coverage, unemployment insurance benefits, social security coverage, or retirement membership or credit.

5. Contractor Responsibility. The Contractor shall perform the work in a good and workmanlike manner and assumes the risk in performing under this Agreement. Contractor shall be solely responsible and answerable in damages for all improper work, accidents or injuries to person or property. Contractor shall make a careful examination of the site, plans, specifications and all conditions affecting the work, and any failure to make such examination will not be a valid excuse for failure to do the work as a basis for any claim for extra compensation or extension of time. Contractor acknowledges having visited the site and shall promptly give Owner written notice of any physical condition discovered differing materially from that indicated in this Agreement or unknown and of an unusual nature differing materially from that ordinarily encountered and generally recognized as adhering to this type of work. The network shall operate in accordance with the expectations of the DDA as outlined in the engineering proposal as submitted by Contractor and approved by the DDA Board. Failure of adequate network operations and coverage, as approved, shall be remedied by the Contractor at Contractor's expense.

6. Equipment. All equipment and materials purchased on behalf of Owner shall be registered and licensed in Owner's name, where applicable; all warranties shall be in Owner's name and warranty documents shall be turned over to Owner upon completion of construction.

7. Access. Owner shall have full administrator access across all equipment for independent management of the system. Owner shall allow access to Contractor to allow its ability to fulfill any contractual obligations between Owner and Contractor. In addition, Owner shall have a Network Management System (NMS) under the control of Owner. Owner may grant usage of NMS to Contractor to meet other contractual obligations with Owner.

8. Indemnity. Contractor shall defend, indemnify and save harmless Owner, its officers and employees, from and against any and all claims, liabilities, losses, damages, actual attorneys' fees and settlement expenses for injury or death, or, any person and damage, or loss of any property allegedly or actually resulting or arising out of any act, omission, or negligence of Contractor or its employees, agents or subcontractors in connection with performing this Agreement, or resulting from or arising out of the joint negligence of Owner and that of Contractor or any other person or entity. Owner shall not be indemnified against liability for damages arising out of bodily injury or damage to property where the entire amount of such damage, whether recoverable or not, is caused by or resulted from the sole negligence of Owner, its officers or employees. This indemnification agreement shall not be limited by reason of any insurance coverage. (Defects in the equipment hardware, software, brackets, cables, etc. are covered by manufacturers' warranties.)

9. Insurance. The Contractor shall acquire and maintain comprehensive general liability insurance coverage, and comprehensive automobile liability insurance coverage. The limits and deductible shall be as follows:

- A. Comprehensive General Liability insurance with a \$2,000,000 minimum in coverage.
- B. Comprehensive Automobile Liability insurance with a \$1,000,000 minimum in

coverage.

The Contractor agrees not to change such insurance and agrees to maintain such insurance throughout the period of performance of this Agreement. Contractor will within two weeks of the execution of this Agreement provide a certificate of insurance to the Executive Director. Such certificate shall name Owner as an additional insured.

10. Workers' Compensation. The parties shall maintain suitable workers' compensation insurance pursuant to Michigan law and Contractor shall provide a certificate of insurance or copy of state approval for self-insurance to the Executive Director within two weeks of the execution of this Agreement.

11. Compliance with Regulations. The Contractor shall comply with all applicable statutes, rules and regulations of all Federal, State and local governments and agencies having jurisdiction, and bears the risk of any such authorities or changes thereto.

12. Standard of Conduct. Contractor shall render all services under this Agreement according to generally accepted professional practices for the intended use of the work or project.

13. Owner's Obligation. Owner shall provide Contractor with all information currently available to it upon request of the Contractor. Owner's Executive Director, or such other person as the Executive Director shall designate, shall be Owner's representative for purposes of this Agreement.

14. Non-Discrimination. The parties agree not to discriminate against an employee or applicant for employment with respect to hire, tenure, terms, conditions or privileges of employment or a matter directly or indirectly related to employment because of race, color, religion, national origin, age, sex, height, weight, marital status, physical or mental disability, family status, sexual orientation, or gender identity. Breach of this covenant may be regarded as a material breach of this Agreement. The Contractor agrees to require similar provisions from any sub-contractor.

15. Prohibition Against Assignment. This Agreement is intended to secure the service of Contractor because of its ability and reputation and none of the Contractor's duties under the Agreement shall be assigned, subcontracted, or transferred without the prior written consent of Owner. Any assignment, subcontract or transfer of Contractor's duties under this Agreement must be in writing.

16. Third-Party Participation. The Contractor agrees that despite any subcontract entered into by the Contractor for execution of activities or provision of services related to the completion of this project, the Contractor shall be solely responsible for carrying out the project pursuant to this Agreement. The Contractor shall specify in any such subcontract that the subcontractor shall be bound by this Agreement and any other requirements applicable to the Contractor in the conduct of the project, unless Owner and the Contractor agree to modification

in a particular case. The Contractor shall not subcontract unless agreed upon in writing by Owner.

17. Interest of Contractor. The Contractor represents that its officers and employees have no interest and covenant that they will not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of Contractor's services and duties hereunder. The Contractor further covenants that in the performance of the Agreement, no person having any such interest shall be employed. Contractor further covenants that neither it nor any of its principals are in default to Owner.

18. Covenant Against Contingent Fees. The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure this contract upon any agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees. For breach of violation of this warranty, Owner shall have the right to annul this Agreement without liability, or in its discretion, to deduct from the contract price or consideration, or otherwise recover the full amount of such commission, percentage, brokerage, or contingent fee.

19. Qualifications of the Contractor. The Contractor specifically represents and agrees that its officers, employees, agents and consultants have and shall possess the experience, knowledge, and competence necessary to qualify them individually for the particular duties they perform hereunder.

20. Notice. Whenever it is provided in this Agreement that a notice or other communication is to be given or directed to either party, the same shall be given or directed to the respective party at its address as specified in the Agreement, or at such other address as either party may, from time to time, designate by written notice to the other.

21. Amendments. This Agreement may be modified from time to time, but such modifications shall be in writing and signed by both parties.

22. Termination for Fault. If Owner determines that the Contractor has failed to perform or will fail to perform all or any part of the services, obligations, or duties required by this Agreement, Owner may terminate or suspend this Agreement in whole or in part upon written notice to the Contractor specifying the portions of the Agreement and in the case of suspension shall specify a reasonable period not more than thirty (30) days nor less than fifteen (15) days from receipt of the notice, during which time the Contractor shall correct the violations referred to in the notice. If the Contractor does not correct the violations during the period provided for in the notice, this Agreement shall be terminated upon expiration of such time. Upon termination, any payment due the Contractor at time of termination may be adjusted to cover any additional costs occasioned by reason of the termination. This provision for termination shall not limit or modify any other right of Owner to proceed against the Contractor at law or under the terms of this Agreement.

23. Force Majeure. If because of Force Majeure, either party is unable to carry out

any of its obligations under this agreement (other than obligations of such party to pay or expend money for or in connection with the performance of this Agreement), and if such party promptly gives to the other party concerned written notice of such force majeure, then the obligations of the party giving such notice will be suspended to the extent made necessary by such force majeure and during its continuance, provided the effect of such force majeure is eliminated insofar as possible with all reasonable dispatch. "Force Majeure" means unforeseeable events beyond a party's reasonable control and without such party's fault or negligence, including, but not limited to, acts of God, acts of public enemy, acts of the federal government, acts of another party to this Agreement, fire, flood, inclement weather, epidemic, quarantine restrictions, strikes and embargoes, labor disturbances, the unavailability of raw materials, legislation, charter amendments or referendum, orders or acts of civil or military authority, injunctions, or other causes of a similar nature which wholly or substantially prevent performance. If the suspension of work lasts for more than 30 days, Owner may terminate this Agreement.

24. Delay. If the Contractor is delayed in the completion of the work due to Force Majeure, or otherwise, the time for completion may be extended for a period determined by Owner to be equivalent to the time of such delay. Owner may terminate this Agreement if the delay lasts for more than 30 days. Upon termination by Owner, the Contractor shall be entitled to and Owner shall pay the costs actually incurred in compliance with this Agreement until the date of such termination, but not more than the maximum contract amount.

25. Interpretation. This Agreement shall be governed by the laws of the State of Michigan, both as to interpretation and performance. This Agreement was drafted at the joint direction of the parties. The pronouns and relative words used herein are written in the neuter and singular. However, if more than one person or entity joins in this Agreement on behalf of Contractor, or if a person of masculine or feminine gender joins in this Agreement on behalf of Contractor, such words shall be interpreted to be in the plural, masculine or feminine as the sense requires.

26. Venue. Any and all suits for any and every breach of this Agreement may be instituted and maintained in any court of competent jurisdiction in the County of Grand Traverse, State of Michigan.

27. Entire Agreement. This Agreement, together with the Maintenance Agreement and with all items incorporated herein by reference, constitutes the entire agreement of the parties and there are no valid promises, conditions or understandings which are not contained herein except for the January 27, 2010, Mutual Non-Disclosure Agreement. The parties acknowledge that the Professional Services Agreement signed February 9, 2010, has been fully completed and paid. It is understood that should Contractor recommend further work concerning the project, Owner is under no obligation to engage Contractor in such work.

28. Third-Party Beneficiaries. The parties do not intend for there to be any third party beneficiaries to this agreement, except the Traverse City DDA which is a third party beneficiary.

29. No Joint Venture or Partnership. This Agreement does not and is not intended to

create a joint venture or partnership between the parties. The rights and obligations of the parties are entirely contained within this Agreement.

30. Authority to Execute. The parties agree that the signatories appearing below have the authority and are duly authorized to execute this Agreement on behalf of the party to the Agreement.

31. Dispute Resolution. If any party has a dispute with another regarding the meaning, operation, or enforcement of any provision of this Agreement, the disputing parties agree to meet and confer to negotiate a resolution of the dispute. They further agree as follows:

- (A) **Mediation.** If they are unable to resolve the dispute themselves and before formally instituting any other dispute mechanism, they shall utilize the services of a mutually acceptable neutral mediator, who meets the qualifications of MCR 2.411, to bring them together in at least one mediation session.
- (B) **Venue.** All meetings, hearings and actions to resolve the dispute shall be in Grand Traverse County.
- (C) **Notice.** Written notice of a dispute shall be given to the other parties not later than 90 days after the occurrence giving rise to the dispute becomes known or should have become known. Negotiations and mediation shall occur within 60 days after such notice.

32. Owner Responsibility. Owner shall provide the necessary qualified resources for the project to complete negotiation and closure of required agreements, provide staging facility access, fiber network access and configuration, head-end facility access and configuration, outside plant construction of the project per the project plan with any deficiencies in available resources identified and mitigated by Owner to not delay the project. Contractor agrees to assist Owner with power and space agreements, as necessary.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date and year first above written.

TRAVERSE CITY LIGHT and POWER
DEPARTMENT

By: _____
John Taylor, Board Chairman

By: _____
Timothy J. Arends, Secretary

ASPEN WIRELESS TECHNOLOGIES, INC.

By: _____
Jim Selby, President

APPROVED AS TO SUBSTANCE:

Timothy J. Arends
Executive Director

APPROVED AS TO FORM:

W. Peter Doren
General Counsel

SCHEDULE A

SCOPE OF WORK

The Contractor will furnish and install Wi-Fi Network equipment and materials as required to fully satisfy the items listed under the Scope of Work, Deliverables and Contractor Responsibilities based upon the request of the Executive Director and the Manager of Telecommunications & Technology.

PERFORMANCE HOURS:

All work described in this proposal will be performed between the hours of 7 A.M. and 5 P.M., Monday-Friday.

TCLP RESPONSIBILITIES:

Fiber backbone, pole and root sites for Wi-Fi Network
IP addresses, as required

Equipment rack space for new equipment, as required

Wall space for new equipment, as required

120 VAC outlets, as required

Unfettered access to Existing TCLP facilities, light poles and network equipment with which to interface

Provision of access into rooms/areas required to perform the work described in this proposal, during the hours of performance described in the proposal

Upon award of this contract to Contractor, TCLP to provide:

Coordination with TCLP staff to agree upon a complete schedule for implementation of the proposed Scope of Work

48-hours notice for all inspections

Copy of the Building Permit, as applicable

Copy of the "Notice to Owner", as applicable

Copy of the Tax Exempt Certificate, as applicable

P.O. or contract, referencing this proposal # and amount

The Contractor will provide a turnkey design, build and operational ready Municipal Wi-Fi Network for the TC DDA district area connected to the TCLP existing fiber network. The proposed Wi-Fi Network is to be constructed by contractor according to the design provided in the *TC DDA Wi-Fi Proposal for TCLP.pdf* presentation. It consists of the equipment specified by Contractor at locations specified to provide the Wi-Fi coverage shown on the map. The equipment specified is described on Schedule C.

Phase I - Set up **Staging, IP Core, Controllers Network Management Servers and Internet.**

Phase II - Focus on fiber **backbone** and the **Root** Wi-Fi Sites. Complete approvals and permits.
20 Nodes

Phase III - Standardize on **Power** and **mounting** Mesh Wi-Fi sites mainly on TCLP light poles.

46 Nodes

Contractor will need to have a meeting with TCLP staff to determine best method to tap electrical from TCLP light poles and best method/splice details for accessing TCLP fiber.

Client understands that the Contractor may contract with outside firms to assist in the construction as required. Client understands that input may be provided directly to these outside firms in the process of completing the Agreement. Written notice to the Client will be provided to confirm vendor participation and authority to contact Client directly if necessary.

SOW includes:

1. Engineering assistance with Merit Networks:
 - a. Direct Internet Access (DIA) engineering assistance
 - b. Customer Premise Equipment Procurement and installation
2. System Integration of Wi-Fi Network
 - a. Procure equipment
 - b. Receive and set up staging area at Hastings or Hall Street
 - c. Finalize TCLP light pole selection
 - d. Enhance fiber to support Wi-Fi Network
 - e. Configure network backbone and Wi-Fi devices
 - f. Install Root AP sites
 - g. Install TCLP pole sites
 - h. Provision, optimize and document devices
 - i. Install Operations Support Systems (OSS)
 - j. Install Network Management Server setting up TCLP visibility and alarms.
3. Network Testing
 - a. Infrastructure Integration/System Testing Complete
 - b. Network Operations Center (NOC) Processes Complete
 - c. Technician Training Complete
 - d. Trouble Report Testing Complete
 - e. Operational Readiness Verification
 - f. Review final Punch List and complete
4. Network Approval for DDA Launch
 - a. Address DDA wants and concerns
5. Network Operation and Maintenance
 - a. Report network operation monthly
 - i. Monitor and Tune Network Performance
 - ii. Perform Necessary Maintenance

CLARIFICATIONS:

This SOW includes equipment, materials, and labor for a complete installation.

This quotation is valid for 30 days. Prices include freight, submittals, technical installer support (TIS) which includes test & checkout, and a one-year warranty. Ruckus Equipment will have a 10-year warranty.

Returned material must be re-sellable, unopened in its original packaging. Any material or containers that are opened, defaced, or damaged cannot be returned to Contractor. Restocking fees may apply for returned equipment.

All Contractor warranty work shall be performed during standard weekday office hours and shall not require any special access equipment. Hoists, man-lifts, extra long ladders, special safety equipment, and the like, shall be provided by others when required. Contractor requires that 90% of the project invoices be paid prior to Contractor arriving on site for final walkthrough.

This quotation does not include installation of TCLP panel equipment or field devices unless otherwise stated in an attached material list as provided by Contractor.

EXCLUSIONS:

In-ceiling conduit raceways or cable trays for wire, core drilling or roof penetrations
120VAC power circuits that are not present.

Building generators or other power backup systems not included in project scope

Trenching, over lashing, back-filling, re-seeding and/or walk-way or outside plant repair

Cutting, drilling, patching or painting (fire caulking will be included for cable/conduit, penetrations through fire-rated walls as required to complete this project)

Configuration of non-contractor provided equipment (i.e. TCLP network equipment or servers)

Permits

SCHEDULE B

Contractor services shall commence within 2 calendar days after execution of this Agreement. The schedule of activities shall be as follows:

Services shall be completed no later than August 4th, 2014 based on Purchase Order issuance by June 3rd, 2014.

SCHEDULE OF PAYMENTS

Payments shall be made to the Contractor in accordance with the following schedule:

Any change orders must be approved in advance.


- Schedule of payments:

| ID | Project Deliverable | Date | Amount |
|-----------|--------------------------------|-----------------|---------------|
| P1 | Procure all network components | July 15, 2014 | 313,200.00 |
| P2 | Headend and backbone complete | July 15, 2014 | \$12,500.00 |
| P3 | Root sites Complete | July 31, 2014 | \$22,000.00 |
| P4 | Pole Sites Complete | July 31, 2014 | \$28,520.00 |
| P5 | Network tested & operational | August 10, 2014 | \$5,500.00 |
| Total | | | \$381,720.00 |

Contractor shall perform to the best of its abilities to achieve estimated completion dates, however is not bound to these specific dates and is not responsible for reasonable delays. Estimated completion dates are based upon timely receipt of payments, information, schedule of personnel and any 3rd party deliverable estimates.



TRAVERSE CITY
LIGHT & POWER

To: Light & Power Board
From: Tim Arends, Executive Director 
Date: May 29, 2014
Subject: Wi-Fi Operation & Maintenance Agreement

Attached for your review is a proposed ten-year Operation & Maintenance Agreement between Traverse City Light & Power (TCL&P) and Aspen Wireless for the Wi-Fi system in the DDA District. This Agreement, including the annual fee, is consistent with the recent contract approved by the Board between the utility and the DDA.

Staff recommends the Board’s approval of the Operation & Maintenance Agreement between TCL&P and Aspen Wireless, as presented and reviewed as to form by General Counsel. This item is appearing on the Consent Calendar as it is deemed by staff to be a non-controversial item. Approval of this item on the Consent Calendar means you agree with staff’s recommendation.

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

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

MOVED BY _____, SECONDED BY _____,

THAT THE BOARD AUTHORIZES THE CHAIRMAN AND SECRETARY TO ENTER INTO AN OPERATION AND MAINTENANCE AGREEMENT WITH ASPEN WIRELESS TO SUPPORT THE DDA WI-FI SYSTEM, SUBJECT TO APPROVAL AS TO SUBSTANCE BY THE EXECUTIVE DIRECTOR, AND AS TO FORM BY GENERAL COUNSEL.

**TRAVERSE CITY LIGHT AND POWER
MAINTENANCE AGREEMENT**

THIS AGREEMENT made this _____ day of _____, by and between the TRAVERSE CITY LIGHT AND POWER DEPARTMENT, a Michigan municipal electric utility, of 1131 Hastings St., Traverse City, Michigan, 49684, (the "TCL&P"), and ASPEN WIRELESS TECHNOLOGIES, INC., a Michigan corporation, (the "CONTRACTOR").

WHEREAS, TCL&P desires to engage the services of the Contractor to furnish professional maintenance, service and assistance concerning for certain properties or facilities which are described as:

OPERATION & MAINTENANCE OF TCL&P WI-FI NETWORK SYSTEM (System)

and the Contractor wishes to furnish such professional maintenance service to TCL&P and has represented that Contractor has the education, expertise, capability, equipment, and the necessary licenses to perform such services;

THEREFORE, the parties mutually agree as follows:

1. Scope of Services. Contingent upon construction and operation of the System, the Contractor shall provide services in accordance with and as set forth in Schedule A, Scope of Work, attached hereto and incorporated herein by reference.
2. Compensation and Method of Payment. TCL&P shall pay to the Contractor and the Contractor agrees to accept as full compensation for services under this Agreement the annual fee of \$9,600 to be paid in monthly installments of \$800 in accordance with Schedule A attached hereto and incorporated herein by reference.
3. Period of Performance. The services to be rendered under this Agreement shall commence upon completion of construction of the System and acceptance by TCL&P. This Agreement shall continue for ten (10) years from the commencement date or the ending of use of the System by TCL&P, whichever is shorter. Performance and completion of performance shall be in accordance with the schedules attached hereto.
4. Independent Contractor. The relationship of the Contractor to TCL&P is that of an independent contractor and in accordance therewith, Contractor covenants and agrees to conduct itself consistent with such status and that neither it nor its employees, officers or agents will claim to be an officer, employee or agent of TCL&P, or make any claim, demand or application, to or for any rights or privileges applicable to any officer or employee of same, including, but not limited to worker's compensation coverage, unemployment insurance benefits, social security coverage, or retirement membership or credit.

5. Contractor Responsibility. The Contractor shall perform the work in a good and workmanlike manner and assumes the risk in performing under this Agreement. Contractor shall be solely responsible and answerable in damages for all improper work, accidents or injuries to person or property. Contractor shall make a careful examination of the site, facilities, surrounding property and facilities, and all conditions affecting the work, and any failure to make such examination will not be a valid excuse for failure to do the work as a basis for any claim for extra compensation or extension of time. Contractor acknowledges having visited the site and shall promptly give TCL&P written notice of any physical condition discovered differing materially from that indicated in this Agreement or unknown and of an unusual nature differing materially from that ordinarily encountered and generally recognized as adhering to this type of work.

6. Indemnity. Contractor shall defend, indemnify and save harmless TCL&P, its officers and employees, from and against any and all claims, liabilities, losses, damages, actual attorneys fees and settlement expenses for injury or death, or, any person and damage, or loss of any property allegedly or actually resulting or arising out of any act, omission, or negligence of Contractor or its employees, agents or subcontractors in connection with performing this Agreement, or resulting from or arising out of the joint negligence of TCL&P and that of Contractor or any other person or entity. TCL&P shall not be indemnified against liability for damages arising out of bodily injury or damage to property where the entire amount of such damage, whether recoverable or not, is caused by or resulted from the sole negligence of TCL&P, its officers or employees. This indemnification agreement shall not be limited by reason of any insurance coverage.

7. Insurance. The Contractor shall acquire and maintain comprehensive general liability insurance coverage, and comprehensive automobile liability insurance coverage. The limits and deductible shall be as follows:

- A. Comprehensive General Liability insurance coverage. \$2,000,000 minimum coverage.
- B. Comprehensive Automobile Liability insurance coverage. \$2,000,000 minimum coverage. This requirement may be met through an Umbrella Policy.

The Contractor agrees not to change such insurance and agrees to maintain such insurance throughout the period of performance of this Agreement. Contractor will upon execution of this Agreement provide a certificate of insurance to the Executive Director. Such certificate shall name TCL&P as an additional insured.

8. Workers Compensation. The parties shall maintain suitable workers' compensation insurance pursuant to Michigan law and Contractor shall provide a certificate of insurance or copy of state approval for self-insurance to the Executive Director upon execution of this Agreement.

9. Compliance with Regulations. The Contractor shall comply with all applicable

statutes, rules and regulations of all Federal, State and local governments and agencies having jurisdiction, and bears the risk of any such authorities or changes thereto.

10. Standard of Conduct. Contractor shall render all services under this Agreement according to generally accepted professional practices for the maintenance and intended use of the facilities.

11. TCL&P's Obligation. TCL&P shall provide Contractor with all information currently available to it upon request of the Contractor. TCL&P's Executive Director or such other person as the Executive Director shall designate shall be TCL&P's representative for purposes of this Agreement.

12. Non-Discrimination. The parties agree not to discriminate against an employee or applicant for employment with respect to hire, tenure, terms, conditions or privileges of employment or a matter directly or indirectly related to employment because of race, color, religion, national origin, age, sex, height, weight, marital status, physical or mental disability, family status, sexual orientation, or gender identity. Breach of this covenant may be regarded as a material breach of this Agreement.

13. Prohibition Against Assignment. This Agreement is intended to secure the service of Contractor because of its ability and reputation and none of the Contractor's duties under the Agreement shall be assigned, subcontracted, or transferred without the prior written consent of TCL&P. Any assignment, subcontract or transfer of Contractor's duties under this Agreement must be in writing.

14. Third-Party Participation. The Contractor agrees that despite any subcontract entered into by the Contractor for execution of activities or provision of services related to the completion of this project, the Contractor shall be solely responsible for carrying out the maintenance pursuant to this Agreement. The Contractor shall specify in any such subcontract that the subcontractor shall be bound by this Agreement and any other requirements applicable to the Contractor, unless TCL&P and the Contractor agree to modification in a particular case. The Contractor shall not subcontract unless agreed upon in writing by TCL&P.

15. Interest of Contractor. The Contractor represents that its officers and employees have no interest and covenant that they will not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of Contractor's services and duties hereunder. The Contractor further covenants that in the performance of the Agreement, no person having any such interest shall be employed. Contractor further covenants that neither it nor any of its principals are in default to TCL&P.

16. Covenant Against Contingent Fees. The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure this contract upon any agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees. For breach of violation of this warranty, TCL&P shall have the right to annul this Agreement without liability, or in its discretion, to deduct from the contract price or consideration, or otherwise recover the full amount of such commission, percentage, brokerage, or contingent fee.

17. Qualifications of the Contractor. The Contractor specifically represents and agrees that its officers, employees, agents and consultants have and shall possess the experience, knowledge, and competence necessary to qualify them individually for the particular duties they perform hereunder.

18. Notice. Whenever it is provided in this Agreement that a notice or other communication is to be given or directed to either party, the same shall be given or directed to the respective party at its address as specified in the Agreement, or at such other address as either party may, from time to time, designate by written notice to the other.

19. Amendments. This Agreement may be modified from time to time, but such modifications shall be in writing and signed by both parties.

20. Termination for Fault. If TCL&P determines that the Contractor has failed to perform or will fail to perform all or any part of the services, obligations, or duties required by this Agreement, TCL&P may terminate or suspend this Agreement in whole or in part upon written notice to the Contractor specifying the portions of the Agreement and in the case of suspension shall specify a reasonable period not more than thirty (30) days nor less than fifteen (15) days from receipt of the notice, during which time the Contractor shall correct the violations referred to in the notice. If the Contractor does not correct the violations during the period provided for in the notice, this Agreement shall be terminated upon expiration of such time. Upon termination, any payment due the Contractor at time of termination may be adjusted to cover any additional costs occasioned by reason of the termination. This provision for termination shall not limit or modify any other right of TCL&P to proceed against the Contractor at law or under the terms of this Agreement.

21. Force Majeure. If because of Force Majeure, either party is unable to carry out any of its obligations under this agreement (other than obligations of such party to pay or expend money for or in connection with the performance of this Agreement), and if such party promptly gives to the other party concerned written notice of such force majeure, then the obligations of the party giving such notice will be suspended to the extent made necessary by such force majeure and during its continuance, provided the effect of such force majeure is eliminated insofar as possible with all reasonable dispatch. "Force Majeure" means unforeseeable events beyond a party's reasonable control and without such party's fault or negligence, including, but not limited to, acts of God, acts of public enemy, acts of the federal government, acts of another party to this Agreement, fire, flood, inclement weather, epidemic, quarantine restrictions, strikes and embargoes, labor disturbances, the unavailability of raw materials, legislation, charter amendments or referendum, orders or acts of civil

or military authority, injunctions, or other causes of a similar nature which wholly or substantially prevent performance. If the suspension of work lasts for more than 30 days, TCL&P may terminate this Agreement.

22. Delay. If the Contractor is delayed in the completion of the work due to Force Majeure, or otherwise, the time for completion may be extended for a period determined by TCL&P to be equivalent to the time of such delay. TCL&P may terminate this Agreement if the delay lasts for more than 30 days. Upon termination by TCL&P, the Contractor shall be entitled to and TCL&P shall pay the costs actually incurred in compliance with this Agreement until the date of such termination, but not more than the maximum contract amount.

23. Interpretation. This Agreement shall be governed by the laws of the State of Michigan, both as to interpretation and performance. This Agreement was drafted at the joint direction of the parties. The pronouns and relative words used herein are written in the neuter and singular. However, if more than one person or entity joins in this Agreement on behalf of Contractor, or if a person of masculine or feminine gender joins in this Agreement on behalf of Contractor, such words shall be interpreted to be in the plural, masculine or feminine as the sense requires.

24. Venue. Any and all suits for any and every breach of this Agreement may be instituted and maintained in any court of competent jurisdiction in the County of Grand Traverse, State of Michigan.

25. Entire Agreement. This Agreement, together with the Construction Agreement and with all items incorporated herein by reference, constitutes the entire agreement of the parties and there are no valid promises, conditions or understandings which are not contained herein. It is understood that should Contractor recommend further work, TCL&P is under no obligation to engage Contractor in such work.

26. Third-Party Beneficiaries. The parties do not intend for there to be any third party beneficiaries to this agreement, except the Traverse City DDA which is a third party beneficiary.

27. Authority to Execute. The parties agree that the signatories appearing below have the authority and are duly authorized to execute this Agreement on behalf of the party to the Agreement.

28. Dispute Resolution. If any party has a dispute with another regarding the meaning, operation, or enforcement of any provision of this Agreement, the disputing parties agree to meet and confer to negotiate a resolution of the dispute. They further agree as follows:

- A. Mediation. If they are unable to resolve the dispute themselves, and before formally instituting any other dispute mechanism, they shall utilize the services of a mutually acceptable neutral mediator, who meets the qualifications of MCR 2.411, to bring them together in at least one

mediation session.

- B. Venue. All meetings, hearings and actions to resolve the dispute shall be in Grand Traverse County.
- C. Notice. Written notice of a dispute shall be given to the other parties not later than 90 days after the occurrence giving rise to the dispute becomes known or should have become known. Negotiations and mediation shall occur within 60 days after such notice.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date and year first above written.

TRAVERSE CITY LIGHT and POWER
DEPARTMENT

By: _____
John Taylor, Board Chairman

By: _____
Timothy J. Arends, Secretary

ASPEN WIRELESS TECHNOLOGIES, INC.

By: _____
Jim Selby, President

APPROVED AS TO SUBSTANCE:

Timothy J. Arends
Executive Director

APPROVED AS TO FORM:

W. Peter Doren
General Counsel

SCHEDULE A

ASPEN WIRELESS SERVICE FOR Wi-Fi Operations, Maintenance and Backhaul

1. The Parties and the Services Covered:

ASPEN WIRELESS shall, subject to the following; monitor, and maintain the TCL&P Wi-Fi network during the Term of the Agreement for TRAVERSE CITY LIGHT AND POWER DEPARTMENT (hereinafter "Customer") at the following sites: Traverse City Downtown District Authority Area. (Refer to Section 3 Schedule-A for location detail)

This Schedule covers all monitoring, maintenance and repairs, as required or requested by Customer for the Municipal Wi-Fi service after installation and final acceptance by Customer. Additionally Aspen Wireless shall monitor the Merit Networks Direct Internet Access Connection as requested.

Service is retained and response times are committed with a monthly recurring rate below for Operations, Maintenance and Monitoring 24/7/365 of the Wi-Fi network:

Aspen Supervision and operation of Wi-Fi Network of \$200 per month

Aspen Contracted Ruckus Warranty, Maintenance and Materials \$600 per month

The combined monthly recurring rates shall be \$800 per month for a minimum term of 120 months.

SERVICE LEVEL CRITERIA

| Description | Metric |
|---|--|
| Availability Objective per month: | 99% |
| Latency within the Service Area: (Based on monthly average) | < 90 milliseconds port-to-port |
| Packet Loss: Based on Monthly Average | 0.75% or Less average packet loss. |
| Bandwidth Guarantee: (based on Aspen Wireless testing) | Aspen Wireless guarantees, for periods when the Service is available, that full port-to-port Circuit bandwidth purchased is available for the Customer's use at all times. |

2. Response and Repair Times

Response Within 30 Minutes OF Notification (Weekdays only)

Remote Evaluation – In the event of a service outage Aspen Wireless will respond within 30 minutes after receiving notification of the outage from Customer. After receiving notification Aspen Wireless will access the Aspen Wireless Technologies, Inc. P: 970.948.9998

system remotely in efforts to evaluate the outage and restore service and/or dispatch technician to the site of the failed system.

STANDARD SERVICE – Aspen Wireless shall provide 24 hour alarming and proactive monitoring of adverse network activity and will take action in many cases before the Customer is aware of any issue.

Mean Time to Repair (“MTTR”) is the time it takes to fix a problem and close out the associated Trouble Ticket. Trouble Ticket(s) kept open at the Customer’s request shall not be included in this calculation. Aspen Wireless MTTR objective is an average of two (2) hours per occurrence, with no single occurrence lasting greater than four (4) hours.

Aspen Wireless shall maintain a twenty-four (24) hours a day, seven (7) days a week point-of-contact for Customer to report system Troubles and open a Trouble Ticket.

REMOTE ASSISTANCE WITHIN 1 HOUR OF REQUEST

SERVICE CALL ENROUTE WITHIN 2 HOURS OF REQUEST TO BE ON SITE (Weekends and Holidays included)

3. Schedule B of Hardware and Location Detail (attached)

4. Service Period

See Agreement paragraph 3.

5. Service Requests, Information on our NOC and Support tiers:

ASPEN WIRELESS can be contacted at 408-412-WIFI for service requests. ASPEN WIRELESS shall also provide Customer with a voicemail page numbers for requests for Emergency Service made before or after normal business hours. Standard Service will be available during normal business hours. Emergency Service will be available Seven (7) days a week, Twenty-Four (24) hours a day. The Customer shall designate one individual, as well as any on-site Manager of Customer’s NOC, to make service requests.

The Aspen Wireless Network Management System (NMS) is based on using a process called Wireless and Virtual Network Operations Center (WaVE-NOC), a PROVEN sophisticated element management solution that gives the Network Manager the ability to easily deploy, control, monitor and upgrade components network-wide through an intuitive, user-friendly GUI. The NMS combined with our border gateways create an Operation Support System/Billing Support System, enabling full automation in the system that is currently in place with other municipal Wi-Fi systems.

This efficient, centralized management system enables TCLP to have visibility and monitor the systems from anywhere. Our Network Operators will have the requisite competencies to monitor the specific network capacity for proactive subscriber management and will utilize their network engineers to maintain and upgrade the performance and quality of service within the network resulting in proven customer satisfaction.

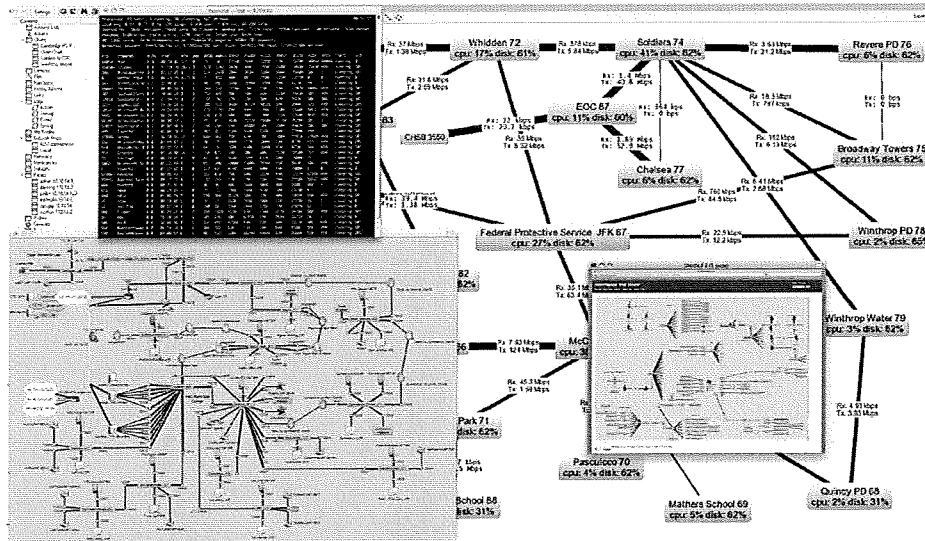
Tier 1 Support Tier 1 support consists of routine, daily customer support issues from end users. This service will be distributed from the WaVE-NOC with staggered shift schedules to create a 24-hour/7-days-a- week/365-days support response. The WaVE-NOC will leverage the use of the existing automated billing and customer care system that provides automated provisioning and network monitoring to ensure rapid service turn on and to provide proactive fault detection service. Customers will have three methods of support: 1) VoIP, 2) web portal and 3) e-mail. Tier 1 support will also include trained technicians who live and work in the Town of Vail service area.

Aspen Wireless Technologies, Inc.

P: 970.948.9998

Tier 2 Support Issues that cannot be solved by Tier 1 support within 24 hours will be escalated to Tier 2 personnel. Tier 2 personnel will have extensive network hardware, software and engineering skills. Tier 2 personnel will support customer and Tier 1 personnel in solving more complex issues. Tier 2 personnel may also be required to mobilize to a remote location to resolve network issues.

Tier 3 Support Aspen Wireless has established relationships and contracts with our vendors as required in order to resolve complex issues such as network, protocol and vendor specific troubleshooting. These vendors/contracts will be called upon in the rare instance our network operations personnel cannot resolve an issue.



Example of Network Management through the WaVE-NOC System

Note: This is an example of the volume of information available through the Wave-NOC System. The operator can access this information, review traffic, routing options, identify failures, re-route traffic, set automatic alarms and dispatch crews from any Internet Access Point. The Operator can also add or remove customers, increase or decrease their purchased capacity, and troubleshoot each and every element on the network.

7. LIMITATIONS

IN NO EVENT SHALL THE CUSTOMER OR ASPEN WIRELESS BE LIABLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES (INCLUDING PROFITS) REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT, TORT, STRICT LIABILITY, OR OTHERWISE, ARISING OUT OF ITS PERFORMANCE OR FAILURE OF PERFORMANCE UNDER THIS AGREEMENT.

8. Access to Equipment

The Customer shall promptly report to ASPEN WIRELESS any condition requiring service or correction. The Customer shall grant to ASPEN WIRELESS, or its designated representatives, free access to the Equipment and the node and hub facilities at which the Equipment is housed. As the network technology evolves, customer shall grant ASPEN WIRELESS measures to enhance the network and make system changes for better support and increasing operational margin. Any measure utilized is included in the monthly recurring rate and will not be of any expense to the customer.

Schedule B of Hardware and Location Detail:

| | | | |
|---------|---------------------|--------------|-------------|
| Mesh-01 | westbay | -85.63023165 | 44.7671729 |
| Mesh-02 | NorthBrew | -85.62850145 | 44.76398039 |
| Mesh-03 | Volleyball | -85.62777145 | 44.76638383 |
| Mesh-04 | openspace | -85.62686724 | 44.7665775 |
| Mesh-05 | warehousedist | -85.62627734 | 44.7661287 |
| Mesh-06 | rightbrain | -85.62627393 | 44.76494194 |
| Mesh-07 | jshamburg | -85.62574519 | 44.76410876 |
| Mesh-08 | theriver | -85.62522887 | 44.76258488 |
| Mesh-09 | unionstreetbridge | -85.62474738 | 44.76532862 |
| Mesh-10 | recordeagle | -85.62472704 | 44.76411714 |
| Mesh-11 | marinawest eMesh | -85.62429387 | 44.7666358 |
| Mesh-12 | marinawest | -85.62424166 | 44.76665302 |
| Mesh-13 | welcometr | -85.62403276 | 44.76581869 |
| Mesh-14 | state&union | -85.62395431 | 44.76281175 |
| Mesh-15 | oldtowne eMesh | -85.6238935 | 44.76003875 |
| Mesh-16 | citybike | -85.6238929 | 44.76103391 |
| Mesh-17 | oldtowne | -85.6238929 | 44.76002143 |
| Mesh-18 | oldtown south | -85.62388823 | 44.75866 |
| Mesh-19 | union&8th | -85.62386562 | 44.75924632 |
| Mesh-20 | unionstreet | -85.62376328 | 44.76342695 |
| Mesh-21 | pangea | -85.62263076 | 44.76413904 |
| Mesh-22 | ATTCO | -85.62238515 | 44.76283597 |
| Mesh-23 | cherryrepalley | -85.62234421 | 44.76352505 |
| Mesh-24 | cherryrepublic | -85.62177795 | 44.76412935 |
| Mesh-25 | farmersmarket | -85.62175749 | 44.76546145 |
| Mesh-26 | FarmersMarket eMesh | -85.62175433 | 44.7654374 |
| Mesh-27 | mustards | -85.62113664 | 44.76296676 |
| Mesh-28 | Cass Bridge | -85.62094903 | 44.76442993 |
| Mesh-29 | firefly | -85.62091427 | 44.76100894 |
| Mesh-30 | midtown | -85.62088694 | 44.76017936 |
| Mesh-31 | marinaeast | -85.62014739 | 44.76639148 |
| Mesh-32 | backcountry | -85.61994954 | 44.76415841 |
| Mesh-33 | chasealley | -85.61961524 | 44.7634645 |
| Mesh-34 | stategrill | -85.61959478 | 44.7628505 |
| Mesh-35 | statetheatre | -85.61935599 | 44.76402278 |
| Mesh-36 | Chase Park | -85.61901827 | 44.76408888 |
| Mesh-37 | patisserie amie | -85.61875885 | 44.75949415 |
| Mesh-38 | sestate&park | -85.61840767 | 44.76295223 |
| Mesh-39 | Front&Park | -85.61835641 | 44.76406436 |
| Mesh-40 | riverineeast eMesh | -85.61709424 | 44.75860862 |
| Mesh-41 | riverineeast | -85.61706322 | 44.75855977 |
| Mesh-42 | frontstyoga eMESH | -85.61601552 | 44.76415273 |
| Mesh-43 | mouthofboardman | -85.61595116 | 44.7641527 |
| Mesh-44 | Bubbass | -85.61440973 | 44.76417295 |
| Mesh-45 | realtorrow | -85.6133659 | 44.76417779 |
| Mesh-46 | font&grandview | -85.61121683 | 44.76420685 |
| ROOT-01 | Cabinet #6 | -85.6288045 | 44.76639439 |

| | | | |
|----------------|----------------------|--------------|-------------|
| ROOT-02 | Cabinet #6 East | -85.62875461 | 44.76639078 |
| ROOT-03 | Hall St Sub South | -85.62743033 | 44.76494678 |
| ROOT-04 | Hall St Sub North | -85.62736211 | 44.7650921 |
| ROOT-05 | Opera Hall SW | -85.62340475 | 44.76369887 |
| ROOT-06 | Opera Hall North | -85.62331982 | 44.76401309 |
| ROOT-07 | Opera Hall SE | -85.62314413 | 44.76369683 |
| ROOT-08 | Old Town Parking | -85.62287416 | 44.75959067 |
| ROOT-09 | Zoo | -85.62258987 | 44.76608915 |
| ROOT-10 | Zoo 2 | -85.62258563 | 44.76612494 |
| ROOT-11 | Old Towne Parking NE | -85.62222567 | 44.76013104 |
| ROOT-12 | FIM | -85.62090852 | 44.76396851 |
| ROOT-13 | FIM South | -85.6208922 | 44.76354499 |
| ROOT-14 | FIM West | -85.62053061 | 44.76397396 |
| ROOT-15 | Parking #1 NorthWest | -85.61786787 | 44.76336687 |
| ROOT-16 | Parking #1 South | -85.61784141 | 44.76302368 |
| ROOT-17 | Parking #1 North | -85.61726151 | 44.76374545 |
| ROOT-18 | Parking #1 SouthEast | -85.61721505 | 44.76301656 |
| ROOT-19 | 400Boardman | -85.61682011 | 44.76050819 |
| ROOT-20 | HASTING CORE | | |



**TRAVERSE CITY
LIGHT & POWER**

To: Light & Power Board
From: Karla Myers-Beman, Controller *KMB*
Date: May 22, 2014
Subject: 2014-2015 Budget Adoption

At its May 19, 2014 meeting the City Commission passed the Resolutions (attached) that authorizes the Light & Power Board to adopt the budget and capital plan it submitted for their consideration of approval, as required by City Charter. As a final step in the budget process, it is now appropriate for the Board to formally adopt the budget documents for the 2014-2015 fiscal year.

This item is appearing on the Consent Calendar as staff deems it to be a non-controversial housekeeping matter, and recommends the Board adopts the 2014-2015 operating budgets for the electric and fiber optic funds, and the six year capital improvements plan. Approval of this item on the Consent Calendar means you agree with staff's recommendation.

If any member of the Board or the public wishes to discuss this matter, other than clarifying questions, it should be placed on the agenda as an item under Old Business. If after Board discussion you agree with staff's recommendation the following motion would be appropriate:

MOVED BY _____, SECONDED BY _____,

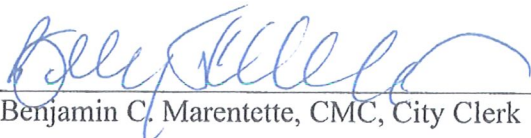
**THAT THE LIGHT & POWER BOARD FORMALLY ADOPTS THE 2014-2015
OPERATING BUDGETS FOR THE ELECTRIC UTILITY AND FIBER OPTIC
FUNDS AND THE SIX YEAR CAPITAL IMPROVEMENTS PLAN.**



**Resolution Adopting the Traverse City Light and Power Budget
for Fiscal Year 2014-2015**

Resolved, that the Traverse City Light and Power Board has caused a budget document, to be prepared and presented to the City Commission covering the fiscal year commencing July 1, 2014, and ending June 30, 2015, and that the proposed budget document of the Traverse City Light and Power Department for the fiscal period of July 1, 2014, through June 30, 2015, is hereby approved in its entirety in the amount of \$37,060,800, and the Fiber Optics Fund of \$248,200, pursuant to the Charter of the City of Traverse City, Section 179(j); and that the Traverse City Light and Power Board is hereby authorized to adopt this budget, as submitted.

I hereby certify that the above Resolution was adopted by the City Commission on May 19, 2014, at a regular meeting of the City Commission held in the Commission Chambers, Governmental Center, 400 Boardman Avenue, Traverse City, Michigan.

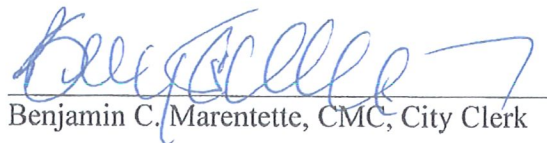

Benjamin C. Marentette, CMC, City Clerk



**Resolution Adopting the Traverse City Light and Power
Capital Improvements Plan for Fiscal Year 2014-2015**

Resolved, that the Traverse City Light and Power Board has caused a Capital Improvements Plan to be prepared and presented to the City Commission covering the fiscal year commencing July 1, 2014, and ending June 30, 2015, and is hereby approved in its entirety; and that the Traverse City Light and Power Board is hereby authorized to adopt this Capital Improvements Plan, as submitted.

I hereby certify that the above Resolution was adopted by the City Commission on May 19, 2014, at a regular meeting of the City Commission held in the Commission Chambers, Governmental Center, 400 Boardman Avenue, Traverse City, Michigan.


Benjamin C. Marentette, CMC, City Clerk



**TRAVERSE CITY
LIGHT & POWER**

To: Light and Power Board
From: Karla Myers-Beman, Controller *KMB*
Date: May 23, 2014
Subject: Withdrawal of Municipal Competitive Trust Funds

During the budget process, the Board provided direction to staff to incorporate \$1,000,000 of TCL&P's Municipal Competitive Trust Fund Investments held at Michigan Public Power Agency ("MPPA") to be applied against the TCL&P's Belle River Project purchased power costs monthly invoice. The impact of this withdrawal would provide a monthly credit on Belle River Project invoices of \$83,333.33 and reduce the monthly power cost recovery rate charged to TCL&P's utility customers by approximately \$.003 per kWh or reduction of approximately \$1,000,000 in power cost recovery revenue.

In accordance with Article 6, of the Municipal Competitive Trust document, document governing these funds, staff must request from the MPPA Board of Commissioners approval of this withdrawal.

Staff has provided a motion below to formalize this direction. This item is on the Consent Calendar as it is deemed non-controversial. Approval of this item on the Consent Calendar means you agree with staff's recommendation.

If any member of the Board or the public wishes to discuss this matter, other than clarifying questions, it should be placed on the "Items Removed from the Consent Calendar" portion of the agenda for full discussion. If after Board discussion you agree with staff's recommendation the following motion would be appropriate:

**MOVED BY _____, SECONDED BY _____,
THAT THE LIGHT AND POWER BOARD AUTHORIZES STAFF TO REQUEST TO
MPPA BOARD OF COMMISSIONERS FOR APPROVAL OF WITHDRAWAL OF
\$1,000,000 FROM THE TCL&P MUNICIPAL COMPETITIVE TRUST FUNDS HELD
BY MPPA TO BE APPLIED AGAINST THE BELLE RIVER PROJECT PURCHASED
POWER COSTS.**



TRAVERSE CITY
LIGHT & POWER

Investing Our Energy In You

May 22, 2014

Amy DeLeeuw
Michigan Public Power Agency
809 Centennial Way
Lansing, MI 48917

Dear Ms. DeLeeuw:

Re: Partial withdrawal of funds from Trust Funds held at MPPA

In accordance with Article 6 of The Municipal Competitive Trust document, the Traverse City Light and Power ("TCL&P") Board has directed staff to request from the Michigan Public Power Agency ("MPPA") Board of Commissioners approval of withdrawal of \$1,000,000 from TCL&P's Municipal Competitive Trust Fund held in trust by MPPA. Staff is requesting the withdrawal to be made in equal installments of \$83,333.33 over the next fiscal year; July 2014 through June 30, 2015, and to be applied against the TCL&P's Belle River Project purchased power costs monthly invoice.

Please place this item on the next MPPA's Board of Commissioners agenda.

If you have any questions or concerns, please feel free to contact me at 231.932.4560.

Sincerely,

Karla A. Myers-Beman
TCLP Controller

Cc: Tim Arends, TCL&P Executive Director
David Walters, MPPA General Manager



**TRAVERSE CITY
LIGHT & POWER**

To: Light & Power Board
From: Kelli Schroeder, HR Generalist *KS*
CC: Timothy Arends, Executive Director
Date: May 28, 2014
Subject: Letter of Agreement – New Hire Waiting Period for Hospitalization Insurance

Under the Affordable Care Act, there are two regulations that pertain to medical benefit eligibility for new hires. The first states that an employer cannot impose a waiting period for medical benefit eligibility that exceeds ninety (90) days. Currently, the Collective Bargaining Agreement (CBA) requires a new hire complete three months of employment before they become entitled to hospitalization insurance. TCL&P's health insurance takes effect on the first of a month. Depending on when the employee was hired and where this three month requirement falls, the effective date of coverage may exceed ninety (90) days.

The second regulation is regarding nondiscrimination rules for fully funded health plans. Under this pending regulation, a fully insured plan would be prohibited from offering an increased benefit to its highly compensated employees. TCL&P's administrative employees are eligible for health benefits the first of the month following date of hire. This would be considered an increased benefit under the regulation.

Staff recommends that the attached Letter of Agreement be authorized between the Union and the Board. All other benefit waiting periods would remain unchanged. This will ensure that we are in compliance going forward with minimal impact as the utility historically has had a limited number of new hires per year with the last one occurring in May 2013. Additionally, the City has instituted these changes due to negotiations of four of its contracts.

This item is appearing on the Consent Calendar as it is deemed by staff to be a non-controversial item. Approval of this item on the Consent Calendar mean's you agree with staff's recommendation.

If any member of the Board or the public wishes to discuss this matter, other than clarifying questions, it should be placed on the "Items Removed from the Consent Calendar" portion of the agenda for full discussion. If after Board discussion you agree with staff's recommendation, the following motion would be appropriate:

(RECOMMENDED MOTION ON NEXT PAGE)

FOR THE LIGHT & POWER BOARD MEETING OF JUNE 11, 2014

MOVED BY _____, SECONDED BY _____,

THAT THE BOARD AUTHORIZE THE EXECUTIVE DIRECTOR TO SIGN THE LETTER OF AGREEMENT BETWEEN TCL&P AND THE UTILITY WORKERS UNION OF AMERICA LOCAL, NO. 295 IN ORDER TO CHANGE THE HOSPITALIZATION INSURANCE WAITING PERIOD FOR NEW HIRES TO THE FIRST OF THE MONTH FOLLOWING DATE OF HIRE IN ORDER TO COMPLY WITH THE REQUIREMENTS UNDER THE AFFORDABLE CARE ACT.

Letter of Agreement
between
Traverse City Light & Power
and
Utility Workers Union of America, AFL-CIO Local No. 295

Regarding Health Insurance Benefit Waiting Period for New Hires

WHEREAS, the undersigned are parties to a Collective Bargaining Agreement expiring on June 30, 2017; and

WHEREAS, the current contract states that a new employee shall be entitled to hospitalization insurance after completion of the first three (3) months of employment; and

WHEREAS, under the Affordable Care Act, medical benefit waiting periods, excluding dental and vision, cannot exceed ninety (90) days; and

WHEREAS, under the Affordable Care Act, the Fully Funded Nondiscrimination rule would prohibit higher salaried employees from receiving an increased benefit; and

WHEREAS, the Traverse City Light & Power administrative group is eligible for medical benefits the first of the month following date of hire;

THEREFORE, be it known that the Employer and the Union agree that:

In order to comply with the requirements under the Affordable Care Act, new employees shall be entitled to hospitalization insurance effective the first of the month following date of hire. The waiting period for all other benefits remains unchanged.

WHEREBY, the parties signify agreement to the above by representative signatures appearing hereon.

Traverse City Light & Power Department

**Utility Workers Union of America,
AFL-CIO Local No. 295**

By: _____
Timothy Arends, Executive Director

By: _____
Corey Schichtel, President Local 295

Date: _____

Date: _____



**TRAVERSE CITY
LIGHT & POWER**

To: Light and Power Board
From: Karla Myers-Beman, Controller *KMB*
Date: May 23, 2014
Subject: 2014-2015 Insurance Renewal

The Michigan Municipal League (MML) has submitted its proposal for liability and property insurance for fiscal year 2014-2015 in the amount of \$65,715. Attached is an Executive Overview from MML describing their company, the insurance process, and a list of benefits of pooling with MML.

This year there is an increase of 1.10%.

2009-10 - \$ 75,564
2010-11 - \$ 69,781
2011-12 - \$ 61,214
2012-13 - \$ 63,392
2013-14 - \$ 64,995
2014-15 - \$ 65,715

This item is on the Consent Calendar as it is deemed non-controversial. Staff recommends that the Board accept this proposal and authorize payment to MML for the 2014-2015 property & liability insurance premium. Approval of this item on the Consent Calendar means you agree with staff's recommendation.

If any member of the Board or the public wishes to discuss this matter, other than clarifying questions, it should be placed on the "Items Removed from the Consent Calendar" portion of the agenda for full discussion. If after Board discussion you agree with staff's recommendation the following motion would be appropriate:

**MOVED BY _____, SECONDED BY _____,
THAT THE LIGHT AND POWER BOARD APPROVES PAYMENT TO THE
MICHIGAN MUNICIPAL LEAGUE LIABILITY AND PROPERTY POOL IN THE
AMOUNT OF \$65,715 FOR FISCAL YEAR 2014-2015 LIABILITY AND PROPERTY
INSURANCE.**



michigan municipal league

liability and property pool

May 24, 2013

Karla Myers-Berman, Controller
Traverse City Light & Power

Re: Traverse City Light and Power Renewal Premium for 2014-2015.

Your renewal premium represents an increase of approximately 1.10% or \$720. The premium increase is primarily due to property values increasing \$1,500,000 with the addition of the substation at 1760 N. Four Mile Road.

| Line of Coverage | 2012/2013 Premium | 2013/2014 Premium | 2012/2013 Deductible | 2013/2014 Deductible |
|------------------------------|------------------------------|------------------------------|---------------------------------|---------------------------------|
| General Liability | \$14,973 | 12,865 | \$0 | \$0 |
| Errors & Omissions | \$16,571 | \$17,507 | \$0 | \$0 |
| Property | \$18,190 | \$22,935 | \$5,000 | \$5,000 |
| Excess Liability 1 mm x1 mm | \$7,492 | \$6,204 | N/A | N/A |
| Excess Liability 3 mm x 2 mm | \$7,492 | \$6,204 | | |
| Total | \$64,995 | \$65,715. | | |

The Michigan Municipal League Liability and Property Pool appreciate your 29 years of membership and we are committed to providing you with the best comprehensive coverage and service.

Sincerely,



Connie M. Monson
 MML Account Executive

Executive Overview

The Michigan Municipal League Liability and Property Pool is administered by the Risk Management staff of the Michigan Municipal League, and serviced by Meadowbrook Insurance Group. Since 1982, the Pool has been a stable source of comprehensive municipal insurance and risk management services. It is financially secure and positioned for long-term stability.

The **City of Traverse City** has been a Pool member since **1985**.

The League administrative staff and the dedicated Pool staff at Meadowbrook Insurance Group are municipal insurance experts. Municipal risk management is our only business, and we're proud of it!

The Pool provides insurance coverage designed specifically for Michigan municipal exposures, combined with a package of loss control programs, claims administration, legal defense and membership services that you won't find anywhere else in Michigan.

This quotation is based on the limits of coverage requested by the **City of Traverse City**. Higher limits may be available, subject to underwriting review by Pool Management. Please submit requests for higher limits in writing to your Account Executive.

The insurance and related services described more fully in this proposal are being offered:

| | | |
|--|----------------|-------------------|
| City of Traverse City | annual premium | \$343,580. |
| Traverse City Light & Power | annual premium | \$65,715. |
| Traverse City DDA | annual premium | \$5,035. |
| Total combined annual premium | | \$414,330. |

The MML Liability & Property Pool Board of Trustees voted to return another post-renewal dividend to Members renewing in 2014. Traverse City's portion of the dividend return is **\$56,766**. Traverse City will receive this dividend in the month following payment of your 2014renewal premium.

We encourage you to compare the Pool with our competition. Compare us based on price, coverage, service, financial security, experience and commitment to municipal risk management. When you do, the advantages of Pool membership become clear.

Thank you for being a Pool member. We look forward to servicing your risk management program for many years to come.

Our Mission

To be a long-term, stable, cost-effective risk management alternative for members of the Michigan Municipal League Liability and Property Pool.



**TRAVERSE CITY
LIGHT & POWER**

To: Light and Power Board
From: Karla Myers-Beman, Controller *KMB*
Date: May 23, 2014
Subject: Renewal of AT&T Contract

The AT&T contract has expired for the DS1 line that provides remote functionality for the Kalkaska Combustion Turbine (“CT”) from the TCL&P service center. AT&T has provided a new contract that includes a rate increase of approximately \$108 per month, increasing the monthly cost from \$492 to \$600. The contract term will be for thirty-six months from the date of execution of the contract for a total cost of \$21,600. This cost is reimbursed through Michigan Public Power Agency by the CT project participants.

Staff recommends the Board approve execution of the contract. This item is on the Consent Calendar as it is deemed non-controversial. Approval of this item on the Consent Calendar means you agree with staff’s recommendation.

If any member of the Board or the public wishes to discuss this matter, other than clarifying questions, it should be placed on the “Items Removed from the Consent Calendar” portion of the agenda for full discussion. If after Board discussion you agree with staff’s recommendation the following motion would be appropriate:

**MOVED BY _____, SECONDED BY _____,
THAT THE BOARD AUTHORIZES THE SECRETARY TO EXECUTE A THREE
YEAR CONTRACT WITH AT&T IN THE AMOUNT OF \$21,600, SUBJECT TO
APPROVAL AS TO SUBSTANCE BY THE EXECUTIVE DIRECTOR.**



**AT&T INTRASTATE PRIVATE LINE DS1 SERVICE
METRO BLITZ OFFER
ILEC Pricing Schedule Provided Pursuant To Custom Rates and Terms**

AT&T MA Reference No.

| | |
|--|--|
| Customer | AT&T |
| Traverse City Light and Power Street Address: 1131 HASTINGS ST City: Traverse City State/Province: MI Zip Code: 49686-4318 Country: USA | AT&T ILEC Service-Providing Affiliate |
| Customer Contact (for Notices) | AT&T Contact (for Notices) |
| Name: Title: Street Address: 1131 HASTINGS ST City: Traverse City State/Province: MI Zip Code: Country: USA Telephone: Fax: Email: Customer Account Number or Master Account Number: 231R011445 455 | Name: Brandon Pizzuit Street Address: Gov Ed MW City: Southfield State/Province: MI Zip Code: Country: USA Telephone: 2482042463 Fax: Email: bp6758@att.com Sales/Branch Manager: Brandon Pizzuti SCVP Name: Roger Blake Sales Strata: GEM Sales Region: MW With a copy (for Notices) to: AT&T Corp. One AT&T Way Bedminster, NJ 07921-0752 ATTN: Master Agreement Support Team Email: mast@att.com |
| AT&T Solution Provider or Representative Information (if applicable) <input type="checkbox"/> | |
| Name: Company Name: Agent Street Address: City: State: Zip Code: Telephone: Fax: Email: Agent Code | |

This Pricing Schedule for the service(s) identified below ("Service") is part of the Agreement referenced above.

Customer requests that its identity be kept confidential and not be publicly disclosed by AT&T or by any regulatory commission, unless required by law.

Except when Service is used solely as transport for AT&T switched local or access service(s), Customer acknowledges and certifies that the interstate traffic (including Internet and international traffic) constitutes ten percent (10%) or less of the total traffic on any Service.

| | |
|--|--|
| Customer (by its authorized representative) | AT&T (by its authorized representative) |
| By: | By: |
| Printed or Typed Name: | Printed or Typed Name: |
| Title: | Title: |
| Date: | Date: |

| <i>For AT&T internal use only</i> | | | |
|---|----------------|-----------|--|
| Billing Telephone Number for Existing service, if applicable: | 231R011445 455 | SDA Code: | <input type="checkbox"/> MB24 <input checked="" type="checkbox"/> MB36 |

**AT&T INTRASTATE PRIVATE LINE DS1 SERVICE
METRO BLITZ OFFER
ILEC Pricing Schedule Provided Pursuant To Custom Rates and Terms**

1. SERVICE, SERVICE PROVIDER and SERVICE PUBLICATION

| | |
|----------------|------------------|
| Service | AT&T DS1 Service |
|----------------|------------------|

| Service Provider (Select one option, only.) | Service Publication (incorporated by reference) | Service Publication Location |
|--|--|---|
| <input type="checkbox"/> AT&T Illinois | AT&T Illinois Guidebook, including Part 15 Section 3 | http://cpr.att.com/guidebook/il/index.html |
| <input type="checkbox"/> AT&T Indiana | AT&T Indiana Guidebook, including Part 15, Section 3 | http://cpr.att.com/guidebook/in/index.html |
| <input checked="" type="checkbox"/> AT&T Michigan | AT&T Michigan Guidebook, including Part 15, Section 3 | http://cpr.att.com/guidebook/mu/index.html |
| <input type="checkbox"/> AT&T Ohio | AT&T Ohio Guidebook, including Part 15, Section 3 | http://cpr.att.com/guidebook/oh/index.html |
| <input type="checkbox"/> AT&T Wisconsin | AT&T Wisconsin Guidebook, Part 15, Section 3 | http://cpr.att.com/guidebook/wg/index.html |

2. PRICING SCHEDULE TERM and EFFECTIVE DATES

| | |
|--|---|
| Pricing Schedule Term ("Term") | <p align="center">(Select one)</p> <input type="checkbox"/> 24 Months <input checked="" type="checkbox"/> 36 Months Months (min. 24, max. 36 mos.) |
| Pricing Schedule Term Start Date | on the Effective Date |
| Start Date of Minimum Payment Period, per Service Component | later of the Effective Date or installation of the Service Component |
| Rate Stabilization per Service Component | Rates as specified in this Pricing Schedule for each Service Component are stabilized until the end of its Minimum Payment Period. |
| Pricing following the end of Minimum Payment Period | non-stabilized prices as modified from time to time in applicable Service Publication |

3. MINIMUM PAYMENT PERIOD

| Service Components | Percentage of Monthly Fee Applicable to Calculation of Early Termination Charges | Minimum Payment Period per Service Component |
|---------------------------|---|---|
| All Service Components | 50% | Until the end of the Pricing Schedule Term |

4. CUSTOMER'S CURRENT ORDER

4.1 Order Type: (Select one)

| |
|--|
| <input type="checkbox"/> New install(s) Only (All Service Components under this Pricing Schedule are new installs.) |
| <input checked="" type="checkbox"/> Existing Service Included (Some or all Service Components under this Pricing Schedule already installed) If applicable, this Pricing Schedule supersedes and replaces in its entirety that certain agreement dated , , entitled |

**AT&T INTRASTATE PRIVATE LINE DS1 SERVICE
METRO BLITZ OFFER
ILEC Pricing Schedule Provided Pursuant To Custom Rates and Terms**

4.2 Service Components, Quantities and Rates

| Service Component (USOC) | Total Quantity for All Sites | Monthly Recurring Rate (MRR), per unit for Term selected above | Total Monthly Recurring Rate (Qty x MRR) | Non-recurring Charge |
|---|------------------------------|--|--|----------------------|
| DS1 Local Distribution Channels (LDCs) (TZ4X1/2/3 - IN, MI, OH, WI) | 2 | \$ 112.00 - 36 mo. | \$224.00 | \$0.00 |
| DS1 Channel Mileage Termination, (applies only when interoffice mileage is applicable; 2 required per DS1) (CZ4X1/2/3 - IN, MI, OH, WI) | 2 | \$ 34.00 - 36 mo. | \$68.00 | \$0.00 |
| DS1 Channel Mileage (per mile), if applicable (1YZX1/2/3 - IN, MI, OH, WI) | 22 | \$ 14.00 - 36 mo. IN, MI, OH, WI | \$308.00 | \$0.00 |
| Central Office Multiplexing | 0 | \$ [Select, if applicable] | \$0.00 | \$0.00 |
| Clear Channel Capacity | 0 | N/A | N/A | N/A |
| Total Charges for Service Components: | | | \$600.00 | \$0.00 |
| In the event that any total amounts conflict with any per-unit rates in the table above, the per-unit rates shall control. Orders for Service Components in excess of quantities listed above not permitted under this Pricing Schedule. | | | | |

4.3 Service Sites and Circuit Quantity.

For NEW SERVICE, complete the table below.

Complete a line for each pair of Locations A and Z being requested.

| Number of Circuits | LOCATION A (street address and City) | LOCATION Z (street address and City, or CLLI if applicable) |
|--------------------|--------------------------------------|---|
| 1 | 1131 HASTINGS, TRAVERSE CY | 1750 PROUGH RD SW, KALKASKA |
| 0 | | |
| 0 | | |
| 0 | | |
| 0 | | |

(If additional locations apply, please attach on a separate page.)

For EXISTING SERVICE, complete the table below.

Complete a line for each existing Circuit ID.

| Existing Circuit ID | Existing Billing Account | Existing Circuit ID | Existing Billing Account |
|---------------------|--------------------------|---------------------|--------------------------|
| .DHZA.821243..MB | 231 R01-1445 455 | | |
| | | | |
| | | | |
| | | | |

(If additional circuits apply, please attach on a separate page.)



TRAVERSE CITY
LIGHT & POWER

To: Light & Power Board
From: Karla Myers-Beman, Controller *KMB*
Date: June 2, 2014
Subject: Public Hearing for the proposed July 1, 2014 Rate Increase

Attached is the proposed July 1, 2014 utility rate increase by customer class from Utility Financial Solutions. As shown on the attached summary sheet it provides an overall 1.5% increase in base revenue (not including power service cost recovery revenue), which is consistent with the Utility's 2014-2015 fiscal year budget.

As presented in the attachment, each class does not receive a straight 1.5% increase because TCL&P designs their rates based on the cost to serve each customer class. (A cost of service presentation was made by Mark Beauchamp, Utility Financial Solutions at the March 25, 2014 board meeting.) As presented to the Board in March, the cost of service study identified some customer classes are paying above while some are paying below the calculated cost to service that customer; some classes have significant differences. The rates are not being adjusted immediately for all rate classes to meet their cost of service because the adjustment would be too significant and may cause a financial burden on those customers that fall within the rate classes that are being subsidized. Instead, TCL&P will adjust rates gradually to recover the cost of service which will provide an acceptable level of increases to the customers.

The amount of rate increase each class received correlates to the increase needed to cover the cost to provide electricity. In most cases, rate classes with a higher cost of service difference received a higher rate increase and rate classes with a lower cost of service received a lower rate increase. As shown in the attached, the maximum rate increase was 2.8% and the minimum rate increase was .4%, a maximum deviation of 1.3% of the proposed 1.5% increase.

In conjunction with this rate increase the power service cost recovery was reset from \$48.57 mils per kWh to \$64.57 mils per kWh and rolled into the kWh rates of each customer class. The past year's average of power service cost recovery rate of \$0.026/kWh was used as a basis to reset it to \$0.01/kWh, a reduction of \$0.016/kWh. TCL&P does not anticipate the power service cost recovery rate to fall below \$64.57 mils per kWh over the next several years. If it does, a credit would appear on the customer's monthly bill.

During the budget process, the Board directed staff to drawdown \$1,000,000 of the Municipal Competitive Trust Fund equally over the year against the Belle River monthly purchase power invoices. This will reduce the power service cost recovery rate each month by approximately \$.0029/ kWh.

Included in the packet is a sheet for each customer class that provides the current rate, proposed rate, the impacts on the customer by usage, and a graph showing the impact by average monthly use. Below is a summary of the impact to each type of rate class:

FOR THE LIGHT & POWER BOARD MEETING OF JUNE 13, 2014

- ✓ The rate increase for **Public Authority customer classes** was built primarily into the monthly rate with an approximate \$0.002 increase in charge per kWh. The power service cost recovery adjustment of \$0.016 was also rolled into the charge per kWh portion of the rate.
- ✓ The rate increase for each **Commercial customer classes** was built primarily into the monthly rate and demand (KW) rate, if applicable and the power service cost recovery adjustment of \$0.016 was rolled into the charge per kWh portion of the rate.
- ✓ The rate increase for each **Industrial customer classes** was built into the monthly base rate and demand (KW) rate and the power service cost recovery adjustment of \$0.016 rolled into the charge per kWh portion of the rate.
- ✓ The rate increases for **Street Lighting and Yard Lighting** is a 1.5% increase. A study is being performed this summer/fall to determine if the rates are set at the correct level based on the cost of service.

It is staff's recommendation that the Board sets a public hearing for the proposed rate increases at its June 24, 2014 meeting. If after Board discussion you agree with staff's recommendation the following motion would be appropriate:

MOVED BY _____, SECONDED BY _____,

THAT THE BOARD AUTHORIZES THE SECRETARY TO SET A PUBLIC HEARING FOR THE PROPOSED JULY 1ST RATE INCREASE TO BE HELD AT THE JUNE 24, 2014 REGULAR MEETING; AND FURTHER THAT A NOTICE OF THE PUBLIC HEARING BE POSTED ON THE UTILITY'S WEBSITE AND PLACED IN THE TRAVERSE CITY RECORD EAGLE.

Traverse City Light and Power

Rate Design 2015

| Customer Class | Current Revenues | Proposed Revenues | Percent Adjustment | COS | Net COS |
|---|----------------------|----------------------|--------------------|--------|---------|
| Residential | | | | | |
| Residential | 4,235,001 | 4,311,675 | 1.8% | 5.0% | 3.2% |
| Residential Water Heating | 235,682 | 239,744 | 1.7% | -4.0% | -5.7% |
| Residential Space Heating | 57,727 | 58,268 | 0.9% | -15.0% | -15.9% |
| Senior Residential | 558,627 | 573,441 | 2.7% | 23.0% | 20.3% |
| Senior Water Heating | 44,944 | 46,157 | 2.7% | 8.0% | 5.3% |
| Senior Space Heating | 12,840 | 12,965 | 1.0% | -15.0% | -16.0% |
| Public Authority | | | | | |
| Public Authority MP2 | 143,045 | 145,934 | 2.0% | 6.0% | 4.0% |
| Public Authority MP21 | 43,759 | 44,809 | 2.4% | 8.0% | 5.6% |
| MP1 at 103% | 48,574 | 49,726 | 2.4% | 12.0% | 9.6% |
| Commercial | | | | | |
| Commercial/General Secondary Service | 3,260,445 | 3,345,343 | 2.6% | 8.0% | 5.4% |
| Commercial Demand/ General Secondary Service | 8,691,030 | 8,819,666 | 1.5% | 2.0% | 0.5% |
| Commercial Demand Primary Metered | 155,399 | 156,818 | 0.9% | -1.0% | -1.9% |
| Commercial Hot Water Heat | 1,627 | 1,657 | 1.8% | 11.0% | 9.2% |
| Commercial Electric Heat and Air Conditioning | 154,550 | 158,825 | 2.8% | 7.0% | 4.2% |
| Industrial | | | | | |
| Industrial | 7,540,382 | 7,595,990 | 0.7% | -4.0% | -4.7% |
| Primary Interruptible | 290,267 | 291,417 | 0.4% | -35.0% | -35.4% |
| Totals | \$ 25,473,897 | \$ 25,852,433 | 1.5% | | |

Traverse City Light and Power

Rate Design 2015

PCR was reset from \$.026 to \$.01 a difference of \$.016

| Customer Class | Current Monthly Rate | Proposed Monthly Rate | Difference | Current kWh | Proposed kWh (Primarily consists of PSCR Reset) | Difference | Current kW | Proposed kW | Difference |
|---------------------------------------|----------------------|-----------------------|------------|-------------|---|------------|------------|-------------|------------|
| Residential | | | | | | | | | |
| Residential | | | | | | | | | |
| First Tier - 16 kWh per day | 4.75 | 6.00 | 1.25 | 0.0780 | 0.0940 | 0.0160 | | | |
| Second Tier - all over 16kWh per day | | | | 0.0895 | 0.1055 | 0.0160 | | | |
| Residential Water Heating | | | | | | | | | |
| First Tier - 29 kWh per day | 4.75 | 6.00 | 1.25 | 0.0780 | 0.0940 | 0.0160 | | | |
| Second Tier - all over 29 kWh per day | | | | 0.0895 | 0.1055 | 0.0160 | | | |
| Residential Space Heating | | | | | | | | | |
| Winter Rate | 4.75 | 6.00 | 1.25 | | | | | | |
| First Tier - 16 kWh per day | | | | 0.0760 | 0.0920 | 0.0160 | | | |
| Second Tier - all over 16kWh per day | | | | 0.0760 | 0.0920 | 0.0160 | | | |
| Summer Rate | 4.75 | 6.00 | 1.25 | | | | | | |
| First Tier - 16 kWh per day | | | | 0.0780 | 0.0940 | 0.0160 | | | |
| Second Tier - all over 16kWh per day | | | | 0.0895 | 0.1055 | 0.0160 | | | |
| Senior Residential | | | | | | | | | |
| First Tier - 16 kWh per day | 3.75 | 5.00 | 1.25 | 0.0610 | 0.0770 | 0.0160 | | | |
| Second Tier - next 17.3kWh per day | | | | 0.1069 | 0.1229 | 0.0160 | | | |
| Third Tier - all over | | | | 0.0895 | 0.1055 | 0.0160 | | | |
| Senior Water Heating | | | | | | | | | |
| First Tier - 29 kWh per day | 3.75 | 5.00 | 1.25 | 0.0647 | 0.0807 | 0.0160 | | | |
| Second Tier - all over 29 kWh per day | | | | 0.0895 | 0.1055 | 0.0160 | | | |
| Senior Space Heating | | | | | | | | | |
| Winter Rate | 3.75 | 5.00 | 1.25 | | | | | | |
| First Tier - 16 kWh per day | | | | 0.0760 | 0.0920 | 0.0160 | | | |
| Second Tier - all over 16kWh per day | | | | 0.0760 | 0.0920 | 0.0160 | | | |
| Summer Rate | 3.75 | 5.00 | 1.25 | | | | | | |
| First Tier - 16 kWh per day | | | | 0.0780 | 0.0940 | 0.0160 | | | |
| Second Tier - all over 16kWh per day | | | | 0.0895 | 0.1055 | 0.0160 | | | |
| Public Authority | | | | | | | | | |
| Public Authority MP2 | 20.00 | 22.00 | 2.00 | 0.0740 | 0.0920 | 0.0180 | | | |
| Public Authority MP1 | 16.00 | 19.00 | 3.00 | 0.0810 | 0.0990 | 0.0180 | | | |
| MP1 at 103% | 16.00 | 19.00 | 3.00 | 0.0834 | 0.1020 | 0.0186 | | | |

Traverse City Light and Power

Rate Design 2015

PCR was reset from \$.026 to \$.01 a difference of \$.016

| Customer Class | Current Monthly Rate | Proposed Monthly Rate | Difference | Current kWh | Proposed kWh (Primarily consists of PSCR Reset) | Difference | Current kW | Proposed kW | Difference |
|---|----------------------|-----------------------|------------|-------------|---|------------|------------|-------------|------------|
| Commercial | | | | | | | | | |
| Commercial/General Secondary Service | 10.25 | 13.00 | 2.75 | 0.1035 | 0.1211 | 0.0176 | | | |
| Commercial Demand/ General Secondary Service | 10.00 | 15.00 | 5.00 | 0.0430 | 0.0590 | 0.0160 | 12.55 | 12.95 | 0.40 |
| Commercial Demand Primary Metered | 11.00 | 16.00 | 5.00 | 0.0423 | 0.0581 | 0.0158 | 12.18 | 12.57 | 0.39 |
| Commercial Hot Water Heat | 10.25 | 11.75 | 1.50 | 0.0810 | 0.0970 | 0.0160 | | | |
| Commercial Electric Heat and Air Conditioning | 10.25 | 13.00 | 2.75 | 0.0875 | 0.1060 | 0.0185 | | | |
| Industrial | | | | | | | | | |
| Industrial | 40.00 | 50.00 | 10.00 | | | | 10.70 | 11.00 | 0.30 |
| Winter Rate | | | | | | | | | |
| On-Peak | | | | 0.0500 | 0.0660 | 0.0160 | | | |
| Intermediate | | | | 0.0390 | 0.0550 | 0.0160 | | | |
| Summer Rate | | | | | | | | | |
| On-Peak | | | | 0.0520 | 0.0680 | 0.0160 | | | |
| Intermediate | | | | 0.0390 | 0.0550 | 0.0160 | | | |
| Primary Interruptible | | | | | | | | | |
| Winter Rate | 40.00 | 50.00 | 10.00 | | | | 10.70 | 11.00 | 0.30 |
| On-Peak | | | | 0.0500 | 0.0660 | 0.0160 | | | |
| Intermediate | | | | 0.0440 | 0.0600 | 0.0160 | | | |
| Summer Rate | | | | | | | | | |
| On-Peak | | | | 0.0520 | 0.0680 | 0.0160 | | | |
| Intermediate | | | | 0.0440 | 0.0600 | 0.0160 | | | |

Traverse City Light and Power

Rate Design 2015

Residential

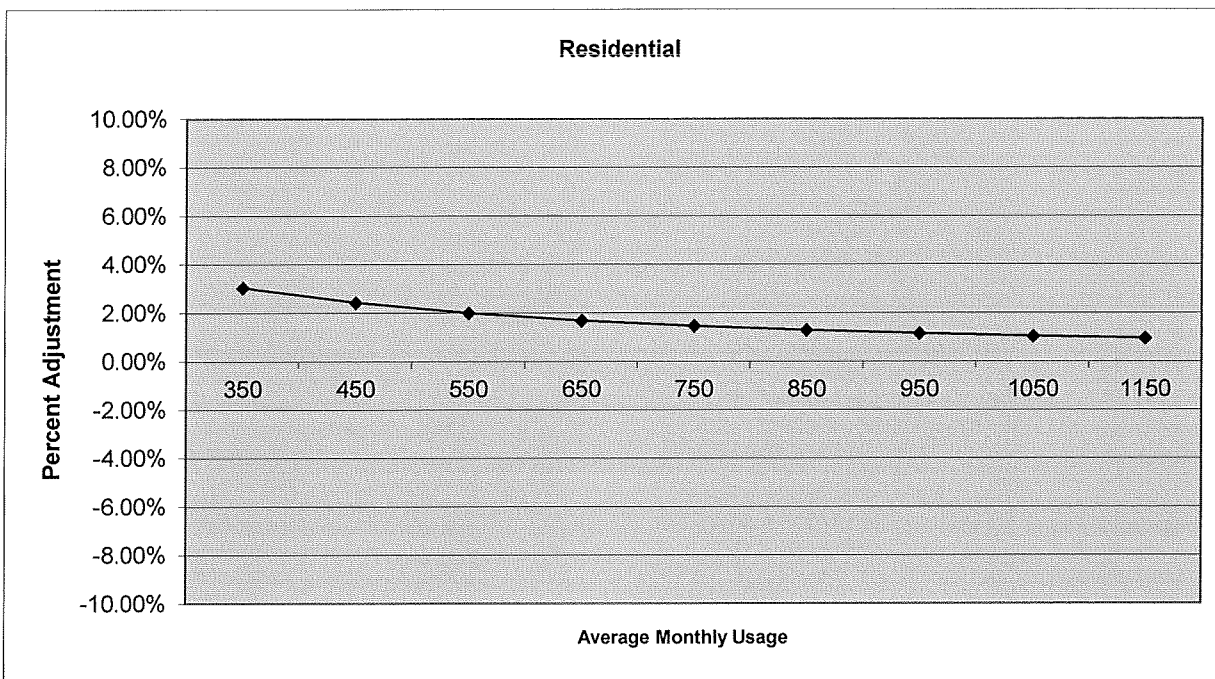
| <u>Current Rate</u> | Monthly Rate | First kWh's 488 | Next 519 | All Over 1007 | PSCR |
|---------------------|--------------|--------------------|-------------|------------------|------------|
| All Season | \$ 4.75 | 0.0780 | 0.0895 | 0.0895 | \$ 0.02600 |

| <u>Proposed Rate</u> | Monthly Rate | First kWh's 488 | Next 519 | Next 1007 | PSCR |
|----------------------|--------------|--------------------|-------------|--------------|-----------|
| All Season | \$ 6.00 | 0.0940 | 0.1055 | 0.1055 | \$ 0.0100 |

| Usage | Average Monthly Impacts | Usage | Average Monthly Impacts |
|-------|-------------------------|-------|-------------------------|
| 350 | 1.25 | 850 | 1.25 |
| 450 | 1.25 | 950 | 1.25 |
| 550 | 1.25 | 1,050 | 1.25 |
| 650 | 1.25 | 1,150 | 1.25 |
| 750 | 1.25 | | |

Estimated Change in Revenues

| | |
|-------------------|--------------|
| Current Revenues | \$ 4,235,001 |
| Proposed Revenues | 4,311,675 |
| Percentage Change | 1.8% |



Traverse City Light and Power

Rate Design 2015

Residential Water Heating

Current Rate

All Season

| Monthly Rate | First kWh's | Excess | PSCR |
|--------------|-------------|--------|------------------|
| \$ 4.75 | 885 | 0.0780 | 0.0895 \$ 0.0260 |

Proposed Rate

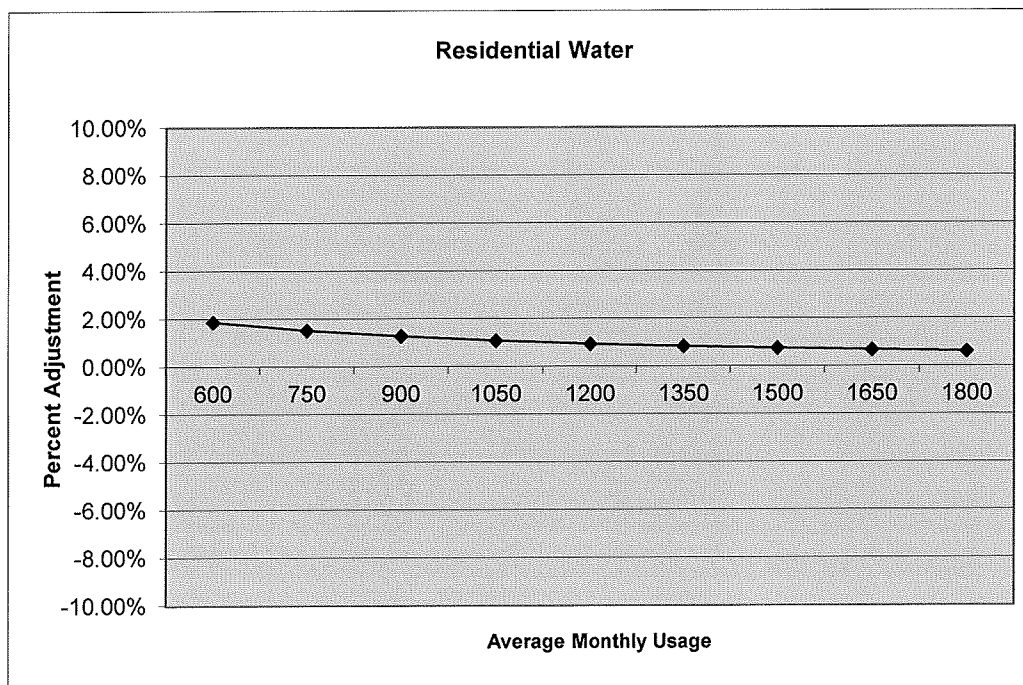
All Season

| Monthly Rate | First kWh's | Excess | PSCR |
|--------------|-------------|--------|------------------|
| \$ 6.00 | 885 | 0.0940 | 0.1055 \$ 0.0100 |

| Usage | Average Monthly Impacts | Usage | Average Monthly Impacts |
|-------|-------------------------|-------|-------------------------|
| 600 | 1.25 | 1,350 | 1.25 |
| 750 | 1.25 | 1,500 | 1.25 |
| 900 | 1.25 | 1,650 | 1.25 |
| 1,050 | 1.25 | 1,800 | 1.25 |
| 1,200 | 1.25 | | |

Estimated Change in Revenues

| | |
|-------------------|------------|
| Current Revenues | \$ 235,682 |
| Proposed Revenues | 239,744 |
| Percentage Change | 1.7% |



Traverse City Light and Power

Rate Design 2015

Residential Space Heating

Current Rate

| | Monthly Rate | First kWh's 488 | Excess | PSCR |
|-------------|--------------|--------------------|-----------|-----------|
| Winter Rate | \$ 4.75 | \$ 0.0760 | \$ 0.0760 | \$ 0.0260 |
| Summer | \$ 4.75 | 0.0780 | 0.0895 | \$ 0.0260 |

Proposed Rate

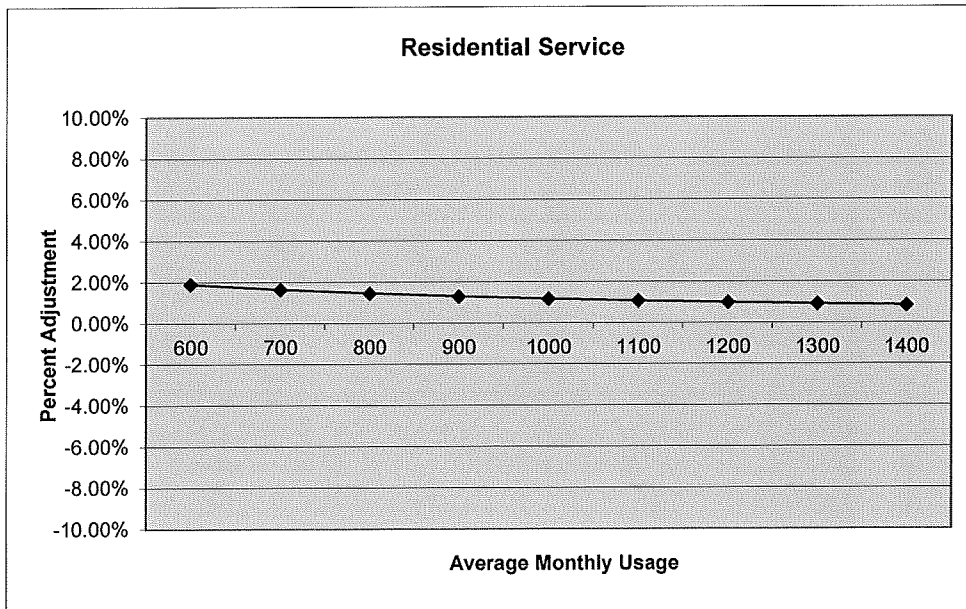
| | Monthly Rate | First kWh's 488 | Excess | PSCR |
|-------------|--------------|--------------------|-----------|-----------|
| Winter Rate | \$ 6.00 | \$ 0.0920 | \$ 0.0920 | \$ 0.0100 |
| Summer | \$ 6.00 | 0.0940 | 0.1055 | \$ 0.0100 |

Rate is Closed to New Customers

| Usage | Average Monthly Impacts | Usage | Average Monthly Impacts |
|-------|----------------------------|-------|-------------------------------|
| 600 | 1.25 | 1,100 | 1.25 |
| 700 | 1.25 | 1,200 | 1.25 |
| 800 | 1.25 | 1,300 | 1.25 |
| 900 | 1.25 | 1,400 | 1.25 |
| 1,000 | 1.25 | | |

Estimated Change in Revenues

| | |
|-------------------|-----------|
| Current Revenues | \$ 57,727 |
| Proposed Revenues | 58,268 |
| Percentage Change | 0.9% |



Traverse City Light and Power

Rate Design 2015

Senior Residential

Current Rate

All Season

| Monthly Rate | First kWh's | Next | All Over | PSCR |
|--------------|-------------|-----------|-----------|-----------|
| \$ 3.75 | \$ 0.0610 | \$ 0.1069 | \$ 0.0895 | \$ 0.0260 |

Proposed Rate

All Season

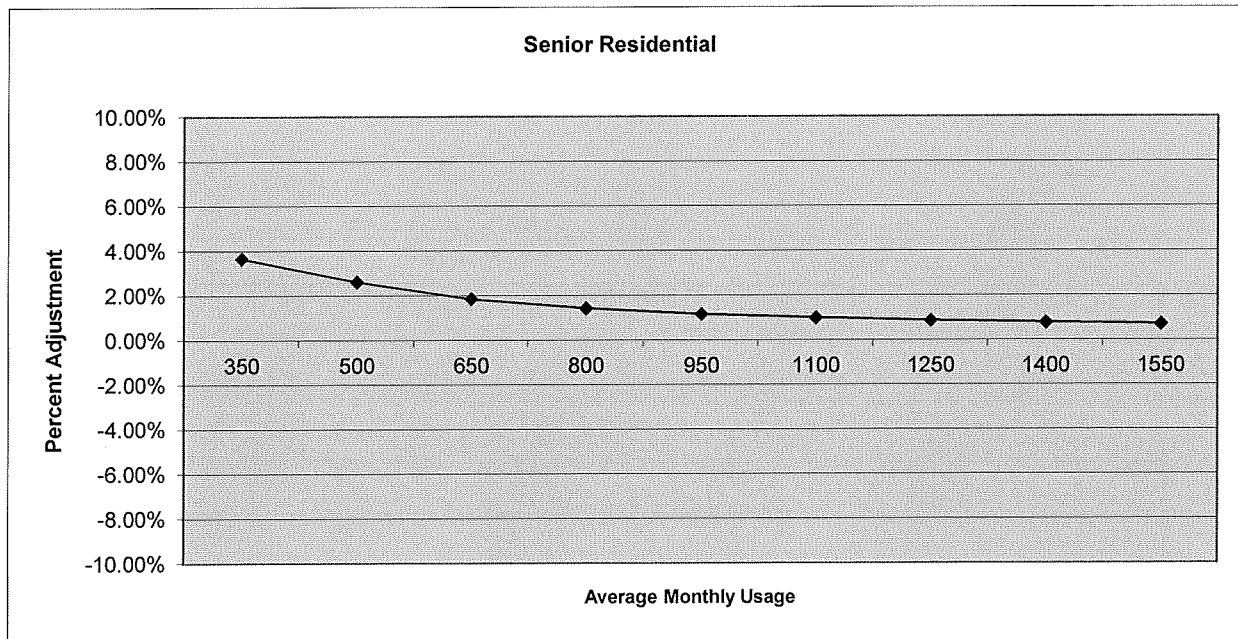
| Monthly Rate | First kWh's | Next | All Over | PSCR |
|--------------|-------------|-----------|-----------|-----------|
| \$ 5.00 | \$ 0.0770 | \$ 0.1229 | \$ 0.1055 | \$ 0.0100 |

Year Round Customers

| Usage | Average Monthly Impacts | Usage | Average Monthly Impacts |
|-------|-------------------------|-------|-------------------------|
| 350 | 1.25 | 1,100 | 1.24 |
| 500 | 1.25 | 1,250 | 1.24 |
| 650 | 1.25 | 1,400 | 1.24 |
| 800 | 1.25 | 1,550 | 1.24 |
| 950 | 1.24 | | |

Estimated Change in Revenues

| | |
|-------------------|------------|
| Current Revenues | \$ 558,627 |
| Proposed Revenues | 573,441 |
| Percentage Change | 2.65% |



Traverse City Light and Power

Rate Design 2015

Senior Water Heating

Current Rate

All Season

| Monthly Rate | First kWh's | Excess | PSCR |
|--------------|-------------|-----------|-----------|
| \$ 3.75 | \$ 885 | \$ 0.0895 | \$ 0.0260 |

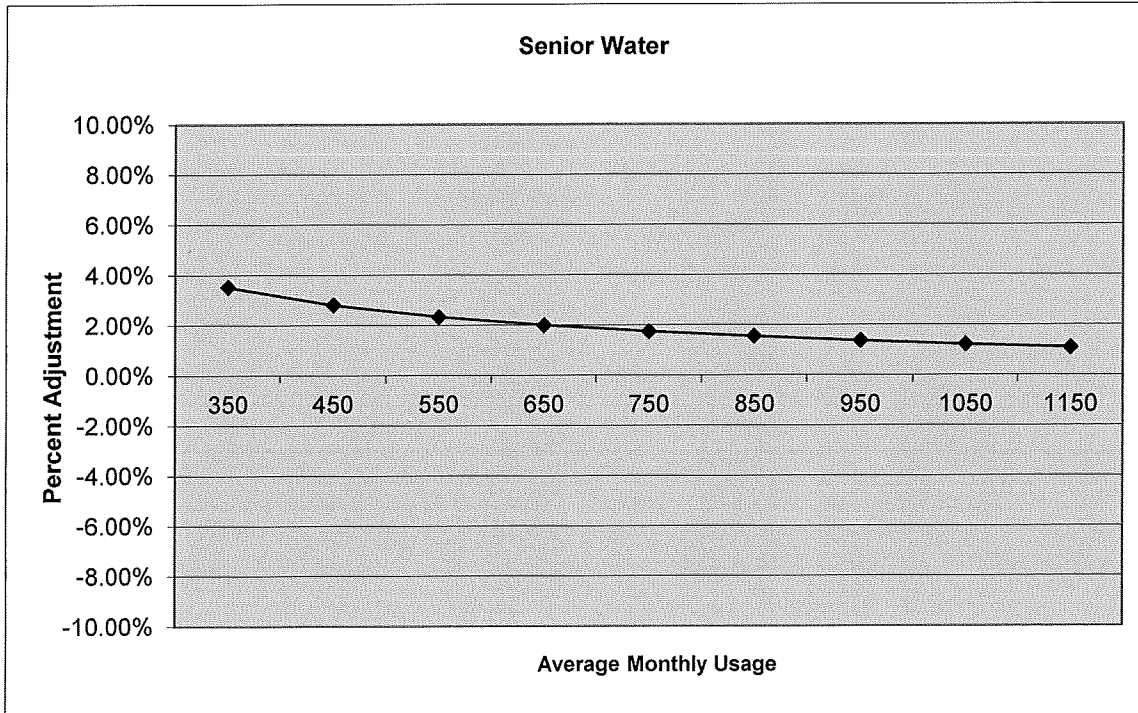
Proposed Rate

All Season

| Monthly Rate | First kWh's | Next Excess | PSCR |
|--------------|-------------|-------------|-----------|
| \$ 5.00 | \$ 885 | \$ 0.1055 | \$ 0.0100 |

Estimated Change in Revenues

| | | |
|-------------------|----|--------|
| Current Revenues | \$ | 44,944 |
| Proposed Revenues | | 46,157 |
| Percentage Change | | 2.70% |



Traverse City Light and Power

Rate Design 2015

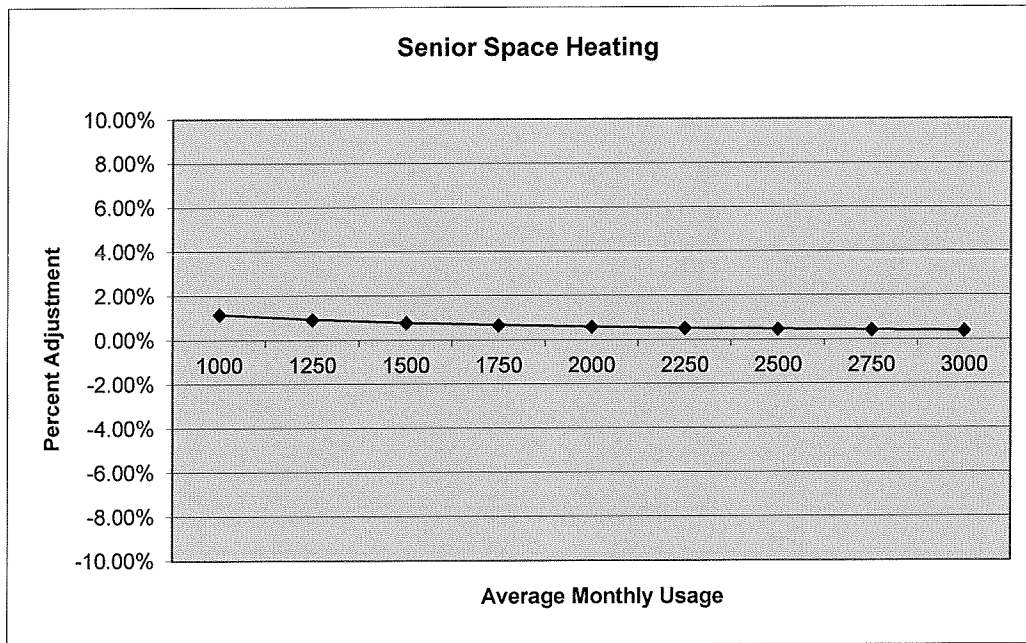
Senior Space Heating

| <u>Current Rate</u> | Monthly Rate | First kWh's 488 | Excess | PSCR |
|---------------------|--------------|--------------------|-----------|-----------|
| Winter Rate | \$ 3.75 | \$ 0.0760 | \$ 0.0760 | \$ 0.0260 |
| Summer | \$ 3.75 | \$ 0.0780 | \$ 0.0895 | \$ 0.0260 |

| <u>Proposed Rate</u> | Monthly Rate | First kWh's 488 | Excess | PSCR |
|----------------------|--------------|--------------------|-----------|-----------|
| Winter Rate | \$ 5.00 | \$ 0.0920 | \$ 0.0920 | \$ 0.0100 |
| Summer | \$ 5.00 | \$ 0.0940 | \$ 0.1055 | \$ 0.0100 |

Estimated Change in Revenues

| | | |
|-------------------|----|--------|
| Current Revenues | \$ | 12,840 |
| Proposed Revenues | | 12,965 |
| Percentage Change | | 1.0% |



Traverse City Light and Power

Rate Design 2015

Public Authority MP2

Current Rate

All Season

| Monthly Rate | All kWh's | PSCR |
|--------------|-----------|-----------|
| \$ 20.00 | \$ 0.0740 | \$ 0.0260 |

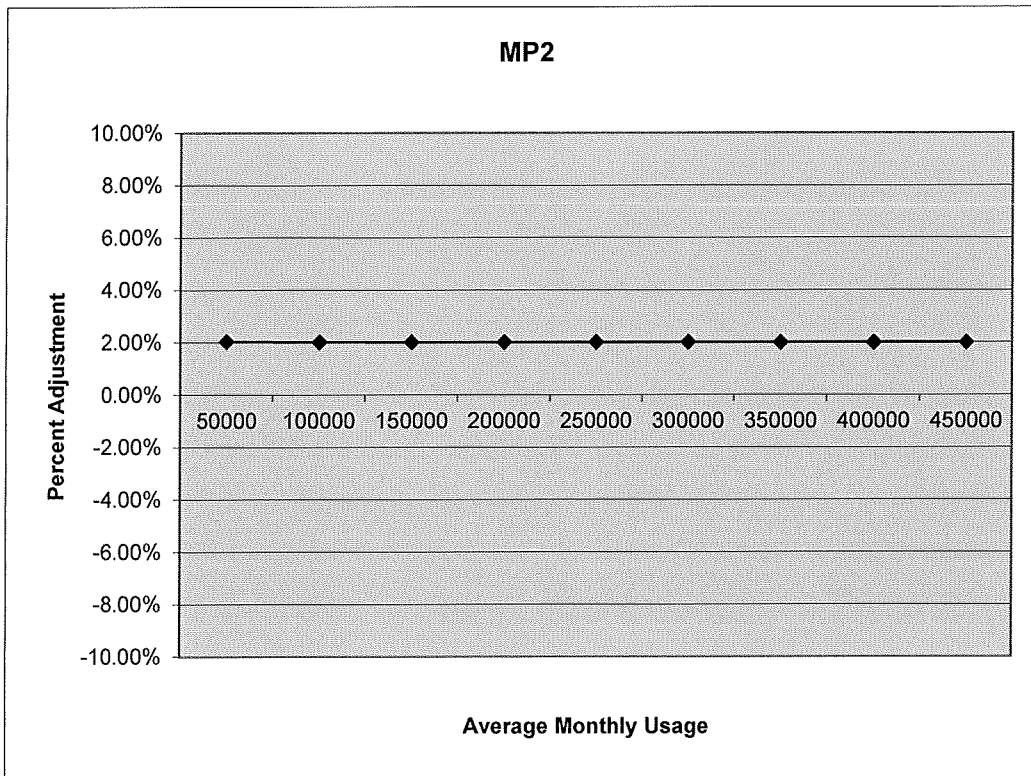
Proposed Rate

All Season

| Monthly Rate | All kWh's | PSCR |
|--------------|-----------|-----------|
| \$ 22.00 | \$ 0.0920 | \$ 0.0100 |

Estimated Change in Revenues

| | |
|-------------------|------------|
| Current Revenues | \$ 143,045 |
| Proposed Revenues | 145,934 |
| Percentage Change | 2.0% |



Traverse City Light and Power

Rate Design 2015

Public Authority MP1

Current Rate

All Season

| Monthly Rate | All kWh's | PSCR |
|--------------|-----------|-----------|
| \$ 16.00 | \$ 0.0810 | \$ 0.0260 |

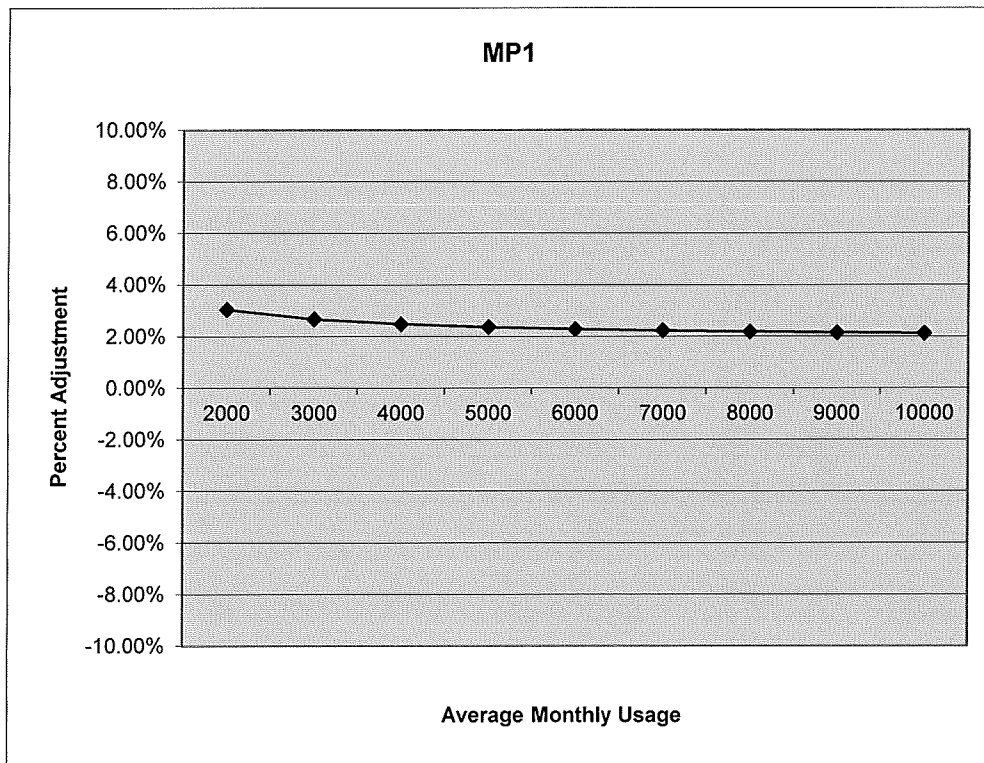
Proposed Rate

All Season

| Monthly Rate | All kWh's | PSCR |
|--------------|-----------|-----------|
| \$ 19.00 | \$ 0.0990 | \$ 0.0100 |

Estimated Change in Revenues

| | | |
|-------------------|----|--------|
| Current Revenues | \$ | 43,759 |
| Proposed Revenues | | 44,809 |
| Percentage Change | | 2.4% |



Traverse City Light and Power

Rate Design 2015

Public Authority MP1 @ 103%

Current Rate

All Season

| Monthly Rate | All kWh's | PSCR |
|--------------|-----------|-----------|
| \$ 16.00 | \$ 0.0834 | \$ 0.0260 |

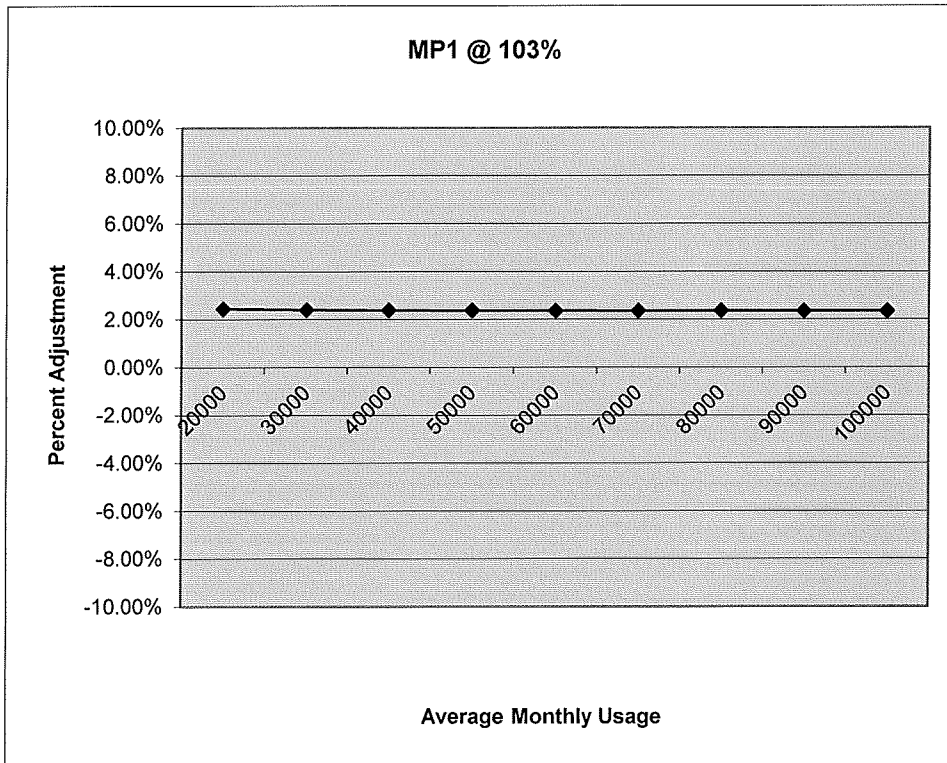
Proposed Rate

All Season

| Monthly Rate | All kWh's | PSCR |
|--------------|-----------|-----------|
| \$ 19.00 | \$ 0.1020 | \$ 0.0100 |

Estimated Change in Revenues

| | | |
|-------------------|----|--------|
| Current Revenues | \$ | 48,574 |
| Proposed Revenues | | 49,726 |
| Percentage Change | | 2.4% |



Traverse City Light and Power

Rate Design 2015

Commercial/General Secondary Service

Current Rate

All Season

| Monthly Rate | All kWh's | PSCR |
|--------------|-----------|-----------|
| \$ 10.25 | \$ 0.1035 | \$ 0.0260 |

Proposed Rate

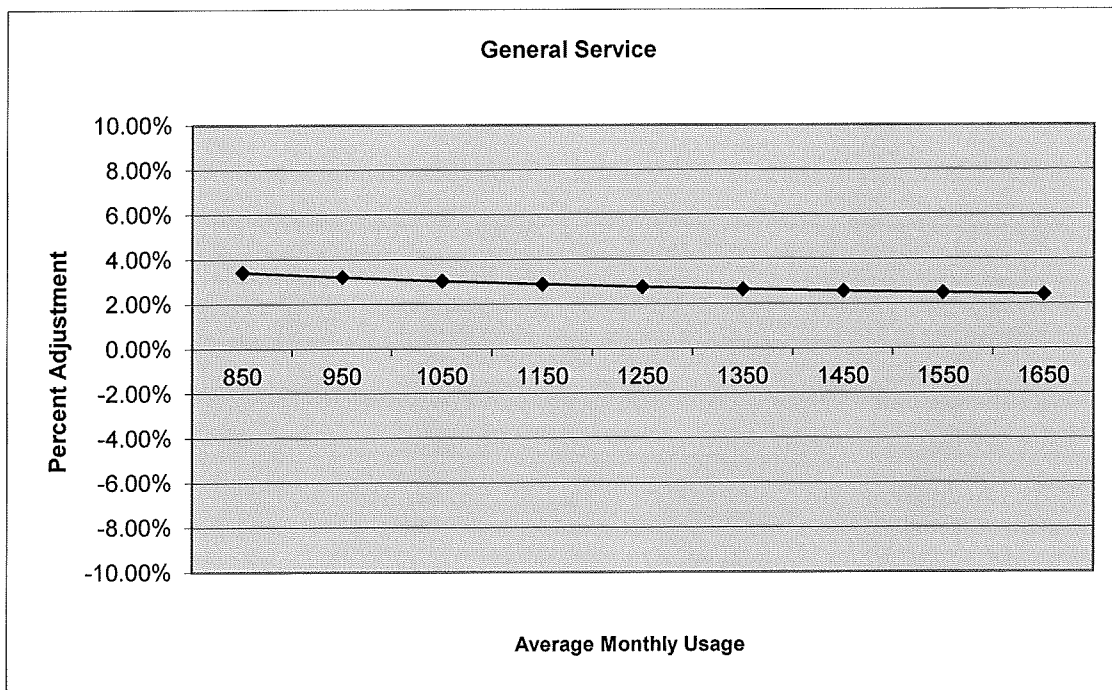
All Season

| Monthly Rate | All kWh's | PSCR |
|--------------|-----------|-----------|
| \$ 13.00 | \$ 0.1211 | \$ 0.0100 |

| Usage | Average Monthly Impacts | Usage | Average Monthly Impacts |
|-------|-------------------------|-------|-------------------------|
| 850 | 4.11 | 1,350 | 4.91 |
| 950 | 4.27 | 1,450 | 5.07 |
| 1,050 | 4.43 | 1,550 | 5.23 |
| 1,150 | 4.59 | 1,650 | 5.39 |
| 1,250 | 4.75 | | |

Estimated Change in Revenues

| | |
|-------------------|--------------|
| Current Revenues | \$ 3,260,445 |
| Proposed Revenues | 3,345,343 |
| Percentage Change | 2.6% |



Traverse City Light and Power
Rate Design 2015
Commercial Demand/General Secondary Service

Current Rate

All Season

| Monthly Charge | Demand Charge | kWh Charge | PSCR |
|----------------|---------------|------------|--------|
| \$ 10.00 | \$ 12.55 | 0.0430 | 0.0260 |

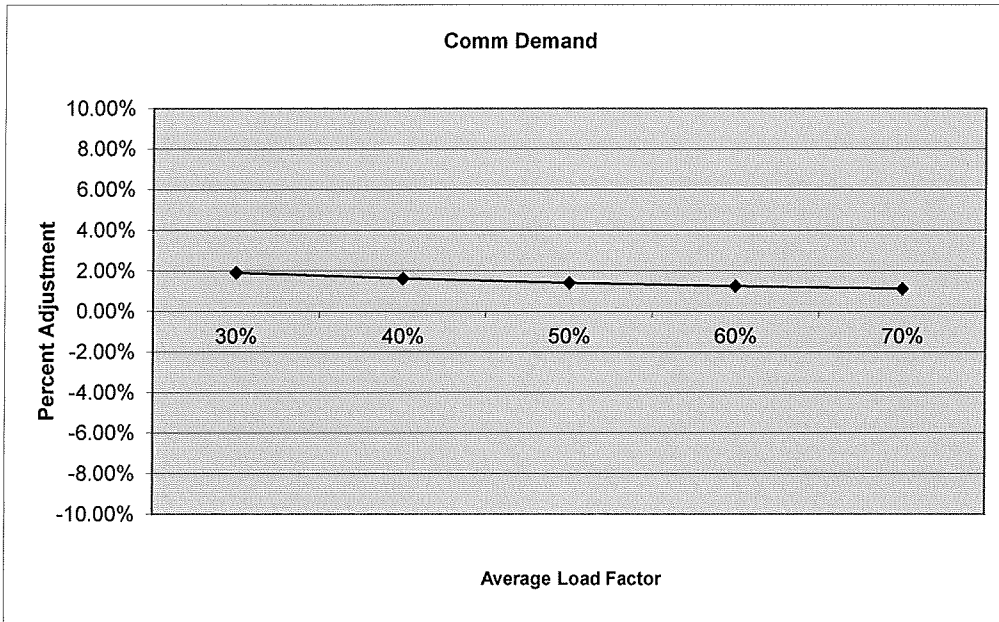
Proposed Rate

All Season

| Monthly Charge | Demand Charge | kWh Charge | PSCR |
|----------------|---------------|------------|--------|
| 15.00 \$ | 12.95 \$ | 0.0590 | 0.0100 |

Estimated Change in Revenues

| | | |
|-------------------|----|-----------|
| Current Revenues | \$ | 8,691,030 |
| Proposed Revenues | | 8,819,666 |
| Percentage Change | | 1.5% |



Traverse City Light and Power

Rate Design 2015

Commercial Demand Primary Metered

Current Rate

All Season

| Monthly Charge | Demand Charge | kWh Charge | PSCR |
|----------------|---------------|------------|--------|
| \$ 11.00 | \$ 12.18 | 0.04234 | 0.0260 |

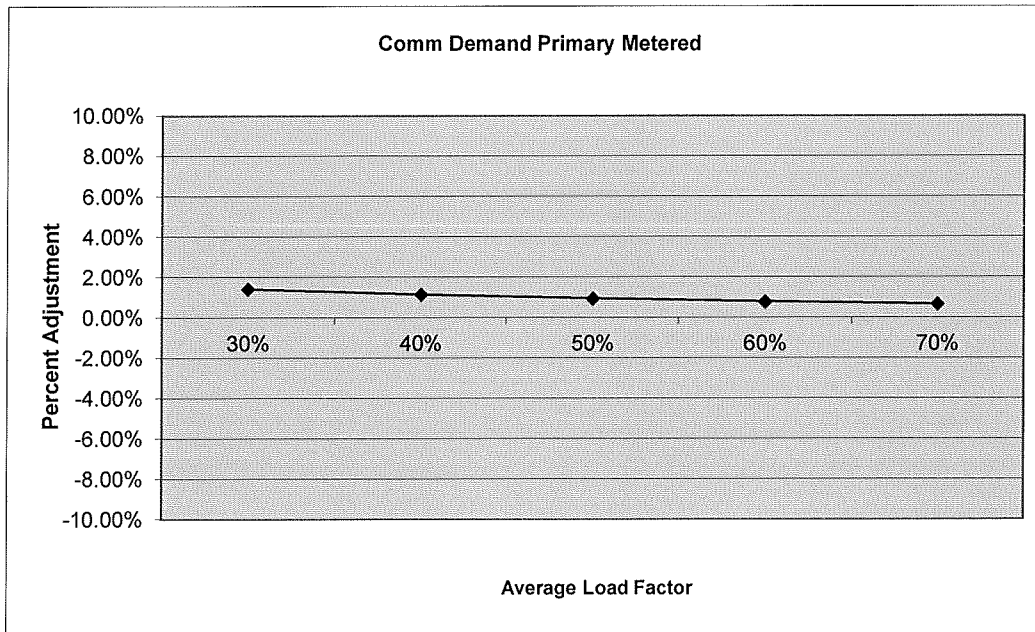
Proposed Rate

All Season

| Monthly Charge | Demand Charge | kWh Charge | PSCR |
|----------------|---------------|------------|-----------|
| 16.00 | \$ 12.57 | 0.0581 | \$ 0.0100 |

Estimated Change in Revenues

| | | |
|-------------------|----|---------|
| Current Revenues | \$ | 155,399 |
| Proposed Revenues | | 156,818 |
| Percentage Change | | 0.9% |



Traverse City Light and Power

Rate Design 2015

Commercial Hot Water Heat

Current Rate

All Season

| Monthly Rate | All kWh's | PSCR |
|--------------|-----------|-----------|
| \$ 10.25 | \$ 0.0810 | \$ 0.0260 |

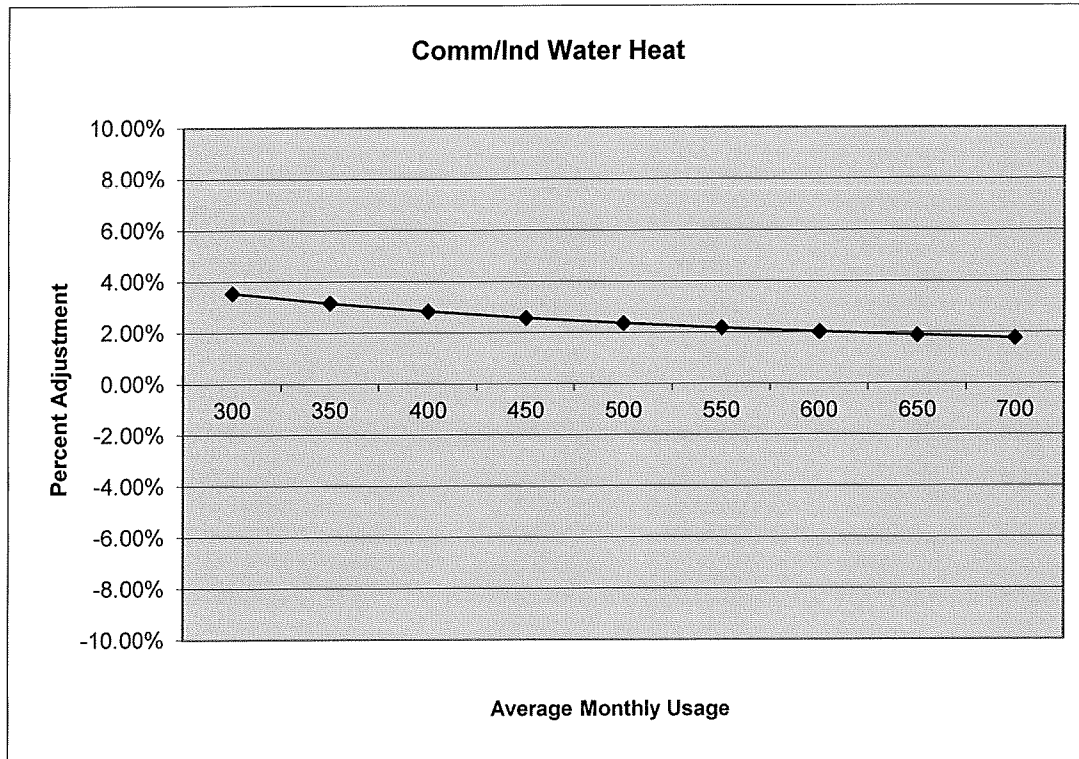
Proposed Rate

All Season

| Monthly Rate | All kWh's | PSCR |
|--------------|-----------|-----------|
| \$ 11.75 | \$ 0.0970 | \$ 0.0100 |

Estimated Change in Revenues

| | |
|-------------------|----------|
| Current Revenues | \$ 1,627 |
| Proposed Revenues | 1,657 |
| Percentage Change | 1.8% |



Traverse City Light and Power

Rate Design 2015

Commercial Electric Heat and Air Conditioning

Current Rate

All Season

| Monthly Rate | All kWh's | PSCR |
|--------------|-----------|-----------|
| \$ 10.25 | \$ 0.0875 | \$ 0.0260 |

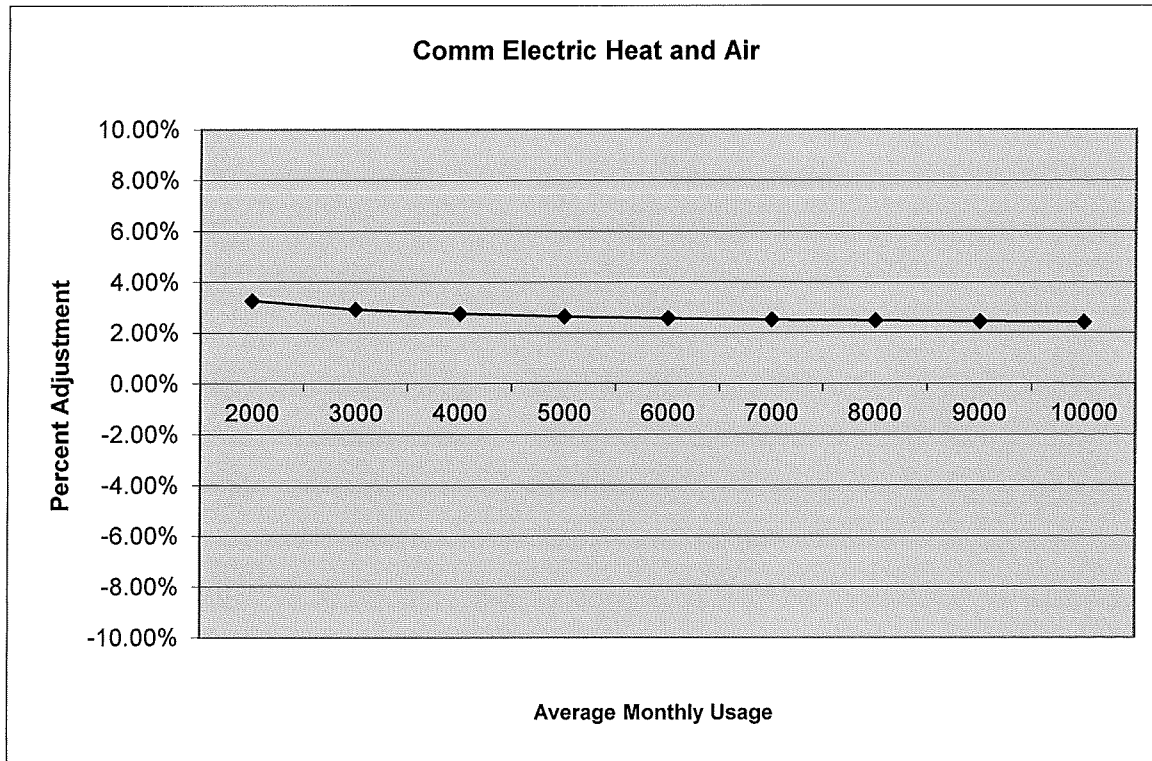
Proposed Rate

All Season

| Monthly Rate | All kWh's | PSCR |
|--------------|-----------|-----------|
| \$ 13.00 | \$ 0.1060 | \$ 0.0100 |

Estimated Change in Revenues

| | |
|-------------------|------------|
| Current Revenues | \$ 154,550 |
| Proposed Revenues | 158,825 |
| Percentage Change | 2.8% |



Traverse City Light and Power
Rate Design 2015
Industrial

Current Rate

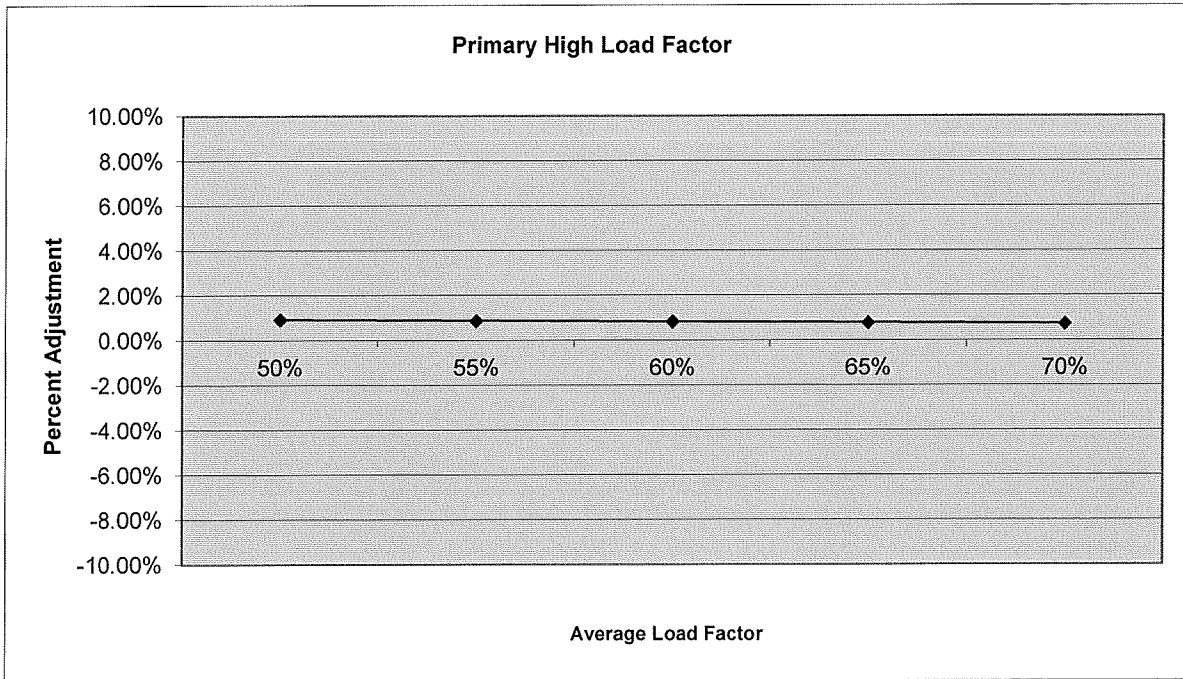
| | Monthly Charge | Demand Charge | On-Peak | Intermediate & Offpeak | PSCR |
|-------------|----------------|---------------|---------|------------------------|--------|
| Winter Rate | \$ 40.00 | \$ 10.70 | 0.050 | 0.039 | 0.0260 |
| Summer | \$ 40.00 | \$ 10.70 | 0.052 | 0.039 | |

Proposed Rate

| | Monthly Charge | Demand Charge | On-Peak | Intermediate & Offpeak | PSCR |
|-------------|----------------|---------------|-----------|------------------------|-----------|
| Winter Rate | 50.00 | 11.00 | \$ 0.0660 | \$ 0.0550 | \$ 0.0100 |
| Summer Rate | 50.00 | 11.00 | \$ 0.0680 | \$ 0.0550 | |

Estimated Change in Revenues

| | | |
|-------------------|----|-----------|
| Current Revenues | \$ | 7,540,382 |
| Proposed Revenues | | 7,595,990 |
| Percentage Change | | 0.7% |



Traverse City Light and Power

Rate Design 2015

Primary Interruptible

Current Rate

Winter Rate
Summer

| Monthly Charge | Demand Charge | On-Peak | Intermediate & Off-Peak | PSCR |
|----------------|---------------|---------|-------------------------|--------|
| \$ 40.00 | \$ 10.70 | 0.0500 | 0.044 | 0.0260 |
| \$ 40.00 | \$ 10.70 | 0.0520 | 0.044 | |

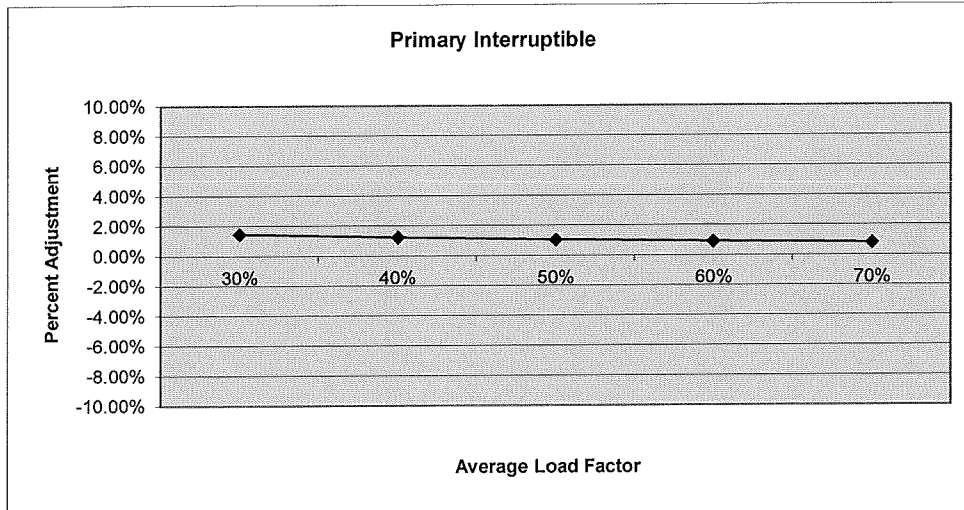
Proposed Rate

Winter Rate
Summer Rate

| Monthly Charge | Demand Charge | On-Peak | Intermediate & Off-Peak | PSCR |
|----------------|---------------|-----------|-------------------------|-----------|
| 50.00 | 11.00 | \$ 0.0660 | \$ 0.0600 | \$ 0.0100 |
| 50.00 | 11.00 | \$ 0.0680 | \$ 0.0600 | |

Estimated Change in Revenues

| | | |
|-------------------|----|---------|
| Current Revenues | \$ | 290,267 |
| Proposed Revenues | | 291,417 |
| Percentage Change | | 0.4% |



Traverse City Light and Power
 Rate Design 2015
 Street Lighting

| | |
|-----------------|------|
| Rate Adjustment | 1.5% |
|-----------------|------|

| Light Type and Wattage | Current Rate | Proposed Rate |
|------------------------|--------------|---------------|
|------------------------|--------------|---------------|

Street/Security Lighting Rates

| | | | |
|---|--------|---------|-------|
| 100 Watt High Pressure Sodium | 636 \$ | 7.85 \$ | 7.97 |
| 250 Watt High Pressure Sodium | 523 | 10.71 | 10.87 |
| Low Level Pedestrian 35 Watt | 6 | 11.22 | 11.39 |
| Low Level Pedestrian 50 Watt | 7 | 11.22 | 11.39 |
| Low Level Pedestrian 100 Watt | 381 | 11.91 | 12.09 |
| Boardman, Oak Park, Oak Heights, 8th 50 Watt LL | 132 | 2.60 | 2.64 |
| Boardman, Oak Park, Oak Heights, 8th 35 Watt LL | 169 | 1.99 | 2.02 |
| 8th Flasher/Const | 1 | 13.01 | 13.20 |
| Cut-off Without Pole 100 Watt LL | 3 | 9.36 | 9.50 |
| Cut-off With Pole 100 Watt LL | 14 | 11.91 | 12.09 |
| 100 Watt with deco arm | 38 | 9.36 | 9.50 |
| Barlow 100 Watt | 1 | 6.42 | 6.52 |

**Traverse City Light and Power
Rate Design 2015
Yard Lighting**

| | |
|-----------------|------|
| Rate Adjustment | 1.5% |
|-----------------|------|

| Light Type and Wattage | Current Rate | Proposed Rate |
|------------------------|--------------|---------------|
|------------------------|--------------|---------------|

Street/Security Lighting Rates

| | | | | |
|-------------------------------|----|-------|----|-------|
| 100 Watt High Pressure Sodium | \$ | 6.43 | \$ | 6.52 |
| 250 Watt High Pressure Sodium | | 9.59 | | 9.73 |
| Low Level Pedestrian 35 Watt | | 11.22 | | 11.39 |


City of Traverse City
Light and Power Department
Proposed: July 1, 2014

FUEL-POWER COST ADJUSTMENT

The Fuel-Power Cost Adjustment shall be derived as follows: The coal, gas, and net purchased power costs, **including MISO and SECA expenses**, (all referenced to Plant bus voltage) during the month shall be totaled and then divided by the net Traverse City energy provided to yield a cost per kWh experienced during that month. This experienced cost is then compared to the base cost of **64.57** mils/kWh with the resulting difference in mils/kWh to be multiplied by 105%; the resulting difference so multiplied shall be known as the Fuel-Power Cost Adjustment and shall be applied as follows beginning on the first day of the second month following data acquisition. If the experienced cost is higher than the base cost, the Fuel-Power Cost Adjustment shall be added onto the cost of all kWh billed. If the experienced cost is lower than the base cost, the Fuel-Power Cost Adjustment will be subtracted from the cost of all kWh billed.

The Department shall establish a (0-15 mil) DELAYED FPCA BILLING BANK to be administered by the Executive Director, or designate, for the purpose of stabilizing the FPCA as rendered.



To: Light and Power Board
From: Tim Arends, Executive Director 
Date: June 2, 2014
Subject: Hastings Street Service Building Expansion

TCL&P's Capital Improvements Plan includes funding for site development/improvements at the Hastings Street Service Center in the 2014-15 fiscal year in the amount of \$350K. Due to an increase over the years in employees and operations from the addition of traffic signal maintenance and the fiber optic system there is a need to expand the service center (Building B) to accommodate these increased operations. In addition, the demolition of the house that used to be on the property displaced some employees who are now working in the mezzanine of Building B, which is not handicap accessible.

Staff is recommending an expansion that would fill the unused truck ramp and increase space in the lunchroom/break area, while providing proper facilities for daily meetings of the 28 employees that report to the Line Superintendent. The space will also include a media/copier area, computer stations, and larger offices to allow for employee relocation. AAI has completed the project drawings, reviewed them with staff, and has prepared a preliminary project cost estimate (attached). Mr. Bob Sommerville of AAI will be in attendance to describe the project and answer any questions you may have on the renovation from bidding to final walk-through of the completed project.

In accordance with the utility's Purchasing and Contracting Policy, staff will seek sealed bids for this project. The project will be bid for the separate trades (general, mechanical, electrical) with all trades under the supervision of the general trades contractor. The project will be listed on the Builders Exchange.

The awarding of any construction contracts will come back to the Board for approval. At this time, staff is recommending that the Board authorize bids for the Hastings Street Building B expansion.

(RECOMMENDED MOTION ON FOLLOWING PAGE)

FOR THE LIGHT & POWER BOARD MEETING OF JUNE 11, 2014

If the Board is in agreement with Staff's recommendation the following motion may be appropriate:

MOVED BY _____, SECONDED BY _____,

THAT THE BOARD AUTHORIZES STAFF TO SEEK BIDS FOR HASTINGS STREET BUILDING B EXPANSION PROJECT AS PRESENTED; AND FURTHER DIRECTS STAFF TO PREPARE CONTRACTS WITH THE SUCCESSFUL BIDDER(S) FOR THE BOARD'S CONSIDERATION.

DRAFT

May 28, 2014

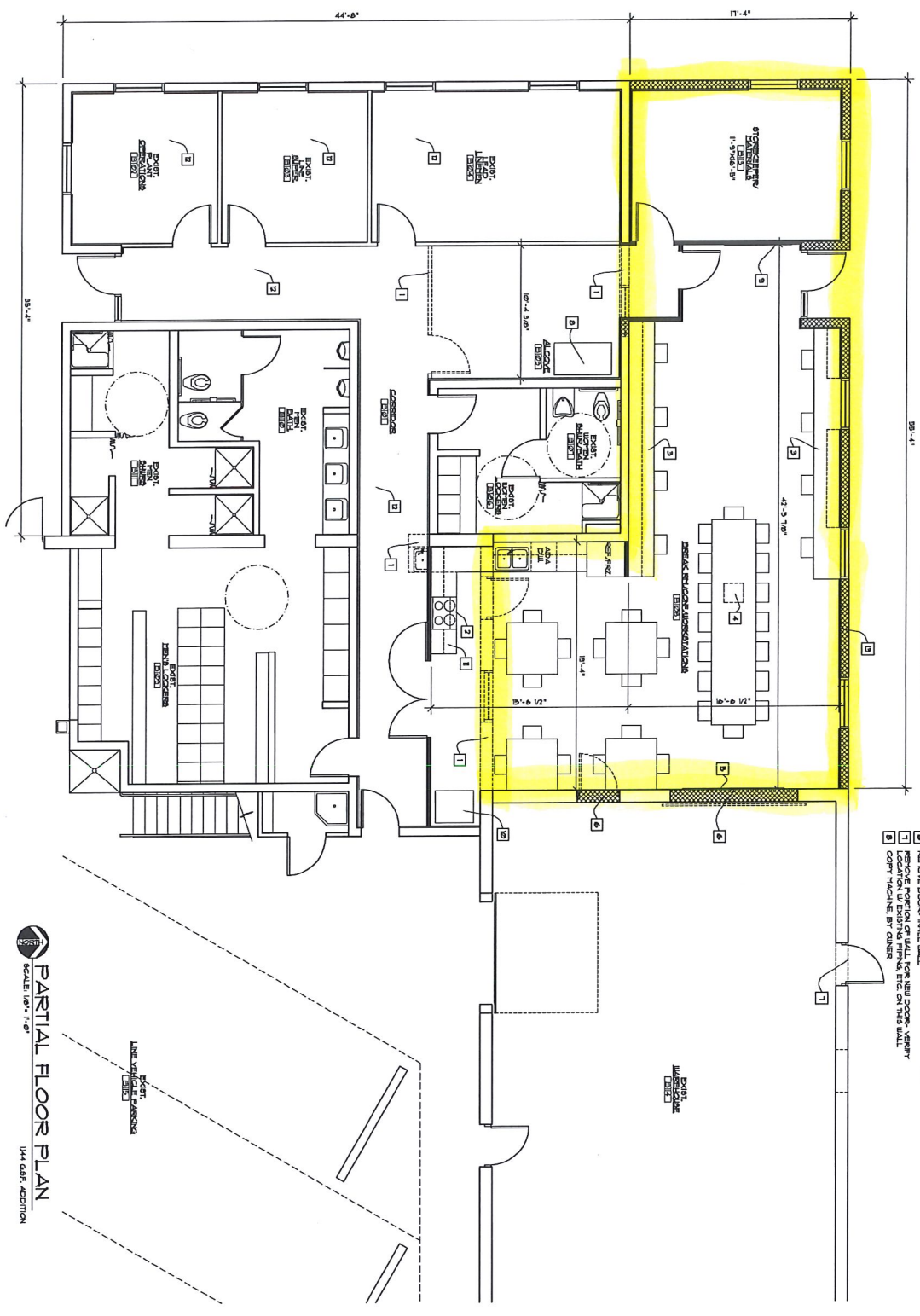
Preliminary Total Project Cost Estimates for Additions to Hastings Street Service Center for Traverse City Light and Power – Updated from July 10, 2012.

Remove truck well and infill NW corner of “B” building to add a new multipurpose room housing conference, break, work stations and training space.
Add new walk door on north wall of warehouse.
Upgrade west end offices, add new office.

| | |
|--|--------------------|
| General Trades work including site work and demolition | \$192,300.00 |
| Mechanical Trades work | \$45,000.00 |
| Electrical Trades work | \$24,000.00 |
| Division One, General Conditions, A/E Fees and Reimbursable expenses | \$38,100.00 |
| Contingency | <u>\$23,100.00</u> |
| Total Estimated Project Cost | \$322,500.00 |

Prepared By:

Robert J. Sommerville, AIAE



FLOOR PLAN GENERAL NOTES:

- CONTRACTOR IS RESPONSIBLE FOR VERIFYING ALL DIMENSIONS AND CONDITIONS AT THE TIME WORK TO BE PERFORMED IS IN PROGRESS ON THE PROJECT.
- MEASUREMENTS SHALL BE TAKEN FROM THE FACE OF THE WORK UNLESS OTHERWISE NOTED.
- ALL DIMENSIONS ARE TO FACE UNLESS OTHERWISE NOTED.

FLOOR PLAN NOTES LEGEND:

- 1 REMOVE WALL
- 2 ADA COMPLIANT + HOOD (VERIFY HOOD TYPE)
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- 100 ADA COMPLIANT + HOOD (VERIFY HOOD TYPE)

PARTIAL FLOOR PLAN
SCALE: 1/8" = 1'-0"
1/4" GAB. ADDITION

ADDITION TO BLDG.
"B" HASTINGS ST.
FACILITY FOR
TCLP
TRAVERSE CITY, MI

PROJECT NO.: 0714
SHEET NO.: A2.1

DATE: 1/14/14

1008 east 8th street
Traverse City, Michigan
voice 231-947-0080
fax 231-947-4720
www.robertj.com
info@robertj.com

robert j. somerville AIAE

architecture,
artistry
interiors, inc.

approved by: R.J.S.

designed by: J.V.S.

drawn by: J.V.S.

checked by: J.V.S.

approved by: J.V.S.

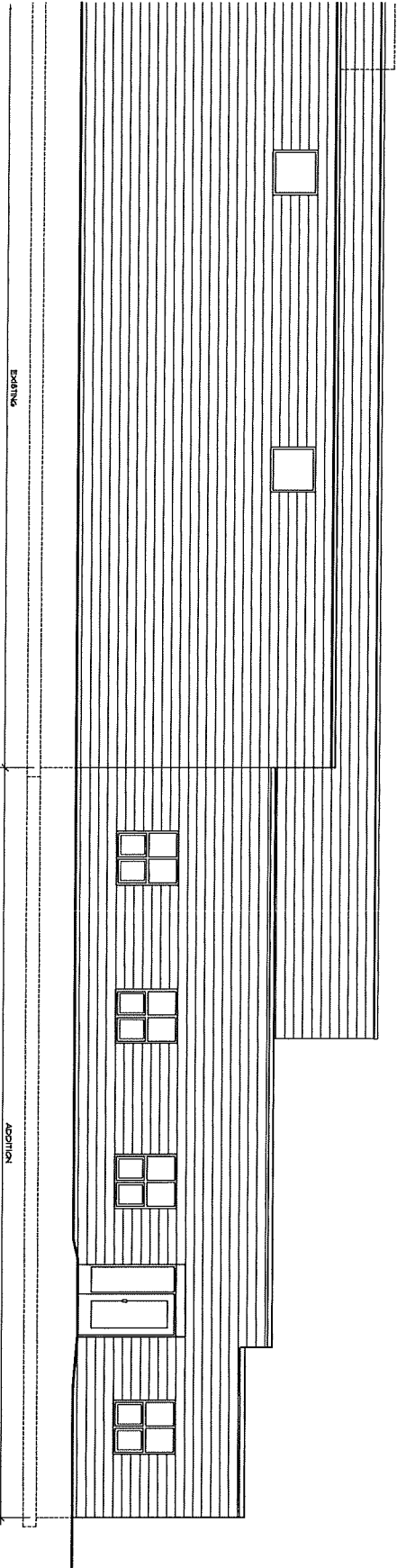
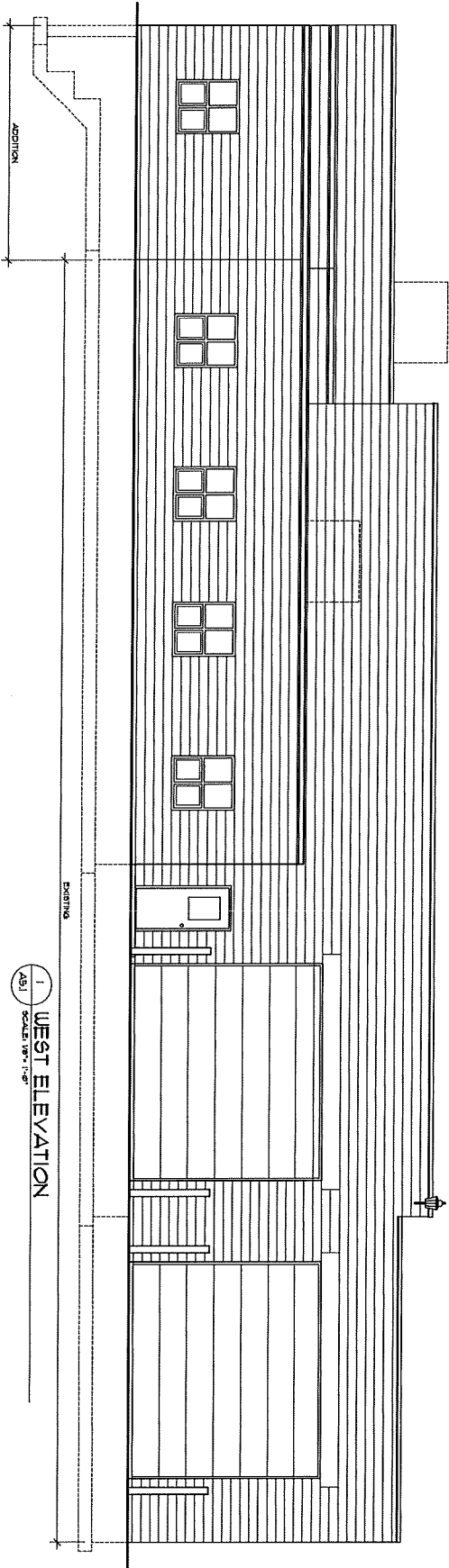
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approved by: J.V.S.

checked by: J.V.S.



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ADDITION TO BLDG.
 "B" HASTINGS ST.
 FACILITY FOR
 TOLP
 TRAVERSE CITY, MI
 ELEVATIONS

0714
 A5.1

Robert J. Somerville MAE
 architect
 interiors, inc.

J.V.S.
 J.V.S.

R.J.S.
 architecture,
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**TRAVERSE CITY
LIGHT & POWER**

To: Light & Power Board
From: Human Resources Ad Hoc Committee
Date: June 11, 2014
Subject: Consideration of a periodic personnel evaluation of Tim Arends, Executive Director.

Consistent with last year's process, the Human Resources Ad Hoc Committee has collected input on the performance of the TCLP Executive Director from each TCLP Board Member (Appendix A). During the regular meeting of June 11th, we will discuss these findings and assess the performance of the Executive Director. The Executive Director is offered an opportunity to conduct this evaluation in closed session, but has indicated a preference to hold the discussion in an open session. The current contract of the Executive Director is also attached (Appendix B).

Based on universally positive input submitted by TCLP directors, we recommend renewal of the employment contract with Tim Arends as Executive Director with a 5% increase in annual salary. Total annual compensation would be \$113,400. The Human Resources Ad Hoc Committee notes that the most recent APPA compensation survey (Appendix C) indicates the proposed salary will still fall below the average salary for similarly sized municipal utilities.

If the Board concurs, the following motion is recommended:

**MOVED BY _____, SECONDED BY _____,
THAT THE LIGHT AND POWER BOARD RENEW THE EMPLOYMENT CONTRACT
WITH TIM ARENDS AS EXECUTIVE DIRECTOR, WITH AN EFFECTIVE DATE OF
JUNE 11, 2014, TO INCLUDE THE TERMS AS RECOMMENDED BY THE HUMAN
RESOURCES AD HOC COMMITTEE, SUBJECT TO FORM BY GENERAL
COUNSEL.**

**Assessment Data from Interviews with TCL&P Board Members
2014 Performance Evaluation of the TCL&P Executive Director
May 15, 2014**

1. *What is the Executive Director particularly good at?*
 - Tim has a political sense, knows how the board works, but answers our questions with objective information.
 - Helps us understand issues and options; knows we need all the pieces.
 - Works at understanding the priorities of the Board.
 - He's a Teflon director, not afraid to take the heat; responds professionally and doesn't take things personally.
 - Tim is always well prepared for Board meetings and is knowledgeable about things the Board deals with.
 - He has formed or mended relationships that are very important to TCL&P.
 - Tim has re-built relationships with other muni's and with others in the industry.
 - Managing people; communication, and building and maintaining relationships.
 - Government transparency; I never wonder what he's keeping from us.

2. *What are his other strengths?*
 - His financial analysis and presentation.
 - He knows almost every aspect of our business but knows when he needs experts.
 - He is willing to admit there are areas where he doesn't have expertise and knows when he needs consultants or experts. He doesn't try to be somebody he isn't.
 - Proactively brings in consultants to support Board decision-making.
 - More transparent than his predecessor.
 - He asks for permission rather than forgiveness.
 - He's an active listener, listening for what a Board member is getting at.
 - Tim is very practical.
 - He has a good managing demeanor; doesn't get upset with issues or people; defuses situations.
 - Explains complex things well; focuses on facts to build his case.
 - Meticulous about details and facts; very business-like; no BS.
 - He's a shepherd, not an owner. Doesn't personalize issues; willing to take Board's instructions and operationalize them.
 - He initiated the board training program that was very helpful.
 - All Board members took advantage of the training and all are more knowledgeable.

3. *Does the Executive Director let you know what's coming at the Board in a timely manner?*
 - Yes. (7) Added comments:
 - We get information in advance and the board is well informed.
 - Usually a couple of weeks ahead of a vote.
 - Mostly, as we build up to major decisions.
 - We almost always get advance information and notice. There was one error when a projection showed a deficit and it turned out to be a plus.
 - There are surprises but not often. He'll tell the Board the general sequence of information and decisions.

4. *Does he provide you with a clear recommendation and the information and you need to make an informed decision?*

- Yes. (3)
 - Yes, always; he sees this as his responsibility.
 - Yes. He keeps emotion out of it; doesn't manipulate the information.
 - Normally (but I always need more information).
 - Yes, but sometimes he provides no recommendation because he may be ambivalent; he's never directive.
 - He does a good job of differentiating between issues that are the Board's, and issues that need a recommendation.
5. *Is he accessible to answer your questions?*
- Yes (7) Added comments:
 - Yes – receives and responds to our questions almost any time of the day or night! Not just a 9-to-5'er.
 - Yes – we're encouraged to ask questions.
6. *How was the transition from the former Executive Director handled?*
- Well. We've gone from frustration to trust.
 - The organization seems to have adjusted well to the new Executive Director. The only blow-back has been the Wayne Hill issue which the previous Board never formalized.
 - Well. Tim stepped up immediately. He's open about what's happening within the organization.
 - Great job. Employees seem to be happier, but I have a limited view.
 - Tim and the Board have both managed the transition well.
 - Tim doesn't dwell on the past and never denigrates his predecessor.
7. *Are the TCL&P departments, the Executive Director and the Board effectively aligned?*
- Yes. (7) Added comments:
 - We're working well together; the board training experience helped. (2)
 - The training and planning program we went through was intense and it helped us to understand the business and the process better.
 - The Hometown Connections program was helpful, and the Board took it seriously; staff was included in strategic planning; and we're all focused on the business we're in.
 - Tim facilitates the Board's decisions, and the Board owns them.
 - Instead of the Board going through the strategic planning process, it would have been OK if only staff had been involved, and then reported back to the Board.
8. *Did the annual budget process work effectively?*
- Yes. (2)
 - Yes; it was all at a high level and often technical.
 - Yes; by the end of it we were prepared to decide.
 - Yes; it went fine.
 - Yes; there was little controversy. We had adequate time to go through the process.
 - The process needs plenty of time. The capital improvement and planning parts, and opportunities for community input should start early and be thorough.
 - Dealing with the Wayne Hill issue could have been done differently.
9. *Is there anything you would like the Executive Director to change, to improve, or to do differently?*
- No. (3)

- Continue as is. (2)
 - If he can keep this up, we can't ask for more.
 - I hope he'll do 3 things: (a) continue his commitment to give the Board a chance to consider issues in advance; (b) represent TCL&P as his #1, rather than the City; and (c) build better relations with key accounts.
 - Looking forward, it will be important how Tim handles the Wayne Hill controversy and project.
10. *On a scale of 1 (low) to 5 (high), what is your overall assessment of the job performance of the Executive Director since his appointment?*
- 5. The Board trusts him, and we've returned to the business of an electric utility. The real test will be some upcoming issues.
 - 4.5. Not a 5 because he's still learning. Maybe a 5 next year.
 - 4. Nobody's perfect. (2)
 - 4. He's doing a good job; it's been a positive transition; he's more open and honest; but there's always room for improvement.
 - 4. Tim is a good fit for the job; doing a great job. But I assume improvement is always possible.
 - 4. There are inherent limitations in his background; he's still learning.
11. *Is there anything else you'd like to say about the performance of the Executive Director, the Board or the organization?*
- The Board is a good mix of people who come from different perspectives and are respectful of each other. We recognize that citizens are our customers.
 - The Board members have various areas of expertise and seem to work well together; there are no predictable alliances.
 - This is a good Board, interested in having a greater understanding of issues, and to be able to explain things to the community.
 - Both Board members and staff should go to neighborhood association meetings.
 - I don't feel like I'm going to war when I go to a Board meeting. Tim doesn't cram his agenda down our throats.
 - Tim is doing a fine job. It was the right decision to hire him.
 - Tim isn't building an empire; he's running a utility.
 - If Tim can keep up the quality and commitment of this first year, that would be impressive.
 - The Board needs to reign in the length of our meetings.
 - Some consultants talk too much and too long!
 - Tim should be cautious about the quality of consultants he hires, carefully monitor their performance, consider our goals, and ensure that these people will get us there.
 - The pairing with the Chamber of Commerce wasn't well presented or thought through.
 - The deal with the Chamber didn't fly.
 - Idea of boring under the river wasn't well thought out nor was the Board well prepared to consider it.
 - Tim tries too hard to please the City and to accommodate the DDA.
 - Karla Myers-Beman was an excellent addition as Controller; she's very accommodating.
 - Relying on outside firms for technical expertise has a downside in that we don't have the internal organizational memory, or knowledge.
 - The utility industry is changing. Soon it won't be enough to provide cheap, reliable power. Stagnation will kill a utility. Consumers are demanding more of this business, and non-traditional competitors are coming after our customers who will have more

choices. Our Executive Director needs to develop a personal vision of what's coming, where TCL&P needs to go, and carefully follow how the industry is evolving.

**TRAVERSE CITY LIGHT and POWER
EXECUTIVE DIRECTOR
CONTRACT 2013**

THIS AGREEMENT made this 28th day of May, 2013, by and between the TRAVERSE CITY LIGHT and POWER DEPARTMENT, a Michigan municipal electric utility, 1131 Hastings Street, Traverse City, Michigan 49686, (the Board) and TIMOTHY J. ARENDS, of 10176 Elk Lake Trail, Williamsburg, Michigan 49690, (the Executive Director) it supersedes and replaces all previous agreements between the parties;

WITNESSETH:

WHEREAS, the Board wishes to retain the services of Timothy J. Arends as Executive Director; and

WHEREAS, Timothy J. Arends wishes to be employed by the Board in the capacity of Executive Director; and

WHEREAS, it is to the advantage of both the employer and the employee to specify the conditions under which the employee is to work and to be compensated;

NOW, THEREFORE, it is mutually agreed by the parties as follows:

1. Employment. The Board hereby employs Timothy J. Arends as the Executive Director, and Timothy J. Arends hereby accepts such employment upon the terms and conditions hereinafter set forth.

2. Applicable Laws. This Agreement is subject to all applicable laws and administrative rules bearing upon the parties and the subject matter of this Agreement as such law may be in effect from time to time, including without limitation, the Charter of the City of Traverse City, and such law is incorporated herein by reference. In the event of conflict between the provisions of this Agreement and such applicable law, such applicable law shall control.

3. Term. This Agreement shall commence on May 28, 2013, and shall continue thereafter until termination, amendment or renegotiation. The parties intend to renegotiate the terms hereof to be effective with the anniversary of this Agreement.

4. Compensation. For all services rendered by the Executive Director under this Agreement, the Board shall pay the Executive Director an annual salary of ONE HUNDRED EIGHT THOUSAND DOLLARS (\$108,000) effective the first day of the term, to be paid in the same manner and intervals as regular full-time management employees effective as of the commencement date of this Agreement. In addition, the Executive Director shall be paid a one-time

bonus in the amount of THREE THOUSAND FIVE HUNDRED DOLLARS (\$3,500.00) to be paid as soon as practicable upon execution of this Agreement.

5. Termination. Either party has the right to terminate the employment relationship at any time and in the sole discretion of the party terminating the relationship, upon sixty (60) days advance notice or the equivalent of sixty (60) calendar days pay or a portion thereof, where no notice or less than sixty (60) days notice is given. However, in the event the Executive Director is terminated because of conviction of a felony or any illegal act involving personal gain, the Board shall have no obligation to give advance notice or the alternative severance pay.

6. Duties. In addition to the duties enumerated in the City Charter, the Executive Director shall be the Chief Administrative Officer for the Department and the Board. The Executive Director shall direct all employees of the Department and such others as the Board shall direct. The attached description of the Executive Director's responsibilities, attached hereto as Attachment A, is the present determination and may be relied upon by the Executive Director. However, the Board may from time to time, by resolution, alter this description of the Executive Director's responsibilities, provided that such alterations shall not be effective until a copy of such resolution shall be delivered to the Executive Director.

7. Extent of Services. The Executive Director shall devote his professional time, attention and energies to the business of the Traverse City Light and Power Department. In order to discharge the functions of the office of Executive Director, early morning, luncheon and night-time meetings and activities may occur outside regular office hours that require the Executive Director's attendance.

8. Conventions and Seminars. With the prior approval of the Chairperson of the Board, the Executive Director may attend seminars and conventions relating to utility management for technology and other matters involved in the discharging of the responsibilities of the office of Executive Director. The Department shall pay for or reimburse the Executive Director for expenses in connection with such seminars and conventions as per Board policy up to the amount authorized in the budget. Days used in attending seminars and conventions shall be regarded as days worked.

9. Vacations. The Executive Director shall be entitled to vacation time which shall accrue on the basis of 25 days per year of employment. It may be used during the term of this Agreement. During such vacation time, compensation will be paid in full. Accrued vacation time may be accrued up to a maximum of 200 hours in the same manner as Department ACT employees.

10. Civic Organizations and Responsibilities. The Board encourages membership of the Executive Director in local civic organizations and in executing civic responsibilities. The Board agrees to reimburse the Executive Director for dues and reasonable expenses incurred in membership in one local recognized civic organization involved in public service. In addition, the Executive Director shall have the discretion to expend an amount not to exceed Five Hundred dollars (\$500) per year to participate in, or attend, those civic events or functions which appropriately assist him in meeting these civic responsibilities.

11. Other Benefits. Except as modified herein, the Executive Director shall enjoy all such other fringe benefits afforded to Department ACT employees as of the effective date of this Agreement, including, but not limited to, retirement, deferred compensation plan and short and long term disability coverage.

12. Assignment. This Agreement is not assignable by either party hereto.

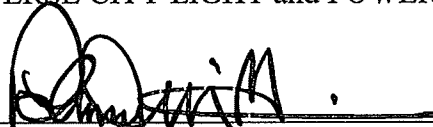
13. Waiver of Breach. A waiver by the Board of a breach by the Executive Director of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach by the Executive Director.

14. Non-Discrimination. The Executive Director agrees not to discriminate against an employee or applicant for employment with respect to hire, tenure, terms, conditions or privileges of employment, or a matter directly or indirectly related to employment because of their actual or perceived race, color, religion, national origin, age, sex, height, weight, marital status, physical or mental disability, family status, sexual orientation, or gender identity. Breach of this covenant may be regarded as a material breach of this Agreement.

15. Car Allowance. In addition to other compensation, the Executive Director shall receive THREE HUNDRED FIFTY DOLLARS (\$350) per calendar month as car allowance. Mileage reimbursement shall also be paid for travel in accordance with the Board's Use of Personal Vehicle for L&P Business Policy. The Executive Director shall at all times maintain insurance covering property damage and public liability for such motor vehicle in the combined single limit of \$500,000.

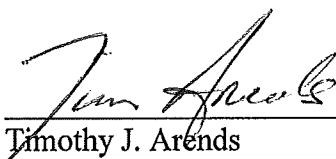
IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date and year first above written.

TRAVERSE CITY LIGHT and POWER BOARD



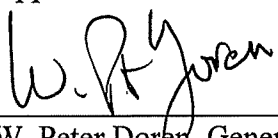
Patrick McGuire, Chairperson

EXECUTIVE DIRECTOR



Timothy J. Arends

Approved as to form:



W. Peter Doren, General Counsel

ATTACHMENT A

TRAVERSE CITY LIGHT AND POWER JOB DESCRIPTION

TITLE: EXECUTIVE DIRECTOR

The City Charter mandates basic duties of the Executive Director. Many of these are contained in Charter Sections 178 and 179.

General Summary:

Provide leadership for Light and Power Department that assures: the highest level of satisfaction and competitive rates for customers, a safe productive and motivated staff, the short-term and long-term strategic direction, a positive and cooperative relationship with all Light and Power stakeholders, and sound management of both human and fiscal resources.

Typical Duties:

1. Create an organizational climate that enables the Utility staff to be productive, motivated, and to work safely and cooperatively.
2. Assist the Board in carrying out its duties to establish policies that lead to excellence in: customer service, operational efficiency, and employee relations. After those policies are established, make sure they are implemented fairly and consistently in the Utility.
3. Prepare and present issues for Board consideration and action, including assistance with agenda preparation and keeping accurate record of Board proceedings.
4. Assure that the Utility's generation, transmission and distribution systems are operationally efficient, reliable and safe. Further, the Utility's purchased power must be reliable, competitively priced, and adequate to meet the future needs of all customers.
5. Demonstrate sound fiscal management including: budgeting, accounting, and investment of reserves.
6. Represent the Utility with all external agencies and regulatory bodies (i.e. Michigan Public Power Agency, Michigan Municipal Electric Association, American Public Power Association, Michigan Public Service Commission, OSHA, Environmental Protection Agency, Department of Natural Resources, etc.)
7. Complete, with assistance from the City Personnel Department, the hiring, training, promotion and termination of Utility staff. Be directly responsible for the performance management and professional development of all directly reporting staff. The Executive

Director may appoint or remove a Controller only with a concurring vote of five members of the Board.

8. Contract with, supervise, and coordinate the activities of all external service providers to the Utility (i.e. legal, construction, professional services, etc.).
9. Work cooperatively within the city government framework, especially where other City Departments provide service to the Utility and where the Utility provides services to the City.
10. Regularly and frequently collaborate with and exchange information with the City Manager. This collaboration shall include, but not be limited to, the following:
 - a. The City Manager should be given an opportunity to participate in labor and administrative negotiations.
 - b. The City Manager should be encouraged to attend all TCL&P staff meetings and the Director is encouraged to attend all City staff meetings.
 - c. The City Manager should be given an opportunity to participate in all sessions establishing the agenda of the Light and Power Board.
 - d. The City Manager should be considered the acting TCL&P Director in the event the Director is absent for extended periods.
11. Assure that the activities provided on a contractual basis to other agencies are carried out effectively and efficiently.
12. Act as the chief spokesperson for the Utility with the media, customers, city government and other critical stakeholders.
13. Plan for and implement a personal plan for professional development, in conjunction with Board feedback, to assure preparedness for leading the Utility into the future with innovation and creativity.
14. Create and change, as needed, the organizational structure, reporting relationships, and job roles to achieve both staff job satisfaction and organizational effectiveness and efficiency.
15. Perform other duties as may be assigned by the Light and Power Board.

Board approved: 3-26-13

2013

Survey of

Management Salaries

in Local Publicly Owned
Electric Utilities



1875 Connecticut Avenue, NW
Washington, D.C. 20009-5715
202/467-2900

www.publicpower.org

Survey of Management Salaries In Local Publicly Owned Electric Utilities, 2013

The 2013 Survey of Management Salaries in Local Publicly Owned Electric Utilities was conducted by the American Public Power Association with responses from 335 publicly owned utilities. Joint action agencies are not included in this report. Utilities reported annual salaries for selected managerial occupations as of May 1, 2013. One labor category is included in the national summaries – Journeyman Electric Lineworker. Since lineworkers are common to most distribution utilities, this data can often be used as a benchmark for relative comparisons of other positions within the same organization.

Caution must be used when comparing to reports from previous years as the composition of utilities included changes each year.

This report is useful for comparing a utility’s salary structure with other utilities in the public power community. To get a broader picture of the job market, utilities should consider additional comparisons, particularly within their own geographic region. These can include comparisons with cooperative or investor-owned utilities, and comparisons to jobs with similar skill sets in other industries.

The data collected on this survey are summarized in the following tables :

| | <u>Table #</u> |
|--|----------------|
| I. Overview of Survey Respondents | |
| Revenue and Customers, by Revenue Class | 1A |
| Revenue and Customers, by Customer Size Class | 1B |
| Electric Utilities Providing Additional Services | 1C |
| II. National Salary Summaries | |
| All Managerial Occupations | 2A |
| General Managers, by Revenue Class | 2B |
| General Managers, by Customer Size Class | 2C |
| Journeyman Electric Lineworkers, by Revenue Class | 2D |
| Journeyman Electric Lineworkers, by Customer Size Class | 2E |
| III. All Managerial Occupations, by Utility Revenue Class | 3A - 3H |
| IV. All Managerial Occupations, by Customer Size Class | 4A – 4H |
| V. General Manager Salaries, by Type of Utility | |
| By Revenue Class | 5A |
| By Customer Size Class | 5B |
| VI. General Managers | |
| Percent Change in Salary (2012 to 2013) | 6 |
| VII. City Managers | |
| By Revenue Class | 7A |
| By Customer Size Class | 7B |
| By Percentage of Time Dedicated to Utility Operations | 7C |

Chief Executive Officer Salaries of Investor-Owned Utilities are included in Appendix A and complete job descriptions are included in Appendix B.

I. Overview of Survey Respondents

Tables 1A and 1B provide background data on the size of the respondents in each of the classes used. This can be useful to further describe the utilities in a selected class. For example, when making comparisons for a utility in the \$25 to \$50 million class, it shows that for the 60 utilities in that group, the average revenue is \$35 million and the average number of customers is 13,489.

Table 1A: Revenue and Customers, by Revenue Class, May 2013

| Revenue Class (in millions) | Number of Responses | Average Revenue (in thousands) | Average Number of Customers |
|--------------------------------|------------------------|-----------------------------------|--------------------------------|
| Less than \$3 | 42 | 1,544 | 908 |
| \$3 to \$6 | 26 | 4,251 | 2,133 |
| \$6 to \$10 | 41 | 7,679 | 3,488 |
| \$10 to \$15 | 29 | 12,209 | 5,484 |
| \$15 to \$25 | 44 | 20,189 | 7,829 |
| \$25 to \$50 | 60 | 35,033 | 13,489 |
| \$50 to \$100 | 47 | 67,356 | 23,590 |
| \$100 or more | 46 | 486,653 | 154,115 |

Table 1B: Revenue and Customers, by Customer Size Class, May 2013

| Customers | Number of Responses | Average Revenue (in thousands) | Average Number of Customers |
|-------------------|------------------------|-----------------------------------|--------------------------------|
| Less than 1,000 | 26 | 1,234 | 601 |
| 1,000 to 2,000 | 31 | 3,302 | 1,410 |
| 2,000 to 4,000 | 47 | 7,394 | 2,997 |
| 4,000 to 10,000 | 92 | 19,777 | 6,723 |
| 10,000 to 20,000 | 52 | 41,019 | 13,676 |
| 20,000 to 40,000 | 44 | 70,929 | 27,535 |
| 40,000 to 100,000 | 26 | 241,961 | 57,610 |
| 100,000 or more | 17 | 914,122 | 324,011 |

Table 1C provides data on which other utility operations the GM is responsible for. Of the 335 utilities included in this report, 297 are headed by a General Manager, and of these 26 percent (77) provide electric service only. The services provided in addition to electricity are shown in the table below.

Table 1C: Electric Utilities Providing Additional Services, May 2013

| Services | Number of Respondents | Percent of Respondents |
|------------|--------------------------|---------------------------|
| Water | 180 | 61% |
| Wastewater | 92 | 31% |
| Sewer | 89 | 30% |
| Telecom | 83 | 28% |
| Gas | 46 | 15% |
| Other | 35 | 12% |
| Cable TV | 32 | 11% |

II. National Salary Summaries

Table 2A is a national summary of all occupations surveyed. General Managers only are reported by revenue class in table 2B and by customers served in table 2C. Journeyman Electric Lineworker data are shown in tables 2D and 2E. (All salaries are in dollars.)

| Table 2A: Annual Salaries, by Occupation Publicly Owned Electric Utilities (Excluding Joint Action Agencies), May 2013 | | | | | |
|--|---------------------|---------|----------------|---------|----------------|
| | Number of Responses | Mean | First Quartile | Median | Third Quartile |
| General Manager | 297 | 135,557 | 91,500 | 119,912 | 162,858 |
| Assistant General Manager | 92 | 121,713 | 85,713 | 109,953 | 149,673 |
| Chief Engineer | 109 | 115,547 | 90,864 | 114,503 | 134,731 |
| Director of Power Supply Planning | 61 | 128,654 | 107,819 | 125,000 | 144,304 |
| Steam Plant Superintendent* | 61 | 106,054 | 81,929 | 108,701 | 122,970 |
| Supervisory Engineer** | 132 | 92,879 | 68,233 | 90,594 | 114,002 |
| Line Division Superintendent*** | 136 | 81,046 | 62,377 | 77,045 | 94,933 |
| Construction Superintendent | 94 | 94,179 | 77,789 | 88,302 | 103,481 |
| Chief Financial Manager | 198 | 109,160 | 79,530 | 100,589 | 127,284 |
| Chief Accountant | 121 | 86,718 | 65,777 | 83,883 | 100,000 |
| Rate Analyst | 49 | 88,599 | 76,729 | 87,726 | 94,354 |
| Personnel Director | 107 | 99,987 | 74,626 | 94,619 | 119,752 |
| Director of Customer Services | 142 | 88,990 | 65,010 | 76,783 | 109,818 |
| Information Systems Manager | 124 | 96,541 | 72,288 | 89,142 | 111,801 |
| Communications Director | 64 | 97,055 | 72,337 | 93,163 | 110,541 |
| Staff Legal Counsel | 46 | 131,194 | 109,108 | 127,029 | 149,500 |
| Fuels Manager | 26 | 113,589 | 93,182 | 108,700 | 121,972 |
| Purchasing Director | 95 | 80,290 | 60,263 | 73,800 | 91,378 |
| Marketing Director | 44 | 94,314 | 59,883 | 87,378 | 110,512 |
| Key Accounts Manager | 63 | 84,486 | 67,966 | 82,323 | 98,211 |
| Telecom/Broadband Manager | 45 | 103,142 | 87,500 | 94,715 | 118,000 |
| Energy Services Director | 47 | 110,807 | 79,467 | 109,619 | 136,333 |
| *Production Superintendent salaries for utilities with \$15 million or less in electric revenues are included in this occupational classification | | | | | |
| **Operations Superintendent salaries for utilities with \$15 million or less in electric revenues are included in this occupational classification | | | | | |
| ***Line Superintendent salaries for utilities with \$15 million or less in electric revenues are included in this occupational classification | | | | | |

**Table 2B: General Manager Annual Salaries, by Revenue Class
Publicly Owned Electric Utilities (Excluding Joint Action Agencies), May 2013**

| Revenue Class (in millions) | Number of Responses | Mean | First Quartile | Median | Third Quartile |
|--|--------------------------------|-------------|---------------------------|---------------|---------------------------|
| Less than \$3 | 24 | 60,161 | 51,695 | 62,624 | 68,727 |
| \$3 to \$6 | 21 | 75,539 | 66,300 | 75,335 | 85,000 |
| \$6 to \$10 | 31 | 99,949 | 83,465 | 98,342 | 115,000 |
| \$10 to \$15 | 25 | 105,429 | 87,850 | 100,797 | 116,667 |
| \$15 to \$25 | 44 | 114,864 | 95,436 | 108,742 | 130,151 |
| \$25 to \$50 | 60 | 136,752 | 115,118 | 135,688 | 155,250 |
| \$50 to \$100 | 47 | 158,995 | 131,949 | 160,761 | 181,190 |
| \$100 or more | 45 | 239,206 | 167,665 | 212,000 | 299,416 |

**Table 2C: General Manager Annual Salaries, by Customer Size Class
Publicly Owned Electric Utilities (Excluding Joint Action Agencies), May 2013**

| Customers | Number of Responses | Mean | First Quartile | Median | Third Quartile |
|-------------------|--------------------------------|-------------|---------------------------|---------------|---------------------------|
| Less than 1,000 | 13 | 56,038 | 50,000 | 53,844 | 66,662 |
| 1,000 to 2,000 | 22 | 67,883 | 60,562 | 66,914 | 79,787 |
| 2,000 to 4,000 | 35 | 91,842 | 77,833 | 87,600 | 101,921 |
| 4,000 to 10,000 | 89 | 114,984 | 94,016 | 109,600 | 130,062 |
| 10,000 to 20,000 | 52 | 146,924 | 119,205 | 142,988 | 165,364 |
| 20,000 to 40,000 | 44 | 154,514 | 129,999 | 161,755 | 173,611 |
| 40,000 to 100,000 | 25 | 187,391 | 142,800 | 173,460 | 212,118 |
| 100,000 or more | 17 | 321,594 | 275,000 | 338,369 | 367,078 |

**Table 2D: Journeyman Electric Lineworker Salaries (Hourly),
by Revenue Class
Publicly Owned Electric Utilities (Excluding Joint Action Agencies), May 2013**

| Revenue Class (in millions) | Number of Responses | Mean | First Quartile | Median | Third Quartile |
|--|--------------------------------|-------------|---------------------------|---------------|---------------------------|
| TOTAL | 279 | 30.93 | 27.00 | 31.02 | 34.88 |
| Less than \$3 | 20 | 21.82 | 17.75 | 19.74 | 25.97 |
| \$3 to \$6 | 18 | 27.59 | 24.79 | 27.38 | 30.84 |
| \$6 to \$10 | 31 | 27.52 | 23.15 | 27.50 | 31.71 |
| \$10 to \$15 | 20 | 28.99 | 26.99 | 28.27 | 29.78 |
| \$15 to \$25 | 43 | 29.70 | 26.28 | 30.00 | 32.31 |
| \$25 to \$50 | 56 | 33.13 | 30.01 | 32.02 | 36.96 |
| \$50 to \$100 | 46 | 33.86 | 29.92 | 33.19 | 37.21 |
| \$100 or more | 45 | 34.96 | 31.58 | 34.35 | 38.95 |

**Table 2E: Journeyman Electric Lineworker Salaries (Hourly),
by Customer Size Class
Publicly Owned Electric Utilities (Excluding Joint Action Agencies), May 2013**

| Customers | Number of Responses | Mean | First Quartile | Median | Third Quartile |
|-------------------|--------------------------------|-------------|---------------------------|---------------|---------------------------|
| TOTAL | 279 | 30.93 | 27.00 | 31.02 | 34.88 |
| Less than 1,000 | 11 | 22.51 | 18.06 | 20.48 | 25.50 |
| 1,000 to 2,000 | 18 | 22.96 | 18.28 | 25.82 | 26.95 |
| 2,000 to 4,000 | 36 | 27.70 | 24.80 | 28.00 | 31.00 |
| 4,000 to 10,000 | 79 | 29.82 | 26.00 | 30.00 | 32.77 |
| 10,000 to 20,000 | 50 | 33.22 | 30.06 | 32.92 | 34.94 |
| 20,000 to 40,000 | 43 | 34.40 | 30.28 | 34.00 | 38.41 |
| 40,000 to 100,000 | 25 | 34.14 | 31.06 | 34.01 | 38.73 |
| 100,000 or more | 17 | 36.57 | 33.96 | 34.60 | 40.00 |

III. Managerial Occupations, by Revenue Size Class

Tables 3A - 3H detail annual salaries for all occupations surveyed. Utilities are divided into eight size groups by electric operating revenue. (All salaries are in dollars.)

| <i>Table 3A: Annual Salaries by Revenue Class Publicly Owned Electric Utilities (Excluding Joint Action Agencies), May 2013</i> | | | | | |
|---|----------------------------|-------------|-----------------------|---------------|-----------------------|
| 3A: Revenue Class : Less than \$3 Million | | | | | |
| Occupation | Number of Responses | Mean | First Quartile | Median | Third Quartile |
| General Manager | 24 | 60,161 | 51,695 | 62,624 | 68,727 |
| Assistant General Manager | 3 | a | b | a | b |
| Production Superintendent | 1 | a | b | a | b |
| Operations Superintendent | 10 | 52,662 | 41,370 | 46,977 | 53,973 |
| Line Superintendent | 13 | 52,282 | 48,500 | 53,360 | 58,074 |
| Chief Financial Manager | 11 | 42,673 | 33,854 | 37,815 | 48,505 |
| <i>Note a: Means and medians are not calculated for fewer than 5 responses.</i> | | | | | |
| <i>Note b: Quartiles are not calculated for fewer than 9 responses.</i> | | | | | |

| <i>Table 3B: Annual Salaries by Revenue Class Publicly Owned Electric Utilities (Excluding Joint Action Agencies), May 2013</i> | | | | | |
|---|----------------------------|-------------|-----------------------|---------------|-----------------------|
| 3B: Revenue Class : \$3 - \$6 Million | | | | | |
| Occupation | Number of Responses | Mean | First Quartile | Median | Third Quartile |
| General Manager | 21 | 75,539 | 66,300 | 75,335 | 85,000 |
| Assistant General Manager | 3 | a | b | a | b |
| Production Superintendent | 1 | a | b | a | b |
| Operations Superintendent | 8 | 58,546 | b | 61,963 | b |
| Line Superintendent | 14 | 64,149 | 57,000 | 64,221 | 73,800 |
| Chief Financial Manager | 6 | 64,817 | b | 64,958 | b |
| Director of Customer Services | 2 | a | b | a | b |
| <i>Note a: Means and medians are not calculated for fewer than 5 responses.</i> | | | | | |
| <i>Note b: Quartiles are not calculated for fewer than 9 responses.</i> | | | | | |

**Table 3C: Annual Salaries by Revenue Class
Publicly Owned Electric Utilities (Excluding Joint Action Agencies), May 2013**

3C: Revenue Class : \$6 - \$10 Million

| Occupation | Number of Responses | Mean | First Quartile | Median | Third Quartile |
|-------------------------------|---------------------|--------|----------------|--------|----------------|
| General Manager | 31 | 99,949 | 83,465 | 98,342 | 115,000 |
| Assistant General Manager | 8 | 75,537 | b | 77,200 | b |
| Chief Engineer | 2 | a | b | a | b |
| Production Superintendent | 5 | 72,168 | b | 72,092 | b |
| Operations Superintendent | 28 | 78,531 | 66,655 | 73,715 | 85,980 |
| Line Superintendent | 28 | 66,971 | 58,537 | 64,510 | 75,597 |
| Chief Financial Manager | 18 | 66,645 | 52,518 | 61,568 | 79,753 |
| Director of Customer Services | 11 | 58,745 | 49,744 | 61,867 | 63,326 |

Note a: Means and medians are not calculated for fewer than 5 responses.

Note b: Quartiles are not calculated for fewer than 9 responses.

**Table 3D: Annual Salaries by Revenue Class
Publicly Owned Electric Utilities (Excluding Joint Action Agencies), May 2013**

3D: Revenue Class : \$10 - \$15 Million

| Occupation | Number of Responses | Mean | First Quartile | Median | Third Quartile |
|-------------------------------|---------------------|---------|----------------|---------|----------------|
| General Manager | 25 | 105,429 | 87,850 | 100,797 | 116,667 |
| Assistant General Manager | 3 | a | b | a | b |
| Chief Engineer | 1 | a | b | a | b |
| Production Superintendent | 8 | 74,796 | 64,801 | 69,102 | 74,750 |
| Operations Superintendent | 11 | 83,156 | 71,555 | 77,896 | 84,761 |
| Line Superintendent | 20 | 77,204 | 65,325 | 77,584 | 88,431 |
| Chief Financial Manager | 14 | 78,982 | 59,975 | 77,429 | 86,568 |
| Director of Customer Services | 5 | 65,396 | b | 67,850 | b |

Note a: Means and medians are not calculated for fewer than 5 responses.

Note b: Quartiles are not calculated for fewer than 9 responses.

**Table 3E: Annual Salaries by Revenue Class
Publicly Owned Electric Utilities (Excluding Joint Action Agencies), May 2013**

3E: Revenue Class : \$15 - \$25 Million

| Occupation | Number of Responses | Mean | First Quartile | Median | Third Quartile |
|--|----------------------------|-------------|-----------------------|---------------|-----------------------|
| General Manager | 44 | 114,864 | 95,436 | 108,742 | 130,151 |
| Assistant General Manager | 12 | 92,945 | 75,665 | 85,980 | 103,642 |
| Chief Engineer | 8 | 83,517 | b | 70,589 | b |
| Director of Power Supply Planning | 3 | a | b | a | b |
| Steam Plant Superintendent | 4 | a | b | a | b |
| Supervisory Engineer | 6 | 79,646 | b | 76,798 | b |
| Line Division Superintendent | 12 | 78,222 | 72,403 | 76,052 | 82,145 |
| Construction Superintendent | 8 | 71,874 | b | 72,829 | b |
| Chief Financial Manager | 28 | 90,456 | 79,098 | 90,782 | 105,868 |
| Chief Accountant | 16 | 62,314 | 52,905 | 64,407 | 70,572 |
| Rate Analyst | 0 | a | b | a | b |
| Personnel Director | 14 | 66,251 | 54,631 | 62,413 | 76,711 |
| Director of Customer Services | 20 | 64,848 | 55,244 | 66,002 | 69,800 |
| Information Systems Manager | 16 | 73,004 | 63,085 | 68,134 | 84,670 |
| Communications Director | 2 | a | b | a | b |
| Staff Legal Counsel | 3 | a | b | a | b |
| Purchasing Director | 15 | 56,090 | 43,420 | 52,513 | 65,860 |
| Marketing Director | 5 | 52,761 | b | 47,431 | b |
| Key Accounts Manager | 2 | a | b | a | b |
| Telecom/Broadband Manager | 4 | a | b | a | b |
| Energy Services Director | 2 | a | b | a | b |

Note a: Means and medians are not calculated for fewer than 5 responses.

Note b: Quartiles are not calculated for fewer than 9 responses.

**Table 3F: Annual Salaries by Revenue Class
Publicly Owned Electric Utilities (Excluding Joint Action Agencies), May 2013**

3F: Revenue Class : \$25 - \$50 Million

| Occupation | Number of Responses | Mean | First Quartile | Median | Third Quartile |
|-----------------------------------|---------------------|---------|----------------|---------|----------------|
| General Manager | 60 | 136,752 | 115,118 | 135,688 | 155,250 |
| Assistant General Manager | 20 | 111,565 | 95,606 | 109,177 | 124,680 |
| Chief Engineer | 32 | 103,825 | 86,941 | 101,290 | 125,064 |
| Director of Power Supply Planning | 11 | 113,953 | 91,659 | 107,819 | 133,567 |
| Steam Plant Superintendent | 9 | 100,483 | 93,912 | 97,472 | 109,158 |
| Supervisory Engineer | 23 | 91,601 | 76,239 | 92,019 | 110,769 |
| Line Division Superintendent | 16 | 94,186 | 86,245 | 94,426 | 102,750 |
| Construction Superintendent | 27 | 88,458 | 76,964 | 87,172 | 99,481 |
| Chief Financial Manager | 43 | 107,284 | 91,040 | 104,315 | 115,246 |
| Chief Accountant | 32 | 77,506 | 64,002 | 72,041 | 90,872 |
| Rate Analyst | 7 | 77,193 | b | 72,000 | b |
| Personnel Director | 27 | 86,525 | 70,350 | 79,000 | 109,441 |
| Director of Customer Services | 31 | 77,179 | 64,937 | 72,758 | 89,824 |
| Information Systems Manager | 32 | 85,209 | 70,408 | 76,068 | 102,188 |
| Communications Director | 13 | 89,019 | 72,900 | 86,765 | 101,608 |
| Staff Legal Counsel | 4 | a | b | a | b |
| Fuels Manager | 3 | a | b | a | b |
| Purchasing Director | 17 | 68,097 | 57,700 | 67,000 | 80,535 |
| Marketing Director | 7 | 59,635 | b | 54,870 | b |
| Key Accounts Manager | 8 | 76,921 | b | 79,238 | b |
| Telecom/Broadband Manager | 13 | 95,097 | 87,550 | 90,506 | 102,000 |
| Energy Services Director | 10 | 89,098 | 72,503 | 84,958 | 99,043 |

Note a: Means and medians are not calculated for fewer than 5 responses.

Note b: Quartiles are not calculated for fewer than 9 responses.

**Table 3G: Annual Salaries by Revenue Class
Publicly Owned Electric Utilities (Excluding Joint Action Agencies), May 2013**

3G: Revenue Class : \$50 - \$100 Million

| Occupation | Number of Responses | Mean | First Quartile | Median | Third Quartile |
|-----------------------------------|---------------------|---------|----------------|---------|----------------|
| General Manager | 47 | 158,995 | 131,949 | 160,761 | 181,190 |
| Assistant General Manager | 18 | 120,553 | 104,465 | 122,366 | 141,192 |
| Chief Engineer | 31 | 109,522 | 91,369 | 112,726 | 124,820 |
| Director of Power Supply Planning | 18 | 113,398 | 108,146 | 119,928 | 123,309 |
| Steam Plant Superintendent | 15 | 115,453 | 105,394 | 112,262 | 126,238 |
| Supervisory Engineer | 24 | 94,010 | 71,867 | 95,538 | 106,435 |
| Line Division Superintendent | 14 | 97,578 | 88,674 | 96,460 | 110,624 |
| Construction Superintendent | 24 | 89,350 | 76,008 | 86,255 | 97,561 |
| Chief Financial Manager | 35 | 115,670 | 93,932 | 117,000 | 130,376 |
| Chief Accountant | 32 | 78,066 | 64,361 | 79,000 | 89,162 |
| Rate Analyst | 13 | 76,365 | 67,600 | 83,547 | 88,540 |
| Personnel Director | 32 | 99,469 | 80,703 | 96,842 | 116,905 |
| Director of Customer Services | 30 | 90,006 | 71,495 | 81,435 | 99,595 |
| Information Systems Manager | 36 | 87,755 | 75,735 | 86,893 | 99,244 |
| Communications Director | 18 | 77,916 | 58,308 | 83,198 | 91,767 |
| Staff Legal Counsel | 15 | 123,213 | 112,559 | 120,000 | 131,920 |
| Fuels Manager | 4 | a | b | a | b |
| Purchasing Director | 25 | 70,246 | 61,025 | 70,595 | 82,763 |
| Marketing Director | 8 | 88,646 | b | 85,725 | b |
| Key Accounts Manager | 19 | 70,988 | 55,383 | 74,315 | 82,486 |
| Telecom/Broadband Manager | 16 | 98,256 | 91,065 | 94,549 | 106,852 |
| Energy Services Director | 11 | 97,734 | 79,789 | 104,785 | 120,673 |

Note a: Means and medians are not calculated for fewer than 5 responses.

Note b: Quartiles are not calculated for fewer than 9 responses.

**Table 3H: Annual Salaries by Revenue Class
Publicly Owned Electric Utilities (Excluding Joint Action Agencies), May 2013**

3H: Revenue Class : \$100 Million or more

| Occupation | Number of Responses | Mean | First Quartile | Median | Third Quartile |
|-----------------------------------|---------------------|---------|----------------|---------|----------------|
| General Manager | 45 | 239,206 | 167,665 | 212,000 | 299,416 |
| Assistant General Manager | 25 | 180,479 | 145,018 | 161,616 | 226,812 |
| Chief Engineer | 35 | 141,084 | 114,899 | 134,731 | 159,249 |
| Director of Power Supply Planning | 28 | 151,776 | 128,663 | 143,894 | 163,777 |
| Steam Plant Superintendent | 18 | 134,178 | 116,290 | 126,015 | 154,458 |
| Supervisory Engineer | 39 | 119,117 | 104,975 | 118,045 | 137,404 |
| Line Division Superintendent | 19 | 116,503 | 92,512 | 108,846 | 138,104 |
| Construction Superintendent | 34 | 107,836 | 86,593 | 100,092 | 118,157 |
| Chief Financial Manager | 43 | 168,736 | 122,535 | 160,014 | 198,609 |
| Chief Accountant | 41 | 110,183 | 91,500 | 103,667 | 127,129 |
| Rate Analyst | 29 | 96,836 | 82,758 | 91,480 | 106,226 |
| Personnel Director | 34 | 125,056 | 91,146 | 121,150 | 146,858 |
| Director of Customer Services | 40 | 126,834 | 101,678 | 120,242 | 146,284 |
| Information Systems Manager | 40 | 122,927 | 96,359 | 113,618 | 145,512 |
| Communications Director | 31 | 113,971 | 87,439 | 109,179 | 132,542 |
| Staff Legal Counsel | 24 | 145,080 | 127,141 | 145,752 | 159,083 |
| Fuels Manager | 19 | 120,856 | 103,466 | 115,037 | 127,993 |
| Purchasing Director | 38 | 101,906 | 74,217 | 92,904 | 119,523 |
| Marketing Director | 24 | 114,974 | 88,600 | 100,279 | 140,643 |
| Key Accounts Manager | 34 | 95,416 | 78,751 | 93,925 | 106,989 |
| Telecom/Broadband Manager | 12 | 128,999 | 102,162 | 126,584 | 141,374 |
| Energy Services Director | 24 | 129,522 | 106,959 | 129,906 | 148,744 |

IV. All Managerial Occupations, by Customer Size Class

Tables 4A - 4H detail annual salaries for all occupations surveyed. Utilities are divided into eight size groups according to the number of electric customers served. (All salaries are in dollars.)

| Table 4A: Annual Salaries by Customer Size Class Publicly Owned Electric Utilities (Excluding Joint Action Agencies), May 2013 | | | | | |
|---|----------------------------|-------------|-----------------------|---------------|-----------------------|
| 4A: Customer Size Class : Less than 1,000 | | | | | |
| Occupation | Number of Responses | Mean | First Quartile | Median | Third Quartile |
| General Manager | 13 | 56,038 | 50,000 | 53,844 | 66,662 |
| Assistant General Manager | 2 | a | b | a | b |
| Production Superintendent | 1 | a | b | a | b |
| Operations Superintendent | 7 | 49,008 | b | 42,481 | b |
| Line Superintendent | 3 | a | b | a | b |
| Chief Financial Manager | 6 | 35,466 | b | 33,854 | b |
| Director of Customer Services | 1 | a | b | a | b |

Note a: Means and medians are not calculated for fewer than 5 responses.

Note b: Quartiles are not calculated for fewer than 9 responses.

| Table 4B: Annual Salaries by Customer Size Class Publicly Owned Electric Utilities (Excluding Joint Action Agencies), May 2013 | | | | | |
|---|----------------------------|-------------|-----------------------|---------------|-----------------------|
| 4B: Customer Size Class : 1,000 to 2,000 | | | | | |
| Occupation | Number of Responses | Mean | First Quartile | Median | Third Quartile |
| General Manager | 22 | 67,883 | 60,562 | 66,914 | 79,787 |
| Assistant General Manager | 3 | a | b | a | b |
| Production Superintendent | 1 | a | b | a | b |
| Operations Superintendent | 8 | 57,433 | b | 55,260 | b |
| Line Superintendent | 20 | 57,464 | 52,547 | 59,037 | 61,862 |
| Chief Financial Manager | 5 | 51,228 | b | 54,370 | b |
| Director of Customer Services | 4 | a | b | a | b |

Note a: Means and medians are not calculated for fewer than 5 responses.

Note b: Quartiles are not calculated for fewer than 9 responses.

**Table 4C: Annual Salaries by Customer Size Class
Publicly Owned Electric Utilities (Excluding Joint Action Agencies), May 2013**

4C: Customer Size Class : 2,000 to 4,000

| Occupation | Number of Responses | Mean | First Quartile | Median | Third Quartile |
|-------------------------------|----------------------------|-------------|-----------------------|---------------|-----------------------|
| General Manager | 35 | 91,842 | 77,833 | 87,600 | 101,921 |
| Assistant General Manager | 4 | a | b | a | b |
| Chief Engineer | 1 | a | b | a | b |
| Production Superintendent | 6 | 67,716 | b | 68,376 | b |
| Operations Superintendent | 14 | 72,894 | 64,250 | 74,412 | 81,624 |
| Line Superintendent | 30 | 69,572 | 62,371 | 67,142 | 81,618 |
| Chief Financial Manager | 19 | 62,212 | 51,273 | 57,678 | 68,075 |
| Director of Customer Services | 7 | 58,887 | b | 60,000 | b |

Note a: Means and medians are not calculated for fewer than 5 responses.

Note b: Quartiles are not calculated for fewer than 9 responses.

**Table 4D: Annual Salaries by Customer Size Class
Publicly Owned Electric Utilities (Excluding Joint Action Agencies), May 2013**

4D: Customer Size Class : 4,000 to 10,000

| Occupation | Number of Responses | Mean | First Quartile | Median | Third Quartile |
|-----------------------------------|----------------------------|-------------|-----------------------|---------------|-----------------------|
| General Manager | 89 | 114,984 | 94,016 | 109,600 | 130,062 |
| Assistant General Manager | 26 | 93,098 | 76,763 | 86,379 | 106,494 |
| Chief Engineer | 20 | 90,623 | 70,933 | 89,873 | 100,000 |
| Director of Power Supply Planning | 5 | 99,872 | b | 112,297 | b |
| Steam Plant Superintendent | 12 | 84,630 | 72,875 | 79,219 | 94,270 |
| Supervisory Engineer | 25 | 83,852 | 68,000 | 81,296 | 92,019 |
| Line Division Superintendent | 39 | 77,894 | 66,180 | 76,648 | 88,712 |
| Construction Superintendent | 17 | 78,462 | 69,368 | 78,680 | 87,000 |
| Chief Financial Manager | 55 | 89,921 | 76,719 | 87,600 | 105,992 |
| Chief Accountant | 24 | 67,393 | 53,163 | 66,261 | 76,034 |
| Rate Analyst | 2 | a | b | a | b |
| Personnel Director | 17 | 76,707 | 53,557 | 69,700 | 100,922 |
| Director of Customer Services | 32 | 63,286 | 55,107 | 63,927 | 68,245 |
| Information Systems Manager | 24 | 76,947 | 65,130 | 72,108 | 87,758 |
| Communications Director | 4 | a | b | a | b |
| Staff Legal Counsel | 4 | a | b | a | b |
| Purchasing Director | 15 | 58,401 | 43,420 | 52,513 | 72,496 |
| Marketing Director | 8 | 55,946 | b | 47,716 | b |
| Key Accounts Manager | 4 | a | b | a | b |
| Telecom/Broadband Manager | 9 | 82,484 | 75,000 | 80,000 | 87,600 |

Note a: Means and medians are not calculated for fewer than 5 responses.

Note b: Quartiles are not calculated for fewer than 9 responses.

**Table 4E: Annual Salaries by Customer Size Class
Publicly Owned Electric Utilities (Excluding Joint Action Agencies), May 2013**

4E: Customer Size Class : 10,000 to 20,000

| Occupation | Number of Responses | Mean | First Quartile | Median | Third Quartile |
|-----------------------------------|----------------------------|-------------|-----------------------|---------------|-----------------------|
| General Manager | 52 | 146,924 | 119,205 | 142,988 | 165,364 |
| Assistant General Manager | 16 | 115,357 | 98,693 | 109,177 | 129,238 |
| Chief Engineer | 26 | 110,299 | 98,460 | 104,313 | 127,125 |
| Director of Power Supply Planning | 14 | 113,228 | 95,163 | 118,442 | 125,588 |
| Steam Plant Superintendent | 14 | 107,276 | 94,868 | 109,174 | 116,237 |
| Supervisory Engineer | 20 | 92,439 | 71,359 | 94,676 | 114,226 |
| Line Division Superintendent | 13 | 93,517 | 86,657 | 90,217 | 105,000 |
| Construction Superintendent | 24 | 86,371 | 75,281 | 84,350 | 97,099 |
| Chief Financial Manager | 41 | 104,310 | 85,529 | 101,986 | 111,987 |
| Chief Accountant | 27 | 72,007 | 62,278 | 68,993 | 76,198 |
| Rate Analyst | 6 | 76,833 | b | 80,270 | b |
| Personnel Director | 29 | 82,778 | 66,000 | 76,316 | 91,966 |
| Director of Customer Services | 32 | 79,635 | 66,765 | 71,666 | 86,483 |
| Information Systems Manager | 33 | 81,746 | 70,345 | 78,499 | 89,651 |
| Communications Director | 11 | 81,958 | 65,730 | 86,765 | 95,164 |
| Staff Legal Counsel | 7 | 108,607 | b | 106,477 | b |
| Fuels Manager | 4 | a | b | a | b |
| Purchasing Director | 22 | 65,727 | 56,682 | 65,817 | 72,483 |
| Marketing Director | 8 | 79,911 | b | 83,053 | b |
| Key Accounts Manager | 10 | 66,855 | 57,289 | 68,858 | 76,335 |
| Telecom/Broadband Manager | 14 | 97,908 | 89,786 | 92,702 | 107,725 |
| Energy Services Director | 8 | 86,027 | b | 77,444 | b |

Note a: Means and medians are not calculated for fewer than 5 responses.

Note b: Quartiles are not calculated for fewer than 9 responses.

**Table 4F: Annual Salaries by Customer Size Class
Publicly Owned Electric Utilities (Excluding Joint Action Agencies), May 2013**

4F: Customer Size Class : 20,000 to 40,000

| Occupation | Number of Responses | Mean | First Quartile | Median | Third Quartile |
|-----------------------------------|---------------------|---------|----------------|---------|----------------|
| General Manager | 44 | 154,514 | 129,999 | 161,755 | 173,611 |
| Assistant General Manager | 16 | 120,221 | 93,579 | 122,366 | 142,888 |
| Chief Engineer | 29 | 109,775 | 82,271 | 112,726 | 126,755 |
| Director of Power Supply Planning | 15 | 112,879 | 100,614 | 107,819 | 128,954 |
| Steam Plant Superintendent | 9 | 118,202 | 108,701 | 112,262 | 134,000 |
| Supervisory Engineer | 22 | 99,568 | 87,920 | 95,538 | 108,771 |
| Line Division Superintendent | 14 | 100,013 | 90,414 | 96,460 | 113,966 |
| Construction Superintendent | 21 | 94,705 | 77,709 | 95,520 | 103,872 |
| Chief Financial Manager | 31 | 121,145 | 104,321 | 126,744 | 134,016 |
| Chief Accountant | 31 | 84,824 | 71,088 | 87,912 | 98,845 |
| Rate Analyst | 14 | 77,980 | 67,907 | 81,393 | 90,746 |
| Personnel Director | 29 | 99,275 | 81,868 | 100,540 | 114,828 |
| Director of Customer Services | 29 | 94,133 | 75,192 | 86,040 | 102,873 |
| Information Systems Manager | 28 | 93,114 | 81,991 | 93,726 | 103,714 |
| Communications Director | 19 | 86,561 | 63,553 | 84,573 | 104,716 |
| Staff Legal Counsel | 12 | 125,492 | 108,685 | 120,000 | 142,000 |
| Fuels Manager | 3 | a | b | a | b |
| Purchasing Director | 24 | 74,404 | 64,147 | 74,954 | 83,005 |
| Marketing Director | 6 | 87,824 | b | 90,225 | b |
| Key Accounts Manager | 16 | 76,646 | 57,403 | 78,759 | 95,406 |
| Telecom/Broadband Manager | 12 | 104,944 | 94,374 | 97,330 | 122,740 |
| Energy Services Director | 15 | 98,958 | 79,467 | 104,785 | 120,673 |

Note a: Means and medians are not calculated for fewer than 5 responses.

Note b: Quartiles are not calculated for fewer than 9 responses.

**Table 4G: Annual Salaries by Customer Size Class
Publicly Owned Electric Utilities (Excluding Joint Action Agencies), May 2013**

4G: Customer Size Class : 40,000 to 100,000

| Occupation | Number of Responses | Mean | First Quartile | Median | Third Quartile |
|-----------------------------------|----------------------------|-------------|-----------------------|---------------|-----------------------|
| General Manager | 25 | 187,391 | 142,800 | 173,460 | 212,118 |
| Assistant General Manager | 14 | 138,317 | 114,911 | 147,297 | 160,064 |
| Chief Engineer | 23 | 127,722 | 105,586 | 121,500 | 146,097 |
| Director of Power Supply Planning | 15 | 141,958 | 131,564 | 143,484 | 157,533 |
| Steam Plant Superintendent | 9 | 122,927 | 101,888 | 114,192 | 129,060 |
| Supervisory Engineer | 20 | 111,345 | 98,818 | 106,289 | 130,942 |
| Line Division Superintendent | 11 | 102,164 | 85,629 | 99,339 | 114,961 |
| Construction Superintendent | 18 | 95,993 | 82,106 | 95,257 | 101,839 |
| Chief Financial Manager | 24 | 140,037 | 115,638 | 129,910 | 160,547 |
| Chief Accountant | 23 | 94,076 | 84,308 | 93,255 | 107,030 |
| Rate Analyst | 13 | 89,146 | 82,758 | 85,966 | 91,480 |
| Personnel Director | 17 | 108,773 | 88,421 | 113,416 | 122,300 |
| Director of Customer Services | 21 | 104,090 | 92,628 | 110,156 | 115,211 |
| Information Systems Manager | 24 | 105,321 | 88,131 | 103,656 | 119,572 |
| Communications Director | 14 | 93,153 | 71,810 | 97,488 | 110,366 |
| Staff Legal Counsel | 11 | 126,555 | 111,473 | 126,803 | 140,502 |
| Fuels Manager | 9 | 113,543 | 100,404 | 105,000 | 108,100 |
| Purchasing Director | 21 | 88,132 | 67,261 | 78,960 | 96,782 |
| Marketing Director | 12 | 88,012 | 78,168 | 92,453 | 97,586 |
| Key Accounts Manager | 18 | 85,802 | 70,796 | 83,158 | 96,505 |
| Telecom/Broadband Manager | 5 | 110,719 | b | 101,943 | b |
| Energy Services Director | 10 | 122,297 | 110,482 | 129,436 | 136,954 |

Note b: Quartiles are not calculated for fewer than 9 responses.

**Table 4H: Annual Salaries by Customer Size Class
Publicly Owned Electric Utilities (Excluding Joint Action Agencies), May 2013**

4H: Customer Size Class : 100,000 or more

| Occupation | Number of Responses | Mean | First Quartile | Median | Third Quartile |
|-----------------------------------|---------------------|---------|----------------|---------|----------------|
| General Manager | 17 | 321,594 | 275,000 | 338,369 | 367,078 |
| Assistant General Manager | 11 | 230,357 | 215,083 | 230,000 | 268,661 |
| Chief Engineer | 10 | 172,923 | 136,351 | 159,835 | 181,344 |
| Director of Power Supply Planning | 12 | 161,730 | 126,386 | 150,485 | 190,553 |
| Steam Plant Superintendent | 9 | 141,108 | 121,014 | 141,752 | 156,385 |
| Supervisory Engineer | 16 | 129,659 | 116,527 | 123,602 | 138,113 |
| Line Division Superintendent | 6 | 147,508 | b | 138,104 | b |
| Construction Superintendent | 14 | 123,529 | 99,742 | 112,682 | 146,447 |
| Chief Financial Manager | 17 | 213,179 | 174,600 | 205,005 | 244,171 |
| Chief Accountant | 15 | 138,877 | 114,951 | 131,885 | 150,113 |
| Rate Analyst | 14 | 103,536 | 84,191 | 95,329 | 116,871 |
| Personnel Director | 15 | 151,059 | 128,334 | 156,760 | 180,524 |
| Director of Customer Services | 16 | 158,422 | 125,161 | 148,367 | 180,133 |
| Information Systems Manager | 15 | 152,785 | 122,789 | 165,537 | 175,808 |
| Communications Director | 16 | 132,500 | 106,681 | 124,320 | 158,797 |
| Staff Legal Counsel | 12 | 158,025 | 142,356 | 156,005 | 163,823 |
| Fuels Manager | 9 | 129,453 | 115,300 | 120,305 | 149,697 |
| Purchasing Director | 13 | 128,391 | 102,186 | 120,182 | 126,912 |
| Marketing Director | 10 | 147,986 | 116,510 | 155,125 | 164,742 |
| Key Accounts Manager | 15 | 105,275 | 83,931 | 103,681 | 121,581 |
| Telecom/Broadband Manager | 4 | a | b | a | b |
| Energy Services Director | 12 | 139,918 | 111,591 | 141,907 | 158,829 |

Note a: Means and medians are not calculated for fewer than 5 responses.

Note b: Quartiles are not calculated for fewer than 9 responses.

V. Type of Utility (Electric Only vs. Multiple Services)

Tables 5A and 5B summarize median General Manager salaries according to the services provided by the utility. For these tables, General Managers are grouped into two categories: "multiple service" utilities and "electric only." Any utility where the General Manager oversees utilities in addition to electric is considered "multiple service," regardless of how many additional services he manages. (All salaries are in dollars.)

Table 5A: Median General Manager Salaries, by Utility Type and Revenue Class Publicly Owned Electric Utilities (Excluding Joint Action Agencies), May 2013

| Revenue Class (millions) | Median Salary | |
|-----------------------------|-------------------------|--------------------|
| | "Electric Only" Utility | "Multiple" Utility |
| Less than \$3 | a | 63,314 |
| \$3 to \$6 | a | 78,166 |
| \$6 to \$10 | 91,788 | 99,320 |
| \$10 to \$15 | 96,820 | 100,797 |
| \$15 to \$25 | 115,000 | 108,514 |
| \$25 to \$50 | 125,216 | 137,500 |
| \$50 to \$100 | 161,173 | 160,761 |
| \$100 or more | 205,000 | 212,059 |

Note a: Medians are not calculated for fewer than 5 responses.

Table 5B: Median General Manager Salaries, by Utility Type and Customer Size Class Publicly Owned Electric Utilities (Excluding Joint Action Agencies), May 2013

| Customer Size Class | Median Salary | |
|------------------------|-------------------------|--------------------|
| | "Electric Only" Utility | "Multiple" Utility |
| Less than 1,000 | a | 54,422 |
| 1,000 to 2,000 | a | 68,582 |
| 2,000 to 4,000 | 92,803 | 86,000 |
| 4,000 to 10,000 | 105,000 | 109,788 |
| 10,000 to 20,000 | 141,488 | 144,275 |
| 20,000 to 40,000 | 149,701 | 164,321 |
| 40,000 to 100,000 | 173,460 | 172,833 |
| 100,000 or more | 333,247 | 338,369 |

Note a: Medians are not calculated for fewer than 5 responses.

VI. General Managers, Percent Change in Salary

The average (mean) salary of general managers rose by 4.1% from 2012 to 2013, based on the 182 utilities reporting salary data for the same general manager in each year. Table 6 lists the percentage change in the mean salaries of general managers in each revenue class. (Mean salaries are in dollars.)

Table 6: Percent Change in General Manager Salaries: Utilities Reporting Salary for Same General Manager in 2012 & 2013 Publicly Owned Electric Utilities (Excluding Joint Action Agencies), May 2013

| Revenue class (in millions) | Number of Responses | Mean 2013 | Mean 2012 | Pct. Change in Mean Salary |
|--------------------------------|------------------------|----------------|----------------|-------------------------------|
| Less than \$3 | 7 | 67,957 | 63,937 | 6.3% |
| \$3 to \$6 | 11 | 72,891 | 70,947 | 2.7% |
| \$6 to \$10 | 20 | 104,675 | 102,465 | 2.2% |
| \$10 to \$15 | 16 | 112,310 | 109,287 | 2.8% |
| \$15 to \$25 | 24 | 114,508 | 110,785 | 3.4% |
| \$25 to \$50 | 37 | 137,427 | 133,663 | 2.8% |
| \$50 to \$100 | 32 | 166,032 | 162,993 | 1.9% |
| \$100 or more | 35 | 248,534 | 231,772 | 7.2% |
| TOTAL | 182 | 148,421 | 142,627 | 4.1% |

VII. City Managers

Since many smaller utilities do not have a full-time general manager, salary information on city managers who head utilities is included in this survey. Systems with less than \$15 million in revenue reported the salaries for whoever runs the utility, either the general manager or the city manager. If the city manager runs the utility, an estimated percentage of time spent performing that function was also collected. Tables 7A – 7C present city manager salaries by revenue class, customer size class, and percent of time spent running the electric utility. (All salaries are in dollars.)

Table 7A: City Manager Annual Salaries, by Revenue Class, Publicly Owned Electric Utilities (Excluding Joint Action Agencies), May 2013

| Revenue Class (in millions) | Number of Responses | Mean | First Quartile | Median | Third Quartile |
|--------------------------------|------------------------|---------------|-------------------|---------------|-------------------|
| Less than \$3 | 12 | 60,369 | 43,620 | 62,804 | 69,424 |
| \$3 to \$6 | 4 | a | b | a | b |
| \$6 to \$10 | 9 | 77,446 | 63,008 | 76,000 | 92,222 |
| \$10 to \$15 | 1 | a | b | a | b |
| TOTAL | 26 | 71,936 | 59,033 | 70,250 | 86,758 |

Note a: Means and medians are not calculated for fewer than 5 responses.

Note b: Quartiles are not calculated for fewer than 9 responses.

Table 7B: City Manager Annual Salaries, by Customer Size Class, Publicly Owned Electric Utilities (Excluding Joint Action Agencies), May 2013

| Customers | Number of Responses | Mean | First Quartile | Median | Third Quartile |
|-----------------|------------------------|---------------|-------------------|---------------|-------------------|
| Less than 1,000 | 9 | 54,522 | 42,478 | 58,000 | 63,008 |
| 1,000 to 2,000 | 6 | 77,720 | b | 78,479 | b |
| 2,000 to 4,000 | 10 | 82,111 | 65,256 | 81,555 | 101,245 |
| 4,000 to 10,000 | 1 | a | b | a | b |
| TOTAL | 26 | 72,151 | 58,000 | 72,000 | 87,110 |

Note b: Quartiles are not calculated for fewer than 9 responses.

Table 7C: City Manager Annual Salaries, by Percentage of Time Dedicated to Utility, Publicly Owned Electric Utilities (Excluding Joint Action Agencies), May 2013

| Percent of Time Dedicated to Running Utility | Number of Responses | Mean | First Quartile | Median | Third Quartile |
|--|------------------------|--------|-------------------|--------|-------------------|
| 25% or Less | 11 | 69,903 | 48,573 | 66,560 | 89,666 |
| 26-50% | 11 | 71,625 | 62,365 | 72,197 | 81,143 |
| More than 50% | 3 | a | b | a | b |

Note a: Means and medians are not calculated for fewer than 5 responses.

Note b: Quartiles are not calculated for fewer than 9 responses.

APPENDIX A

Executive Officer/Management Salaries

Investor-Owned Utilities

Year Ending December 31, 2012

Please note that salaries do not include other compensation, including bonuses, cars, and other financial incentives.

| UTILITY NAME | STATE | OFFICER'S TITLE | OFFICER'S SALARY |
|---|-------|---------------------------------|------------------|
| AEP (and its subsidiary operating companies) | | President & C.E.O. | \$ 903,461 |
| Alabama Power | AL | President & C.E.O. | \$ 777,167 |
| Allete, Inc. | MN | Chair, President, C.E.O. | \$ 538,557 |
| Ameren (and its subsidiary operating companies) | IL | Chair, President, C.E.O. | \$ 472,000 |
| Arizona Public Service Co. | AZ | C.E.O. | \$ 1,146,000 |
| Atlantic City Electric Co. | NJ | Chairman | \$ 214,405 |
| Baltimore Gas & Electric | MD | President & C.E.O. | \$ 431,539 |
| Bangor Hydro-Electric Co. | ME | President & C.O.O. | \$ 332,689 |
| Black Hills Power, Inc. | SD | Chair, President, and C.E.O. | \$ 696,000 |
| CenterPoint Energy Houston Electric, LLC | TX | President & C.E.O. | \$ 1,130,000 |
| Central Hudson Gas & Electric Corp. | NY | Chair & C.E.O. | \$ 610,000 |
| Central Maine Power Company, Inc. | ME | President & C.E.O. | \$ 320,000 |
| Cleco Power LLC | LA | Chief Executive Officer | \$ 700,000 |
| Cleveland Electric Illuminating Company | OH | President | \$ 1,152,025 |
| Commonwealth Edison Company | IL | C.E.O. & President | \$ 584,000 |
| Consolidated Edison (and its subsidiary operating companies.) | NY | Chair & C.E.O. | \$ 1,214,042 |
| Consumers Energy Company | MI | President & C.E.O. | \$ 1,045,000 |
| Dayton Power & Light | OH | President & C.E.O. | \$ 720,000 |
| Delmarva Power & Light Company | DE | Chairman of the Board | \$ 250,298 |
| Detroit Edison Company | MI | Chairman, President, & C.E.O. | \$ 1,200,000 |
| Duke Energy Indiana | IN | President | \$ 339,788 |
| Duquesne Light Company | PA | President & C.E.O. | \$ 1,453,140 |
| El Paso Electric Co. | NM | Chief Executive Officer | \$ 530,769 |
| Entergy Arkansas, Inc. | AR | President & C.E.O., Arkansas | \$ 334,891 |
| Entergy Louisiana, Inc. | LA | President & C.E.O. | \$ 340,447 |
| Entergy Mississippi, Inc. | MS | President & C.E.O., Mississippi | \$ 287,296 |
| Entergy New Orleans, Inc. | LA | President & C.E.O., New Orleans | \$ 250,781 |
| FirstEnergy Corp. (and its subsidiary operating companies) | | President & C.E.O. | \$ 903,461 |
| Florida Power & Light | FL | President | \$ 425,000 |
| Georgia Power | GA | President & C.E.O. | \$ 739,587 |
| Green Mountain Power Corp | VT | President | \$ 406,848 |
| Gulf Power Company | FL | President & C.E.O. | \$ 1,809,338 |
| Idaho Power Company | ID | Chief Executive Officer | \$ 675,000 |
| Indianapolis Power & Light Company | IN | President & C.E.O. | \$ 308,863 |
| Interstate Power & Light Company | IA | Chief Executive Officer | \$ 1,005,391 |
| Kansas City Power & Light | MO | Chair & C.E.O. | \$ 495,000 |
| Louisville Gas and Electric | KY | Chair, President, & C.E.O. | \$ 317,469 |
| Madison Gas and Electric | WI | Chair, President, & C.E.O. | \$ 825,052 |
| MDU Resources | ND | President & C.E.O. | \$ 750,000 |
| Mid American Energy Company | IA | President & C.E.O. | \$ 1,327,820 |
| Mississippi Power Company | MS | President & C.E.O. | \$ 402,166 |
| Mt Carmel Public Utility Company | IL | President | \$ 116,647 |

| <u>UTILITY NAME</u> | <u>STATE</u> | <u>OFFICER'S TITLE</u> | <u>OFFICER'S SALARY</u> |
|---|--------------|----------------------------|-------------------------|
| Nevada Power Company | NV | President & C.E.O. | \$ 900,000 |
| Northern States Power Company (MN) | MN | President & C.E.O. | \$ 350,000 |
| Northern States Power Company (WI) | WI | President & C.E.O. | \$ 267,208 |
| NorthWestern Corporation | | President & C.E.O. | \$ 525,013 |
| Northwestern Wisconsin Electric Company | WI | President | \$ 73,917 |
| Ohio Edison Company | OH | President | \$ 1,152,025 |
| Oklahoma Gas & Electric | OK | Chair & C.E.O. | \$ 859,300 |
| Orange and Rockland Utilities | NY | President & C.E.O. | \$ 431,583 |
| Otter Tail Power Company | MN | President & C.E.O. | \$ 782,310 |
| PECO Energy Company | PA | President & C.E.O. | \$ 1,746,376 |
| Pennsylvania Power Company | PA | President | \$ 1,152,025 |
| Portland General Electric Company | OR | President & C.E.O. | \$ 702,366 |
| Potomac Edison Company | PA | Executive V.P. & C.F.O. | \$ 1,746,376 |
| Potomac Electric Power Company | MD | Chair | \$ 463,689 |
| PPL Utilities | PA | President | \$ 478,361 |
| Public Service Company of Colorado | CO | President & C.E.O. | \$ 393,173 |
| Public Service Company of New Mexico | NM | President & C.E.O. | \$ 3,195,740 |
| Public Service Company of Oklahoma | OK | President & C.E.O. | \$ 770,192 |
| Public Service Electric & Gas Company | NJ | Chair, C.E.O. & Director | \$ 799,365 |
| Rochester Gas & Electric Company | NY | President | \$ 325,000 |
| San Diego Gas & Electric Company | CA | CEO & Chair | \$ 510,000 |
| Sierra Pacific Resources (and its subsidiary operating companies) | NV | C.E.O. | \$ 900,000 |
| South Carolina Electric & Gas Company | SC | Chair & C.E.O. | \$ 788,000 |
| Southern California Edison Company | CA | President | \$ 1,167,455 |
| Southern Indiana Gas & Electric Company | IN | Chair & C.E.O. | \$ 711,156 |
| Superior Water, Light & Power Co. | WI | President & C.E.O. | \$ 176,124 |
| Tampa Electric Company | FL | Chief Executive Officer | \$ 887,702 |
| Toledo Edison Company | OH | President | \$ 1,152,025 |
| Tuscon Electric Power Company | AZ | Chief Executive Officer | \$ 633,573 |
| United Illuminating Company | CT | Chair & C.E.O. | \$ 673,269 |
| Virginia Electric Power Co. | VA | Chair & C.E.O. | \$ 381,827 |
| Westar Energy Company | KS | President & C.E.O. | \$ 675,625 |
| Wisconsin Electric Power Company | WI | Chair, President, & C.E.O. | \$ 2,511,114 |
| Wisconsin Power & Light Company | WI | Chair & C.E.O. | \$ 824,176 |
| Wisconsin Public Service Corporation | WI | Chair & C.E.O. | \$ 2,825,724 |

Source: Federal Energy Regulatory Commission Form No. 1, page 104, December 31, 2012

APPENDIX B

JOB DESCRIPTIONS

ASSISTANT GENERAL MANAGER:

Reports to general manager. Second level management. In charge of utility in absence of chief executive.

CHIEF ACCOUNTANT:

Responsible for all accounting matters of the utility. Manages general accounting, payroll, accounts payable, cost and property accounting functions for all segments of the utility (electric, gas, water, etc.).

CHIEF ENGINEER:

Responsible for total engineering functions of the utility. Manages civil, mechanical and electrical engineering functions, drafting operations and survey crews. Depending upon complexity, duties may be restricted to power engineering functions only.

CHIEF FINANCIAL MANAGER:

Responsible for overall financial management of all segments of the utility (electric, gas, water, etc.). Directs utility's financial policies and plans, accounting practices and fiscal controls. Responsible for preparation of financial statements. Assists in long and short-term strategic and financial planning. Maintains existing and establishes new relationships with banks and investment firms. Advises management regarding financial matters.

COMMUNICATIONS DIRECTOR:

Responsible for internal and external communications of utility. Directs information programs for public, media, government and employees. Coordinates utility's publications.

CONSTRUCTION SUPERINTENDENT:

Directs and controls manpower and equipment use related to overhead and underground construction jobs. Schedules work, supervises crews, provides budgeting information and insures safe work practices.

DIRECTOR OF CUSTOMER SERVICES:

Administers activities requiring regular and direct contact with customers and prospective customers. Negotiates electric power sales. Keeps management advised of, and responsive to, consumer needs. Directs the promotion of utility services and energy conservation activities.

DIRECTOR OF POWER SUPPLY PLANNING:

Responsible for all facility planning, including generation, interconnections, transmission, distribution, and other service facilities. Develops system forecasts. Estimates future power costs.

ENERGY SERVICES DIRECTOR

Plans, implements and evaluates all demand-side management programs. Conducts economic analysis to determine most cost effective programs.

FUELS MANAGER:

Responsible for planning, procurement, and transportation of fuels for generating facilities. Determines best methods of fuels transportation and other areas pertaining to purchasing and transportation of fuels used in power production facilities.

GENERAL MANAGER:

Responsible for management, staffing, administration and operation of utility. Responsible for overall relations between governing boards, employees, customers, and the general public. Reports to elected officials responsible for governing utility.

INFORMATION SYSTEMS MANAGER:

Plans, coordinates and supervises data processing, analysis and operations. Identifies improved and new systems. Evaluates and purchases hardware and software.

JOURNEYMAN ELECTRIC LINeworkER:

Performs duties with regard to distribution line maintenance and construction.

KEY ACCOUNTS MANAGER:

Assumes role of primary contact for major utility customers. Builds relationships with key accounts, acts as a liaison between various departments within the utility and the customer, and identifies and markets appropriate products and services in order to address customer energy needs.

LINE DIVISION SUPERINTENDENT:

Responsible for the management of line division, including budgets, equipment requests, personnel, tools, materials, and crew arrangements. Responsible for maintenance and repair of all transmission and distribution lines and tree trimming for geographical area assigned to division. Supervises, coordinates, directs, schedules and controls the construction and maintenance functions of the line division.

MARKETING DIRECTOR:

Responsible for the development, coordination, and implementation of the energy management and marketing programs. Develops and implements long term marketing plans and budgets.

OPERATIONS SUPERINTENDENT:

Responsible for work involving a wide scope of assignments and requiring seasoned judgment in making decisions of appreciable difficulty. Supervises and directs the work of production, distribution, line design, transmission planning, distribution planning, and civil engineering. Handles personnel problems of production and line divisions. Prepares estimates, specifications and designs. Supervises, plans and schedules work within divisions. Assumes full responsibility for all work performed under his or her supervision.

PERSONNEL DIRECTOR:

Responsible for all personnel functions of the utility. Directs and manages employment, wage and salary, training, safety, employee development, and labor relations functions.

PRODUCTION SUPERINTENDENT:

Responsible for the operation, maintenance, testing and security of the utility's electric generating plants. Supervises operating, maintenance and clerical personnel through individual plant supervisors. Works with considerable independence as to plant operating details.

PURCHASING DIRECTOR:

Plans, directs, coordinates and administers all activities and personnel of the Purchasing Department in accordance with all applicable laws, rules and regulations.

RATE ANALYST:

Responsible for research, analysis and development of electric rates. Supervises engineering studies and statistical research. Designs and tests rates. Prepares computer programs.

STAFF LEGAL COUNSEL:

Holds a law degree. Full-time staff member. Responsible for legal affairs of utility including contracts, negotiations, interpretations of and compliance with legislation, and internal and other legal matters.

STEAM PLANT SUPERINTENDENT:

Responsible for directing and supervising the operations, maintenance, testing and security of one of the electric utility's steam generating plants. Supervises operation, maintenance and clerical personnel through assistant superintendents, shift foremen and skilled operation personnel. Works with considerable independence as to plant operating details.

SUPERVISORY ENGINEER:

Responsible for professional engineering work involving a wide scope of assignments requiring seasoned judgment. Supervises and directs an engineering division, such as distribution, line design, transmission planning, and civil engineering. Handles personnel problems of division. Prepares estimates, specifications, designs. Supervises, plans and schedules work within division. Assumes responsibility for all work performed under his or her supervision.

TELECOM/BROADBAND MANAGER:

Responsible for directing and managing the activities of the CATV and/or Internet Service Provider division of the utility. This is a senior level position that is responsible for the supervision of all personnel of the department, developing the department budget, making recommendations on the future development of the division, and the operation and maintenance of the system.



**TRAVERSE CITY
LIGHT & POWER**

To: Light & Power Board
From: Jessica Wheaton, Marketing & Community Relations Coordinator
Date: June 4, 2014
Subject: TCL&P's Facebook Page Launch

A handwritten signature in black ink, appearing to be 'JW', located to the right of the 'From:' line.

TCL&P is joining the social media world very soon with the launch of its Facebook page scheduled for June 12, 2014.

Utilizing Facebook as a customer communication method was identified in the Hometown Connections Efficiency Study and also included in the recent Strategic Plan as a staff priority. Many steps have been taken to prepare for the Facebook page launch including putting in place a Board approved Social Media Policy, staff formation of a Social Media Committee, and training for all staff and employees who will have access to TCL&P's Facebook page.

The attached presentation will be made at the Board meeting and staff will further outline the steps taken in preparation for the launch of TCL&P's Facebook page.




TCL&P's FACEBOOK PAGE

We're joining the social media world



TRAVERSE CITY LIGHT & POWER'S FACEBOOK PAGE



Traverse City Light & Power
 18,622 likes · 18,622 likes

Basic Info
 18,622 likes

About
 Traverse City Light & Power is a community owned, enterprise level municipal electric utility that provides energy services to the city of Traverse City, Michigan.

Description
 24 Hour Central Office: 231.922.8100
 Billing and Accounts: 231.922.8100
 All utility billing and account balances are handled by customer service at the Government Center located at 100 East Grand Avenue, Traverse City, MI 49784

STEPS TAKEN TO CREATE FACEBOOK PAGE

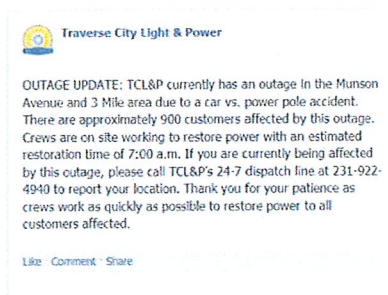
- Utilizing Facebook has been discussed for many years
- Identified in the Hometown Connections Efficiency Study and included in the Strategic Plan
- Board adopted Social Media Policy – March 25, 2014
- Staff formed a Social Media committee
- Training has taken place for all staff and employees who will have access to TCL&P's page
- TCL&P's page content has been finalized
- Facebook post schedule has been developed



PLANNED USES

TCL&P plans to use Facebook to increase the communication channels with customers by providing updates on:

- Outages
- Safety Tips
- Board Activities
- Energy Efficiency Tips
- Utility Projects
- Crew Activities
- Utility Events



SUCCESS STORIES

There are many utilities that have effectively used Facebook to communicate with customers



LEARNING OPPORTUNITIES

There have also been some utilities that may not have used Facebook to the best of their abilities and we've learned from those experiences



FACEBOOK PAGE LAUNCH

- TCL&P plans to launch its Facebook page June 12
- Customers will be notified of the launch through TCL&P's June bill insert, a press release and TCL&P's website
- Word of mouth will also have a big impact on the page's following
- Be sure to "Like" TCL&P's page once it goes live!





TCL&P is Joining the Social Media World

Have you heard of the little online site where people can have “Friends” and you can “Like” company pages? Well, after many years of discussing and researching social media, Traverse City Light & Power (TCL&P) is excited to announce that it is jumping on the Facebook bandwagon and will be launching its Facebook page in mid-June.

Utilizing Facebook as a customer communication method was identified in the Hometown Connections Efficiency Study as an activity to evaluate. Since staff had already completed much of its baseline research when the study was released, TCL&P made it a priority to include Facebook, and social media in general, in TCL&P’s recent Strategic Plan.

Facebook has proved to be an effective communication tool for utilities to communicate real-time information directly to customers following the page. TCL&P plans to use Facebook to increase communications with customers and community members by providing updates on:

- Power outages
- Electrical safety tips
- Board activities
- Energy efficiency tips
- Utility projects
- Crew activities
- Utility events

With Facebook being an open forum for discussion, the TCL&P board has approved guidelines for appropriate citizen conduct while using TCL&P’s Facebook page. The entire listing of inappropriate citizen conduct that will not be allowed on TCL&P’s Facebook page can be found on the page’s “About” section.

TCL&P anticipates that Facebook will be a beneficial addition to its customer communication efforts, but it will not be successful without your participation. Make sure to “Like” TCL&P’s Facebook page once it goes live by searching “Traverse City Light & Power.”

Government Organization · Public Utility
Traverse City Light & Power is a community-owned, community-focused municipal electric utility that offers reliable energy at low rates since 1912.

About

Photos

Likes

Events

TCL&P Mission:

To provide the Public Power benefits of safety, lower rates, high reliability, local control, and exceptional customer service to the City, its residents, and all TCL&P customers.



Did you know...

Did you know that Michigan's statute, Act 174 of Public Act 2013, requires anyone who engages in or is responsible for the planning or performance of any type of excavation e.g.; grading, demolition, cultivating, blasting, or boring to provide advance notice of at least three full working days to MISS DIG? MISS DIG will then send your work request to member facility owners who will mark the approximate location of their underground utility lines at no charge. Be safe, call before you dig. To report your digging project, simply call toll free 800-482-7171 or 811. You can learn more about MISS DIG at missdig.net.

Executive Director Update: Summer Projects

☀️ Traverse City Light & Power (TCL&P) has a very busy summer of projects scheduled including the construction and implementation of a Downtown Development Authority (DDA) district Wi-Fi system, construction of a new South Side Distribution Substation, rehabilitating one of TCL&P's distribution circuits for improved reliability, and completing its underground cabinet and streetlight pole painting maintenance project.

☀️ **The TCL&P board and DDA board have both approved an agreement to proceed with a complimentary Wi-Fi system.** This will allow community members and tourists the ability to connect to open area Wi-Fi while enjoying what Traverse City's downtown has to offer: beautiful beaches, parks, and shops. The Wi-Fi system will only serve those outdoors as it will not be designed to penetrate buildings. It is anticipated to have the Wi-Fi system installed and running by mid-summer.

☀️ **TCL&P, along with its contractors, will begin work on the South Side Distribution Substation in June.** This project will consist of constructing a new distribution substation on the existing site of the Wolverine Substation on LaFranier Road and adding additional overhead and underground facilities. Once completed in November 2014, this project will increase reliability of the TCL&P's electrical systems for the benefit of its customers.

☀️ **In an effort to maintain the highest level of electrical system reliability and employee and public safety, TCL&P will begin work on its second distribution rehabilitation project.** The circuit focused on for this year is BW-31, which serves the area of Railroad Avenue east to Northwestern Michigan College's campus and Eighth Street north to Front Street, including the base of Old Mission Peninsula. TCL&P crews will focus on upgrading existing electrical facilities that are nearing the end of its useful life. Many poles will be replaced and new conductor will be installed throughout the next ten months. Over the course of the project homeowners and businesses may see crews on or near their property while work is being completed.

☀️ **TCL&P's last big project for the summer will be the completion of its underground cabinet and streetlight pole painting in and around the downtown area of Traverse City.** To maintain the current infrastructure, TCL&P is sanding, removing rust, and repainting the poles and cabinets. Last year 240 poles were completed, and this year the goal is 330 poles. The streetlight pole painting project is part of a board approved three-year maintenance program that TCL&P is anticipating to have completed in two years.

While TCL&P will be busy this summer the utility's main concern, as it always has been, is to keep the lights on for its customers. In the event of an outage, you can be assured that crews will be ready and able to respond and restore power in an expedient manner.



Tim Arends
Tim Arends
Executive Director



T R A V E R S E C I T Y
L I G H T & P O W E R
Investing Our Energy In You

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

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



Proudly serving our community for 102 years.