

**A REGULAR MEETING**

Of The

**TRAVERSE CITY LIGHT AND POWER BOARD**

Will Be Held On

**TUESDAY, June 24, 2014**

At

**5:15 p.m.**

In The

**COMMISSION CHAMBERS**  
(2<sup>nd</sup> floor, Governmental Center)  
400 Boardman Avenue

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

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

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

Posting Date: 6-20-14  
4:00 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 June 11, 2014. (Approval recommended) (p. 4)
- b. Consideration of authorizing the renewal of the AT&T Phone Contract. (Approval recommended) (Menhart) (p. 8)
- c. Consideration of authorizing a Third Amendment to the Munson Dark Fiber Services Agreement. (Approval recommended) (Menhart) (p. 14)

#### Items Removed from the Consent Calendar

- a.

#### 3. Old Business

- a. Public Hearing regarding proposed rate increase July 1, 2014. (Myers-Beman) (p. 20)

The purpose of this public hearing is to allow the public an opportunity to express, and the opportunity for the Board to consider, the public's support, opposition or general comments regarding this matter. To preserve the written record, members of the public are asked to state whether they are in support or opposition of this matter or whether they are expressing general comments. After such statement, the public is welcome to continue to elaborate on the matter.

#### 4. New Business

- a. Consideration of After Hours Dispatch Agreement with Cherryland Electric Cooperative. (Arends) (p. 34)

#### 5. Reports and Communications

- a. From Legal Counsel.
- b. From Staff.

1. Review of need for West Side Transmission line. (Arends/GRP Engineering) (p. 42)
  2. Energy Supply presentations summary. (RTD Consulting) (p. 49)
- c. From Board.
1. Proposed cancelation of the July 8, 2014 regular meeting. (Taylor) (verbal)

**7. Public Comment**

/st

**TRAVERSE CITY  
LIGHT AND POWER BOARD**

Minutes of Regular Meeting  
Held at 5:15 p.m., Light and Power Service Center  
Wednesday, June 11, 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, W. Peter Doren, 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.

As requested by Budros, Agenda Item 2(h) was removed from the Consent Calendar for full discussion.

W. Peter Doren noted the bond paragraph was mistakenly removed from the Construction Contract for the WiFi system, item 2(d). It will be reinserted into the final copy of the Contract for execution.

**Item 2 on the Agenda being Consent Calendar**

Moved by Budros, seconded by Palisin, 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 May 13, 2014.
- b. Transfer of the Coal Dock Deed to the City of Traverse City.
- c. Gray Substation Interconnection Facilities Agreement.
- d. Construction Contract for the WiFi system.
- e. Operation & Maintenance Agreement for the WiFi system.
- f. Approval of the budget and capital plan for 2014-2015.
- g. Withdrawal of funds from the MPPA competitive trust.
- h. *Removed from the Consent Calendar.*
- i. 2014-2015 insurance renewal.
- j. AT&T Agreement for the T1 line to the Kalkaska Combustion Turbine.

CARRIED unanimously.

**Items Removed from the Consent Calendar**

- a. Consideration of approving the Affordable Care Act new hire waiting period.

The following individuals addressed the Board:

Kelli Schroeder, Human Resource Generalist  
Tim Arends, Executive Director

Moved by Spence, seconded by Geht, 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.

CARRIED unanimously.

**Item 3 on the Agenda being Unfinished Business**

None.

**Item 4 on the Agenda being New Business**

- a. Proposed rate increase July 1, 2014.

The following individuals addressed the Board:

Tim Arends, Executive Director  
Karla Myers-Beman, Controller

Moved by McGuire, seconded by Budros, that the Board authorizes the Secretary to set a public hearing for the proposed July 1<sup>st</sup> 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.

CARRIED unanimously.

- b. Consideration of Hastings Street Service Center addition.

The following individuals addressed the Board:

Tim Arends, Executive Director  
Bob Sommerville, AAI

5:37 p.m. meeting continued with a brief tour of building B.

5:45 p.m. meeting resumed in the service center cafeteria.

W. Peter Doren noted for the record Bob Spence is a potential bidder, and therefore has a conflict of interest on this project and will be abstaining from voting or participating in the discussion of this agenda item.

Moved by Budros, seconded by McGuire, 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.

Roll Call Vote:

Yes – Budros, McGuire, Palisin, Geht, Taylor

No – Carruthers

Abstain – Spence

CARRIED.

c. Consideration of a periodic personnel evaluation of Tim Arends, Executive Director.

5:49 p.m. Bob Spence rejoined the meeting.

The following individuals addressed the Board:

Tim Arends, Executive Director

Moved by Budros, seconded by Palisin, 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.

CARRIED unanimously.

**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. Jessica Wheaton presented the launch of the TCL&P Facebook page.

The following individuals addressed the Board:

Tim Arends, Executive Director

2. Tim Arends provided an update on the Community Solar Project Phase II.

The following individuals addressed the Board:

Jessica Wheaton, Marketing and Community Relations Coordinator

3. *TCL&P news and correspondence. (General – no official report).*

C. From Board.

1. Barbara Budros congratulated Jessica Wheaton on her recent announcement.

**Item 7 on the Agenda being Public Comment**

Barbara Solmonson, Ratepayer

There being no objection, Chairman Taylor declared the meeting adjourned at 6:23 p.m.

/st

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Tim Arends, Secretary  
LIGHT AND POWER BOARD

DRAFT



**TRAVERSE CITY  
LIGHT & POWER**

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**To:** Light and Power Board  
**From:** Scott Menhart, Manager of Telecom & Technology *SM*  
**Date:** June 13, 2014  
**Subject:** Renewal of AT&T Phone Contract

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The AT&T Contract has expired for the ISDN PRIME (ISDN PRI) line that provides local telephone services for the Traverse City Light & Power (TCL&P) service center. AT&T has provided a new contract that aligns with the Governmental Pricing Plan for the State of Michigan. Previously, TCL&P's monthly cost was \$162.36, in addition to local calls at \$.385 each. The average monthly rate for 2013 was \$526.36. The new rate is a flat rate of \$530 per month, including unlimited local calling. The contract term will be for thirty-six months from the date of execution for a total cost of \$19,080.

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 EXECUTIVE DIRECTOR TO EXECUTE A  
THREE YEAR CONTRACT WITH AT&T IN THE AMOUNT OF \$19,080.**





**ISDN PRIME (ISDN PRI) SERVICE WITH DS1 SERVICE**  
**AT&T ILEC Pricing Schedule Provided Pursuant To Custom Rates and Terms**  
**Illinois, Indiana, Michigan, Ohio, Wisconsin**

AT&T MA Reference No. \_\_\_\_\_

|  |  |
|--|--|
| <b>Customer</b>  | <b>AT&amp;T</b>  |
| TRAVERSE CITY LIGHT & POWER<br>1131 HASTINGS ST<br>TRAVERSE CITY, MI 49686   | AT&T ILEC Service-Providing Affiliate  |
| <b>Customer Contact (for Notices)</b>  | <b>AT&amp;T Contact (for Notices)</b>  |
| Name:<br>Title:<br>Street Address:<br>City:<br>State/Province:<br>Zip Code:<br>Country: USA<br>Telephone:<br>Fax:<br>Email:<br>Customer Account Number or Master<br>Account Number: 231R410147 | Name: JAY VAN DUZEN<br>Street Address: 23500 NORTHWESTERN HWY W-216<br>City: SOUTHFIELD<br>State/Province: MI<br>Zip Code: 48075 Country: USA<br>Telephone: 2482045881 Fax:<br>Email: JV8204@ATT.COM<br>Sales/Branch Manager:<br>SCVP Name:<br>Sales Strata: Sales Region:<br><b><u>With a copy (for Notices) to:</u></b><br>AT&T Corp.<br>One AT&T Way<br>Bedminster, NJ 07921-0752<br>ATTN: Master Agreement Support Team<br>Email: <a href="mailto:mast@att.com">mast@att.com</a> |
| <b>AT&amp;T Solution Provider or Representative Information (if applicable)</b> <input type="checkbox"/>   |  |
| Name: Company Name:<br>Agent Street Address: City: State: Zip Code:<br>Telephone: Fax: Email: Agent Code   |  |

This ISDN Prime Service with DS1 Service Pricing Schedule is a Pricing Schedule under the Master Agreement between AT&T and Customer, and is part of such Agreement. 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.

|  |  |
|--|--|
| <b>Customer (by its authorized representative)</b> | <b>AT&amp;T (by its authorized representative)</b> |
| By:  | By:  |
| Printed or Typed<br>Name:                          | Printed or Typed<br>Name:                          |
| Title:   | Title:   |
| Date:  | Date:  |

**ISDN PRIME (ISDN PRI) SERVICE WITH DS1 SERVICE**  
**AT&T ILEC Pricing Schedule Provided Pursuant To Custom Rates and Terms**  
**Illinois, Indiana, Michigan, Ohio, Wisconsin**

**1. SERVICE, SERVICE PROVIDER and SERVICE PUBLICATION**

| Service   | ISDN Prime (PRI) Service (with DS1 Service)                                   |   |
|---|---|---|
| Service Provider<br>(Check one option only)       | Service Publication (incorporated by reference)                               | Service Publication Location  |
| <input type="checkbox"/> AT&T Illinois            | AT&T Illinois Guidebook, including Part 17 Section 2 and Part 15, Section 3   | <a href="http://cpr.att.com/guidebook/il/index.html">http://cpr.att.com/guidebook/il/index.html</a> |
| <input type="checkbox"/> AT&T Indiana             | AT&T Indiana Guidebook, including Part 17, Section 2 and Part 15, Section 3   | <a href="http://cpr.att.com/guidebook/in/index.html">http://cpr.att.com/guidebook/in/index.html</a> |
| <input checked="" type="checkbox"/> AT&T Michigan | AT&T Michigan Guidebook, including Part 17, Section 2 and Part 15, Section 3  | <a href="http://cpr.att.com/guidebook/mu/index.html">http://cpr.att.com/guidebook/mu/index.html</a> |
| <input type="checkbox"/> AT&T Ohio                | AT&T Ohio Guidebook, including Part 17, Section 2 and Part 15, Section 3      | <a href="http://cpr.att.com/guidebook/oh/index.html">http://cpr.att.com/guidebook/oh/index.html</a> |
| <input type="checkbox"/> AT&T Wisconsin           | AT&T Wisconsin Guidebook, including Part 17, Section 2 and Part 15, Section 3 | <a href="http://cpr.att.com/guidebook/wg/index.html">http://cpr.att.com/guidebook/wg/index.html</a> |

**2. PRICING SCHEDULE TERM and EFFECTIVE DATES**

|  |  |
|--|--|
| Pricing Schedule Term  | 36 months  |
| Pricing Schedule Term Start Date                                   | <b>When only New Service is included in this Agreement:</b> at Cutover of the first Service Component<br><b>Existing Services are included:</b> on the Effective Date (This applies even when new Service Components are added.) |
| Effective Date of the Rates and Discounts                          | Pricing Schedule Term Start Date   |
| Expiration Date of the Rates and Discounts                         | Upon termination or expiration of the Pricing Schedule Term  |
| Rates Following Expiration or Termination of Pricing Schedule Term | Service Publication monthly rates in effect at time of expiration or termination of Pricing Schedule Term  |

**3. MINIMUM PAYMENT PERIOD**

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

**ISDN PRIME (ISDN PRI) SERVICE WITH DS1 SERVICE**  
**AT&T ILEC Pricing Schedule Provided Pursuant To Custom Rates and Terms**  
**Illinois, Indiana, Michigan, Ohio, Wisconsin**

**4. CUSTOMER'S CURRENT ORDER**

**4.1 Order**

|                                |  |
|--------------------------------|--|
| <b>Order:<br/>(Select one)</b> | <input type="checkbox"/> <b>New install(s) Only</b> (All Service Components under this Pricing Schedule are new installs)<br>Requested installation date(s)*:                  |
|                                | <input checked="" type="checkbox"/> <b>Existing Service Included</b> (Some or all Service Components under this Pricing Schedule already installed)<br>Existing Circuit ID(s): |
|                                | <input type="checkbox"/> <b>Requested Installation Date(s)*</b> for new Service Components, if applicable:   |
|                                | <input type="checkbox"/> <b>If applicable, this Pricing Schedule supersedes and replaces in its entirety that certain agreement</b><br>dated _____, entitled _____.            |

\*Except as otherwise provided in this Pricing Schedule, requested installation date(s) for all new Service(s) purchased under this Agreement shall be no later than 90 days after the Effective Date of this Agreement, unless Customer is an E-Rate Applicant for the Services or AT&T causes delay.

|   |  |
|---|--|
| <b>Host/Remote, Service Number Portability or Foreign Exchange (FX)</b> | <input type="checkbox"/> Yes# <input checked="" type="checkbox"/> No<br>#If Yes, Central Office CLLI Serving the Circuit Site Address: TRCYMIMNDS1<br>#If Yes, DS1 Channel Mileage Terminations and DS1 Channel Mileage (per mile) as listed in section 4.2 below <b>must</b> apply. |
|---|--|

**4.2 Service Components, Quantities and Rates**

| Service Component (USOC)  | Total Quantity | Unit Monthly Recurring Charge (MRC) | Total Monthly Recurring Charge (MRC X Quantity) | Non-recurring Charge |
|---|----------------|-------------------------------------|---|----------------------|
| ISDN PRI Port (ZPQZD)   | 1              | \$288.00                            | \$288.00  | \$0.00               |
| Unlimited Local Usage (Switch Utilization) (UTW)  | 1              | \$130.00                            | \$130.00  | \$0.00               |
| DS1 Local Distribution Channels (LDCs) (TZ4X1/2/3 - IN, MI, OH, WI)   | 1              | \$112.00                            | \$112.00  | \$0.00               |
| DS1 Channel Mileage (per mile), if applicable ((Select One))  | 0              | \$0.00                              | \$0.00  | \$0.00               |
| DS1 Channel Mileage Termination, (applies only when interoffice mileage is applicable; 2 required per DS1) ((Select One)) | 0              | \$0.00                              | \$0.00  | \$0.00               |
| ISDN Calling Name ID (NM1PG)  | 0              | \$10.00                             | \$0.00  | \$0.00               |
| DID Numbers, per number (LTG6X)   | 0              | \$0.10                              | \$0.00  | \$0.00               |
| <b>Total Charges for ISDN PRI Ports, Unlimited Local Usage, LDCs, Calling Name ID and DID Numbers:</b>                    |                |                                     | <b>\$530.00</b>                                 | <b>\$0.00</b>        |

In the event that any total amounts conflict with any per-unit rates in the table above, the per-unit rates shall control.

**4.3 Subsequent DID Numbers, Calling Name ID and/or Caller ID.** Customer and AT&T may agree to add DID Numbers and/or ISDN Calling Name ID under the rates in this Pricing Schedule after Cutover of the associated ISDN PRI Service Component(s), but only if the Customer requested installation date is more than 90 days before the end of the Pricing Schedule Term.

**ISDN PRIME (ISDN PRI) SERVICE WITH DS1 SERVICE**  
**AT&T ILEC Pricing Schedule Provided Pursuant To Custom Rates and Terms**  
**Illinois, Indiana, Michigan, Ohio, Wisconsin**

**4.4 Service Sites and Circuit Quantity.** Service may not be installed outside the territory that the Service Provider is authorized to provide the Service, or at a carrier hotel, a collocation cage or any similar location. The demarcation point for Service at each Customer Site must be within 60,000 feet of the AT&T serving central office.

| Site | Quantity of Circuits per Site | Service Site -- Street address          | City (in same state as Service Provider in Section 1) |
|------|-------------------------------|---|---|
| 1    | 1                             | 1131 HASTINGS ST                        | TRAVERSE CITY   |
| 2    | 0                             | [N/A or Enter Service Location address] | [N/A or Enter City]                                   |
| 3    | 0                             | [N/A or Enter Service Location address] | [N/A or Enter City]                                   |
| 4    | 0                             | [N/A or Enter Service Location address] | [N/A or Enter City]                                   |
| 5    | 0                             | [N/A or Enter Service Location address] | [N/A or Enter City]                                   |
| 6    | 0                             | [N/A or Enter Service Location address] | [N/A or Enter City]                                   |
| 7    | 0                             | [N/A or Enter Service Location address] | [N/A or Enter City]                                   |
| 8    | 0                             | [N/A or Enter Service Location address] | [N/A or Enter City]                                   |
| 9    | 0                             | [N/A or Enter Service Location address] | [N/A or Enter City]                                   |
| 10   | 0                             | [N/A or Enter Service Location address] | [N/A or Enter City]                                   |

(If additional locations apply, please attach on a separate page. BTNs and CLLI may be attached separately instead of addresses.)

**5. ADDS**

Customer may order Service Components at the same Site(s) as the Service Components identified in section 4.2, in excess of quantities listed in Section 4.2, if installed no later than 6 months after the Effective Date; except, Service Components identified in Section 4.3 may be installed until 90 days prior to end of the Pricing Schedule Term.

**6. USE OF SERVICE**

Customer may not use the Service to bypass the switched access charges that must be paid to a local telecommunications company for the termination or origination of international, interLATA or intraLATA calls. If Customer uses the Service to bypass such switched access charges, Customer must compensate AT&T for any resulting switched access charges that AT&T is obligated to pay or entitled to collect. This Customer obligation shall not be capped or limited in any fashion.

**7. GENERAL TERMS**

If agreed to by the parties, this Agreement may be superseded and replaced by a new term agreement that includes all the Service Components then being purchased by Customer under this Agreement and no early termination charges shall apply, if the new term agreement also includes:

- (i) an effective date within 180 days before the expiration of the Pricing Schedule Term; or,
- (ii) (a) a term equal to or greater than the remainder of the Pricing Schedule Term, and (b) rates and charges equal to or greater than all rates and charges in the Pricing Schedule.

**ISDN PRIME (ISDN PRI) SERVICE WITH DS1 SERVICE**  
**AT&T ILEC Pricing Schedule Provided Pursuant To Custom Rates and Terms**  
**Illinois, Indiana, Michigan, Ohio, Wisconsin**

**8. EARLY TERMINATION**

If Customer migrates an AT&T ILEC PRI Service or Service Component, including DS1 used as transport for AT&T ILEC PRI Service (the "Terminated ILEC Service") to a qualifying AT&T Business Voice over IP (BVoIP) Service, then AT&T will waive the Early Termination Charge directly resulting from terminating the Terminated ILEC Service if:

- (1) the Terminated ILEC Service has been installed at the Customer site for no fewer than 12 months;
- (2) the term for the replacement agreement is equal to or greater than the remaining term for the Terminated ILEC Service;
- (3) the replacement AT&T BVoIP Service is installed or available at the same Customer sites as the Terminated ILEC Service; and
- (4) activation of the replacement AT&T BVoIP service at the Customer site occurs within 90 days of termination of the Terminated ILEC Service at that Customer site.

The foregoing shall not apply to Services provided by the AT&T ILEC affiliate in Connecticut.

**9. NOTICE OF WITHDRAWAL**

| <b>Service and Service Component Withdrawals during Pricing Schedule Term</b> |           |
|---|-----------|
| Prior Notice Required from AT&T to Withdraw and Terminate a Service           | 12 months |
| Prior Notice Required from AT&T to Withdraw and Terminate a Service Component | 120 days  |

| <i>For AT&amp;T internal use only</i>                         |            |
|---|------------|
| Billing Telephone Number for Existing service, if applicable: | 231R410147 |
| SDA Code:   | BIGE22     |
| ECATS/AT&T Contract ID No.:                                   |            |



**TRAVERSE CITY  
LIGHT & POWER**

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**To:** Light and Power Board  
**From:** Scott Menhart, Manager of Telecom & Technology SPW  
**Date:** June 13, 2014  
**Subject:** Amendment to Munson Dark Fiber Services Agreement

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Attached for your consideration is an Amendment to the Munson Dark Fiber Services Agreement between Traverse City Light & Power (TCL&P) and Munson Medical Center ("Munson").

Munson and TCL&P entered into a Dark Fiber Services Agreement dated August 29, 2007 for the purposes of providing Munson with fiber optic communications. On August 25, 2008, Munson added an additional site to the Agreement, Alpha Center, which became the First Amendment to the Dark Fiber Services Agreement. Then on April 24, 2012, Munson added another site to the Agreement, Copper Ridge, which became the Second Amendment to the Dark Fiber Services Agreement.

Munson has now moved operations from the Alpha Center location to the Copper Ridge location and is asking for removal of the Alpha Center location from the Agreement. Munson did fund the entire cost of the fiber expansion for the Copper Ridge location and TCL&P has recouped all costs associated with the Alpha Center addition. Staff concurs with the removal of the site as it has met all stipulations, which is receiving full recovery of the costs for the initial build. The original Agreement, along with the prepared Amendment, is attached for your review.

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

If any member of the Board or the public wishes to discuss this matter, other than clarifying questions, it should be placed on the agenda as an item under "Items Removed from the Consent Calendar."

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

**(RECOMMENDED MOTION ON FOLLOWING PAGE)**

**MOVED BY \_\_\_\_\_, SECONDED BY \_\_\_\_\_,**

**THAT THE BOARD AUTHORIZES THE CHAIRMAN AND SECRETARY TO ENTER INTO THE THIRD AMENDMENT TO THE DARK FIBER SERVICES AGREEMENT WITH MUNSON MEDICAL CENTER, SUBJECT TO APPROVAL AS TO SUBSTANCE BY THE EXECUTIVE DIRECTOR AND AS TO FORM BY GENERAL COUNSEL.**

SECOND AMENDMENT TO  
MUNSON DARK FIBER SERVICES AGREEMENT

THIS AMENDMENT is made and entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, 2014, by and between the TRAVERSE CITY LIGHT & POWER DEPARTMENT, a Michigan municipal electric utility, whose address is 1131 Hastings Street, Traverse City, Michigan 49686 ("TCL&P"), and MUNSON MEDICAL CENTER, whose address is 1105 6<sup>th</sup> Street, Traverse City, Michigan 49684 ("Customer").

RECITALS

**WHEREAS**, TCL&P and Customer have entered into a Dark Fiber Services Agreement dated August 29, 2007, that was amended on August 25, 2008 and April 24, 2012 and wish to amend that Agreement to remove a site that was added on the first Amendment on August 25, 2008.

**NOW THEREFORE**, in consideration of the recitals and agreements contained herein and contained in the Dark Fiber Services Agreement, TCL&P and Customer hereby agree as follows:

1. The Alpha Center Site, located at 3672 N. Highway 31 South, is removed as a Site from the contract at Exhibit 1 as of \_\_\_\_\_, 2014, with no further obligation to pay for the Site by the Customer. The ERU Fee shall be reduced to reflect the elimination of this Site. The attached Exhibit 1 replaces Exhibit 1 to the Dark Fiber Services Agreement.
2. Removal of a Site from Exhibit 1 automatically vacates the Customer's exclusive right to use the fibers allocated to that site in TCL&P's fiber optic cable.
3. The Dark Fiber Services Agreement signed by the parties on August 29, 2007 and amended on August 25, 2008 and April 24, 2012 is continued in all respects and is amended as here described.

**IN WITNESS WHEREOF**, the parties below have entered into this Amendment on the date set forth above.

**TRAVERSE CITY LIGHT & POWER DEPARTMENT**

\_\_\_\_\_  
By: John Taylor, Chairman

APPROVED AS TO FORM

\_\_\_\_\_  
By: Timothy Arends, Secretary

**MUNSON MEDICAL CENTER**

\_\_\_\_\_  
By: W. Peter Doren  
Traverse City Light & Power  
General Counsel

\_\_\_\_\_  
By: Ryan Winn  
Technical Director Information System



**EXHIBIT 1**

**Location From:**

| <b>Fiber Count</b> | <b>Site</b>           | <b>Address</b>    |
|--------------------|-----------------------|-------------------|
| 72                 | Munson Medical Center | 1105 Sixth Street |

**Location To:**

|           |                               |                 |
|-----------|-------------------------------|-----------------|
| 4         | Munson Community Health Cntr. | 550 Munson Ave. |
| 4         | Munson Diagnostics            | Copper Ridge    |
| 4         | North Flight Billing          | 1237 Hastings   |
| 4         | NSMA                          | 2651 Aero Park  |
| 48 (2X24) | Data Center                   | 49 Hughes Dr.   |
| 4         | Building D                    | Copper Ridge    |

7 Sites

As amended \_\_\_\_\_, 2014.

**EXHIBIT 2**

**ERU FEE AND RECURRING CHARGE**

**I. Fees**

**A. ERU Fee.**

**(1) Years 1 – 10 – Initial Term**

**Total monthly fee: \$9,100.00**

**Total yearly fee: \$109,200.00**

- (a) \$3,200.00 per month (\$38,400.00 per year) for the four Sites: 1105 Sixth Street, 550 Munson Ave., 1237 Hastings and Copper Ridge.**
- (b) \$1,000.00 per month (\$12,000.00 per year) for the 2651 Aero Park Site.**
- (c) \$3,800.00 per month (\$45,600.00 per year) for the 49 Hughes Site.**
- (d) \$1100.00 per month (\$13,200.00 per year) for the Building D Copper Ridge Site**
- (e) The monthly ERU Fee shall commence for each Site as of the month of the Acceptance Date for that Site.**

**(2) Years 11-15 – Renewal Term**

**Total monthly fee: \$8,916.00**

**Total yearly fee: \$106,992.00**

**Subject to Renewal Escalation**

**(3) Years 16-20 – Renewal Term**

**Total monthly fee: \$8,916.00**

**Total yearly fee: \$106,992.00**

**Subject to Renewal Escalation**

**B. Recurring Charge.**

**(1) Included in the ERU fee**

- II. Renewal Escalation.** The ERU Fee and/or the Recurring Charge may be increased at the beginning of a Renewal Term by the increase, if any, in the Consumer Price Index - All Urban Consumers (CPI-U, U.S. City Average), published by the United States Department of Labor, Bureau of Labor Statistics (1982-84 = 100), for the original twelve (12) month period of the prior term. In the event such index shall cease to be computed or published, TCL&P may, in its reasonable discretion, designate a successor index to be used in determining any increase to the ERU Fee or the Recurring Charge.
- III. Invoices.** The ERU Fee and Recurring Charge shall be invoiced in advance by TCL&P monthly during the Term, and any Renewal Term thereafter, and shall be paid within thirty (30) days after the date of the invoice ("Due Date"). Any sums not paid when due hereunder, if not disputed by customer, shall be subject to a late payment interest charge of twelve (12) percent per annum. In the event Customer disputes all or a portion of an invoice, Customer shall notify TCL&P in writing of the nature and amount of the dispute on or before the Due Date and shall pay the undisputed portion of the invoice on or before the Due Date. The Parties will work together in good faith to resolve properly noticed disputes. In addition to any other rights and remedies under this Agreement, failure to make any payment when due hereunder shall be a default.

As amended \_\_\_\_\_, 2014.



**TRAVERSE CITY  
LIGHT & POWER**

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**To:** Light & Power Board  
**From:** Karla Myers-Beman, Controller *KMB*  
**Date:** June 16, 2014  
**Subject:** Approval of rate increase effective July 1, 2014

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Attached you will find the proposed rate adjustments and current rates for each customer class. Overall it is a 1.5% increase with a 1.3% bandwidth, which means no customer class will receive a rate increase greater than 2.8% or lower than .2%

In addition to the rate increase, it is proposed to have the power service cost recovery rate reset from \$48.57 mils/kWh to \$64.57 mils/kWh. In resetting this rate, primarily the kWh portion of the customer class rates increased by this amount, \$.016 per kWh, while the power service cost recovery rate decreased by this amount. This has a neutral impact on rates.

Along with the above, there are a few minor housekeeping items on the rate sheets. They are as follows:

1. In order to efficiently use our billing system and have the software system automatically switch season rates, they have to be on the same time frame. Currently, the Primary Service-High Load Factor seasons are from November through April and May through October while the Primary Interruptible Rate and Space (Electric) Heating seasons are from November through May and June through October. Staff is proposing to change the Primary Service High Load Factor seasons to be consistent with the other rate classes, which are November through May and June through October.
2. Staff has removed the ability for TCL&P to provide equipment to the Primary Service-High Load Factor rate under Nature of Service. In this customer class, the customer is metered on the primary side and owns the equipment (transformers, controlling devices and et cetera). When our customers own the equipment, they are governed under the State of Michigan building codes, while we are governed under the National Electric Code. There are some differences between those two sets of codes which prohibit us from providing the equipment; an example is the State of Michigan building codes require UL Certified transformers where National Electric Code does not.
3. Additionally, staff has reconciled the current rate sheets to the proposed rates and recognized staff needed to include the Commercial Demand Primary Metered and MP1 at 103% for approval.

FOR THE LIGHT & POWER BOARD MEETING OF JUNE 24, 2014

Before the rates are approved, the City Charter requires a public hearing and public notice. Public notice was provided through an advertisement in the Traverse City Record Eagle and it was posted on the TCL&P website. After the public hearing is held, if the Board concurs with implementing the rate increase and the modifications to the rate sheets, the following motion would be appropriate:

**MOVED BY \_\_\_\_\_, SECONDED BY \_\_\_\_\_,**

**THAT THE BOARD AUTHORIZES AN OVERALL 1.5% ELECTRIC SERVICE RATE INCREASE WITH A BANDWIDTH INCREASE OF NO MORE THAN 1.3% AS PROPOSED BY UTILITY FINANCIAL SOLUTIONS ALONG WITH THE HOUSEKEEPING CHANGES TO BE IMPLEMENTED AS PRESENTED EFFECTIVE JULY 1, 2014.**

# Traverse City Light and Power

Rate Design 2015

PCR was reset from \$48.57 mils per kWh to \$64.57 mils per kWh a difference of \$16.00 mils per kWh

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

**Traverse City Light and Power**

Rate Design 2015

**PCR was reset from \$48.57 mils per kWh to \$64.57 mils per kWh a difference of \$16.00 mils per kWh**

| Customer Class                                | Current Monthly Rate | Proposed Monthly Rate | Difference | Current kWh | Proposed kWh (Primarily consists of PSCR Reset) | Difference | Current kW | Proposed kW | Difference |
|---|----------------------|-----------------------|------------|-------------|---|------------|------------|-------------|------------|
| <b>Commercial</b>                             |                      |                       |            |             |   |            |            |             |            |
| 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     |            |             |            |
| <b>Industrial</b>                             |                      |                       |            |             |   |            |            |             |            |
| 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                         | 40.00                | 50.00                 | 10.00      |             |   |            | 10.70      | 11.00       | 0.30       |
| Winter Rate                                   |                      |                       |            |             |   |            |            |             |            |
| 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     |            |             |            |

City of Traverse City  
Light and Power Department  
Effective

**FUEL-POWER-COST-ADJUSTMENT POWER SERVICE COST RECOVERY**

The ~~Fuel-Power-Cost-Adjustment~~Power Service Cost Recovery 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 **48.5764.57** 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~~Power Service Cost Recovery 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~~Power Service Cost Recovery 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~~Power Service Cost Recovery 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.



**PRIMARY SERVICE-HIGH LOAD FACTOR**

(Rate "**PI1**")

**Availability:**

Open to any customer desiring primary voltage service for general use where the billing demand is 100 kW or more. This rate is not available for street lighting service or for resale purposes.

**Nature of Service:**

Alternating current, 60 hertz, single phase or three phase, the particular nature of the voltage in each case to be determined by the Department.

Where service is supplied at a nominal voltage of 15,000 volts or less, the customer shall furnish, install and maintain all necessary transforming, controlling and protective equipment.

~~Beginning July 1, 2014 any new~~ The customers ~~may, at his option, choose to purchase and must purchase and retain ownership of all necessary transforming, controlling and protective equipment, or agree to have the utility provide and~~ install and maintain this equipment at the ~~customers their~~ expense. ~~The customer is responsible for all costs and liability associated with the transforming, controlling and protective equipment. If the customer chooses for the utility to maintain ownership of this equipment, the customer agrees by the acceptance of service under this rate to be responsible for all costs and liability associated with this transforming, controlling and protective equipment.~~

Where the Department elects to measure the service at a nominal voltage of less than 2,400 volts, 3% will be added for billing purposes to the demand and energy measurements thus made.

**Monthly Rate:** Customer charge \$40.00 per meter per month, plus

Capacity Charge: \$10.70 per kW of on-peak billing demand

Energy Charge: 5.0¢ per kWh for all kWh consumed during the on-peak period, November through ~~April~~ May.

5.2¢ per kWh for all kWh consumed during the on-peak period, May through October.

3.90¢ per kWh for all kWh consumed during the off-peak period.

City of Traverse City  
Light and Power Department  
Effective October 1, 2006

| Primary Service-High Load Factor (Rate "PI1"), cont.

| **Fuel-Power Cost Adjustment Power Service Cost Recovery:**

| This rate is subject to the Department's **Fuel-Power Cost Adjustment Power Service Cost Recovery.**

**High Load Factor Credit:**

Monthly credits will be given to high load factor customers as follows:

| <u>Load Factor</u> | <u>% Credit on Total Billed Amount</u> |
|--------------------|--|
| 90% - 100%         | 5%                                     |
| 80% - 89%          | 4%                                     |
| 70% - 79%          | 3%                                     |

**Minimum Charge:**

The capacity charge included in the rate.

**Due Date:**

The due date of the customer's bill will be shown on the bill and will be at least twenty-one (21) days after mailing. Payments received after the due date are considered late, and a penalty charge of 2% shall be imposed as a one-time charge.

**On-Peak Billing Demand:**

The on-peak billing demand shall be the kilowatts (kW) supplied during the 30-minute period of maximum use during on-peak hours during the month, per schedule below.

Schedule of On-Peak, Off-Peak and Intermediate-Peak Hours

The following schedule shall apply Monday through Friday (except holidays designated by the Department). Weekends and holidays are off-peak.

|                          |                         |
|--------------------------|-------------------------|
| On-Peak Hours:           | 10:00 a.m. to 5:00 p.m. |
| Intermediate-Peak Hours: | 5:00 p.m. to 9:00 p.m.  |
| Off-Peak Hours:          | 9:00 p.m. to 10:00 a.m. |

| Primary Service-High Load Factor (Rate "PI1"), cont.

Holidays designated by the Department

The following are designated as holidays by the Department:

New Year's Day      Independence Day      Thanksgiving Day

Memorial Day      Labor Day      Christmas Day

**Adjustment for Power Factor:**

This rate requires a determination of the average power factor maintained by the customer during the billing period. Such average power factor will be determined through metering of lagging kilovar hours and kilowatt hours during the billing period. The calculated ratio of lagging kilovar hours to kilowatt hours will then be converted to the average power factor for the billing period by using the appropriate conversion factor. Whenever the average power factor during the billing period is above 0.899 or below 0.800, the capacity charge will be adjusted as follows:

- a.            If the average power factor during the billing period is 0.900 or higher, the capacity charge will be reduced by 2%. This credit shall not in any case be used to reduce the prescribed minimum charge.
  
- b.            If the average power factor during the billing period is less than 0.800, the capacity charge will be increased by the ratio that 0.800 bears to the customer's average power factor during the billing period.

**PRIMARY INTERRUPTIBLE**

**(Rate "P3")**

**Availability:**

Open to any customer desiring primary voltage service where the billing demand is 100 kW or more. The individual maximum capacity of a customer served under this schedule shall be limited to 5,000 kW. The aggregate maximum capacity of all customers served under this schedule shall be limited to 10,000 kW.

This rate is not available for standby service, street lighting service or for resale purposes.

**Nature of Service:**

Alternating current, 60 hertz, three phase, single phase, or three phase, the particular nature of the supply voltage in each case to be determined by the Department.

Where the Department elects to measure the service at a nominal voltage of less than 2,400 volts, 3% shall be added, for billing purposes, to the demand and energy measurements thus made.

The customer shall designate an interruptible service contract capacity in kilowatts (kW). The firm service contract capacity in kilowatts (kW) shall be the highest on-peak kW capacity during a recent 12 month continuous period preceding the customers starting date on Interruptible Rate "P3". This firm kW capacity will remain the same as long as the customer stays on this rate. Any break in service under this rate will be cause to re-determine the firm kW capacity by the maximum kW of the most recent 12 months during the interruption periods. During an interruption notice the customer will reduce the total load level to the firm service contract capacity level or be assessed a penalty of \$80.00/kW/per month for each kW over the contract capacity level. These terms, and all terms of this rate, the customer must agree to in writing when contracting for service under this rate.

The contracted interruptible and firm kW capacities will be in effect for each calendar year. The customer may change the interruptible kW capacity by giving written notification to the Executive Director of Traverse City Light and Power at any time. If no notification the interruptible kW capacity will not change.

City of Traverse City  
Light and Power Department  
Effective October 1, 2006

Primary Interruptible (Rate "P3"), cont.

In order to implement Department interruptions, the Department shall install and maintain at the customer's expense, any equipment necessary to permit the Department to notify the customer of interruptions, and to meter and/or monitor such interruptions.

~~Beginning July 1, 2014 any new the customers may, at his option, choose to must purchase and retain ownership of all necessary transforming, controlling and protective equipment and install and maintain this equipment at the their expense. The customer is responsible for all costs and liability associated with the transforming, controlling and protective equipment, or agree to have the utility provide, install and maintain this equipment at the customer's expense. If the customer chooses for the utility to maintain ownership of this equipment, the customer agrees by the acceptance of service under this rate to be responsible for all costs and liability associated with this transforming, controlling and protective equipment.~~

**Conditions of Interruption:**

The period of interruption shall be limited to no more than 600 hours per calendar year, nor more than 10 hours per day. The Department shall endeavor to provide 30 minute notice in advance of interruption and 30 minute notification after an interruption ends. The customer may be interrupted at any time of day or night on any day of the week without the 30 minute notice in the event of any emergency. Emergency interruptions also require the customer to reduce his total load level to the firm service contract kW capacity.

The Department shall not be liable for any loss or damage caused by or resulting from any interruption of service under this rate.

**Monthly Rate:**

|                          |  |
|--------------------------|--|
| Monthly Customer Charge: | \$40.00  |
| Billing Demand Charge:   | \$10.70 per kW of contracted firm service billing capacity                       |
| Energy Charge:           | 5.0¢ per kWh for all kWh consumed during the on-peak period November through May |
| .                        | 5.2¢ per kWh for all kWh consumed during the on-peak period June through October |
| .                        | 4.4¢ per kWh for all kWh consumed during the intermediate-peak period            |
|                          | 4.4¢ per kWh for all kWh consumed during the off-peak period                     |

City of Traverse City  
Light and Power Department  
Effective October 1, 2006

| Primary Interruptible (Rate "P3"), cont.

**Adjustment for Power Factor:**

This rate requires a determination of the average power factor maintained by the customer during the billing period. Such average power factor shall be determined from the customers Rate "P" metering.

**~~Fuel-Power-Cost Adjustment~~Power Service Cost Recovery:**

| This rate is subject to the Department's ~~Fuel-Power-Cost Adjustment~~Power Service Cost Recovery.

**Minimum Charge:**

The capacity charge included in the rate.

**Due Date and Late Payment Charge:**

The due date of the customer bill will be shown on the bill and will be at least twenty-one (21) days from the date of mailing. Payments received after the due date are considered late, and a penalty charge of 2% shall be imposed as a one-time charge.

**Term and Form of Contract:**

All service under this rate shall require a written contract with a minimum term subject to negotiation, and a contracted interruptible kW capacity and firm service kW capacity.

City of Traverse City  
Light and Power Department  
Effective

**COMMERCIAL DEMAND PRIMARY METERED**

**(Optional Rate "D3")**

**THIS RATE CLASS IS CLOSED EFFECTIVE JULY 1, 2014. PRESENT CUSTOMERS WILL CONTINUE TO BE SERVED AT PRESENT LOCATION UNDER THIS RATE.**

**Availability:**

Open to any customer desiring primary voltage service where the billing demand is 5 kW or more. This rate is also available for service to any customer where the Department elects to provide one transformation from the available primary distribution voltage to another primary voltage desired by the customer. This rate is not available for street lighting or for resale purposes.

**Nature of Service:**

Alternating current, 60 hertz, single phase or three phase, the particular nature of the voltage in each case to be determined by the Department.

When service is supplied at a nominal voltage of 15,000 volts or less, the utility shall furnish, install and maintain all necessary transforming, controlling and protective equipment.

Where the Department elects to measure the service on the primary side of the transformers, 3% will be deducted for billing purposes from the demand and energy measurements thus made.

**Monthly Rate:** Customer charge: \$16.00 per meter per month, plus

Capacity Charge: \$12.57 per kW for peak kW of billing demand, plus

Energy Charge: 5.81¢ per kWh for all energy used

**Power Service Cost Recovery:**

This rate is subject to the Department's Power Service Cost Recovery.

City of Traverse City  
Light and Power Department  
Effective

**Minimum Charge:**

The capacity charge included in the rate.

**Due Date:**

The due date of the customer's bill will be shown on the bill and will be at least twenty-one (21) days after mailing. Payments received after the due date are considered late, and a penalty charge of 2% shall be imposed as a one-time charge.

**Michigan Sales Tax:**

This tax shall be added to all bills, including minimum, where applicable.

**Billing Demand:**

The billing demand shall be the kW supplied during the fifteen (15) minute period of maximum use in the billing month, but not less than the 5 kW.

**Adjustment of Power Factor:**

When the average power factor during the billing month is less than 80% lagging, the Department reserves the right to increase the capacity charge for such billing month in the ratio that 80% bears to such power factor. The Department may, at its option, determine the power factor by test or by permanently installed measuring equipment.



City of Traverse City  
Light and Power Department  
Effective

**MUNICIPAL PUMPING SERVICE AT 103%**

(Rate "M3")

**Availability:**

Open to municipalities for primary voltage service for water pumping and/or sewage disposal.

**Nature of Service:**

Alternating current, 60 hertz, single phase or three phase, 2,400 volts or more, the particular nature of the supply voltage in each case to be determined by the Department.

Where service is supplied at a nominal voltage of 15,000 volts or less, the Utility shall furnish, install, and maintain all necessary transforming, controlling, and protective equipment.

Where the Department elects to measure the service at a nominal voltage of less than 2,400 volts, 3% will be added for billing purposes to the energy measurements thus made.

**Monthly Rate:**

Customer Charge: \$19.00 per month per service location, plus

Energy Charge: 10.2¢ per kWh for all kWh

**Power Service Cost Recovery:**

This rate is subject to the Department's Power Service Cost Recovery.

**Minimum Charge:**

The customer charge in the rate applied to each service location.

**Due Date:**

The due date of the customer's bill will be shown on the bill and will be at least twenty-one (21) days after mailing. Payments received after the due date are considered late, and a penalty charge of 2% shall be imposed as a one-time charge.



**TRAVERSE CITY  
LIGHT & POWER**

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**To:** Light & Power Board  
**From:** Tim Arends, Executive Director  
**Date:** June 19, 2014  
**Subject:** Cherryland Electric After-Hours Agreement

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Attached for your review is a proposed After-Hours Agreement between Traverse City Light & Power ("TCL&P") and Cherryland Electric Cooperative ("Cherryland") in which TCL&P would provide after-hours dispatch services (weekdays after 4 p.m. and on weekends) to Cherryland.

In an attempt to create operational efficiencies within its organization, Cherryland approached TCL&P with the idea that TCL&P provide this service locally as opposed to the current practice of their crews being dispatched from an out of area company. Since TCL&P already has a 24/7 dispatch service for its operations, this arrangement seems to make a lot of sense.

The Efficiency Study recommended that TCL&P evaluate its 24/7 dispatch operations. While further evaluation will take place going forward, this added service to the community will give the Operator position greater responsibility while providing a reimbursement to TCL&P for the dispatch services.

It is important to understand that this proposed Agreement will not involve Cherryland customers calling-in to the TCL&P 24/7 dispatch, as TCL&P customers currently do. Cherryland customers will still call their normal outage/problem number; any need for a crew to be dispatched after-hours will be done by TCL&P Operators. At no cost to TCL&P, Cherryland will provide the necessary communications equipment and training.

In the near-term, Cherryland staff will evaluate the service as to its effectiveness for its operations, while TCL&P staff will determine if the Agreement has any negative impacts to TCL&P operations or customers. If the arrangement negatively impact TCL&P operations it can be terminated with proper notice.

Staff recommends the Board approve the Agreement that enable TCL&P to provide crew dispatch services to Cherryland. If the Board agrees with Staff's recommendation the following motion would be appropriate:

**(RECOMMENDED MOTION ON FOLLOWING PAGE)**

MOVED BY \_\_\_\_\_, SECONDED BY \_\_\_\_\_,

THAT THE BOARD AUTHORIZES THE CHAIRMAN AND SECRETARY TO ENTER INTO A CONTRACT WITH CHERRYLAND ELECTRIC COOPERATIVE THAT WOULD ALLOW TCL&P TO PROVIDE AFTER-HOURS CREW DISPATCH SERVICES TO CHERRYLAND ELECTRIC COOPERATIVE; SUBJECT TO APPROVAL AS TO SUBSTANCE BY THE EXECUTIVE DIRECTOR AND AS TO FORM BY GENERAL COUNSEL.

**AFTERHOURS MEMBER SUPPORT AND OUTAGE DISPATCH  
SERVICES INTER-UTILITY AGREEMENT**

This Afterhours Member Support and Outage Dispatch Services Inter-Utility Agreement (“Agreement”) is made by and between CHERRYLAND ELECTRIC COOPERATIVE (“Cherryland”), with its principal offices at 5930 US 31 South, Grawn, Michigan 49637, and the TRAVERSE CITY LIGHT AND POWER DEPARTMENT (“TCL&P”), whose address is 1131 Hastings Street, Traverse City, Michigan 49686, as of \_\_\_\_\_, 2014 (the “Effective Date”).

**RECITALS**

1. In an effort to provide the best services possible to its members, Cherryland desires to retain the services of TCL&P to provide afterhours Cherryland member support and outage crew dispatch services and TCL&P desires to provide such services, on the terms and conditions set forth in this Agreement.
2. Cherryland and TCL&P recognize that contracts between power utilities are permitted by Michigan statute, specifically MCL 460.809.

**AGREEMENT**

In consideration of the above, Cherryland and TCL&P agree as follows:

1. Engagement of TCL&P. Subject to the terms and conditions of this Agreement, Cherryland hereby retains TCL&P to provide afterhours member support and outage crew dispatch services as set forth in detail below, and TCL&P hereby accepts such engagement.
2. Scope of Services. TCL&P shall provide services in accordance with the specifications set forth in SCHEDULE A attached hereto and made a part of this Agreement. The afterhours member support and outage crew dispatch services, including those specifically identified in SCHEDULE A, shall be collectively referred to as “the Services.”
3. Services Provided in Accordance with the Afterhours Response Manual. TCL&P shall provide the Services in accordance with the specifications set forth in Cherryland’s “Afterhours Response Manual” attached hereto as SCHEDULE B and made a part of this Agreement.
4. Hours of Operation. TCL&P shall provide the Services between the hours of 4 p.m. and 7:30 a.m. on normal business days (Monday through Friday) and twenty-four (24) hours per day on weekends, holidays and office closure days to be agreed upon by Cherryland and TCL&P, commencing on July 1, 2014 (the “Launch Date”).
5. Facility. TCL&P will utilize its facility (the “Facility”) for delivery of the Services. The Facility will be equipped with the necessary telephone systems, computer systems, and

various TCL&P support and call monitoring tools to be used in the delivery of the Services. TCL&P shall bear all expenses of operating the Facility, including all expenses for equipment and systems necessary to connect to any telecommunications circuits or facilities utilized or provided by Cherryland to bring calls and/or communications to the Facility, including calls from Callnet Call Center Services.

6. Cherryland Tools and Equipment. Cherryland, at its expense, agrees to provide TCL&P with sufficient tools and equipment, including, but not limited to, copies of software, licenses, VOIP (Voice Over Internet Protocol) telephone, two way radio unit and an OMS (Outage Management System) terminal as reasonably necessary for TCL&P to provide the Services. TCL&P acknowledges that its use of such tools and equipment may be subject to the terms of license agreements required by Cherryland or its third party suppliers, and TCL&P agrees to abide by all the terms and conditions of such licenses in connection with its use of such tools and equipment. However, Cherryland agrees to defend and indemnify TCL&P for any alleged license violation due to Cherryland's providing such tools and equipment.
7. Training. Cherryland will provide necessary training materials to TCL&P on all versions and aspects of its afterhours response procedures as referenced in the Afterhours Response Manual that are unique or specific to Cherryland's services at no charge to TCL&P. Cherryland will provide training for TCL&P employees on the Afterhours Response Manual and the Tools and Equipment, including web based training sessions. Training will be delivered for all aspects of the Tools and Equipment which are unique or specific to Cherryland's services and all updates, upgrades and revisions thereto required to provide the Services will be provided to TCL&P by Cherryland at no charge to TCL&P.
8. Fees for the Services. TCL&P agrees to perform the Services for the fees set forth on SCHEDULE C attached hereto and made a part of this Agreement. Except as provided in Section 10 of this Agreement, such fees cannot be modified by either party.
9. Payment. Commencing with the end of the month of the Launch Date and each month thereafter during the Term (as hereinafter defined), TCL&P will provide Cherryland with a monthly itemized statement for the Services rendered during the preceding monthly period. Cherryland will pay the statement thirty (30) days from receipt of each invoice.
10. Record Keeping. TCL&P agrees to keep accurate books of account and records (in accordance with generally accepted accounting principles) at the address set forth on the first page of this Agreement detailing all fees for its Services. Such books and records shall be maintained by TCL&P for a period of three (3) years after termination or expiration of this Agreement. Upon reasonable notice of not less than thirty (30) days, Cherryland shall have the right, for each twelve (12) month period during the Term, to inspect and audit such books of account and records to verify the accuracy of the information contained in any invoice or the amount of fees for Services paid to TCL&P hereunder.

11. Term. The initial term of this Agreement shall commence on the Launch Date and shall continue for a period of one (1) year from the Launch Date (the "Initial Term"). This Agreement shall automatically be extended for successive one (1) year terms (each a "Renewal Term"). This Agreement shall terminate if either party gives the other written notice of its intention to terminate at least ninety (90) days prior to the termination date. Any time after expiration of the Initial Term, TCL&P may change the prices and terms on which Services will be provided by providing at least one hundred twenty (120) days prior written notice to Cherryland (the "Fee Notice Period"). Cherryland shall have the right, in its sole discretion, to reject such changes and, in such case, this Agreement shall automatically terminate without penalty to either party upon expiration of the Fee Notice Period.
12. Conditions for Termination Based on Non-Performance. Either party may terminate this Agreement without penalty if either party fails to meet any of its performance obligations hereunder or otherwise commits a breach of any term or provision of this Agreement and fails to cure the same within thirty (30) days after written notice from the other party.
13. Warranty of Service. TCL&P warrants to Cherryland that the Services furnished under this Agreement will be furnished in a professional and workmanlike manner and in conformance with the terms set forth in this Agreement.
14. Non-Disclosure; Confidential Information. Cherryland and TCL&P agree that any and all Confidential Information exchanged, shared or provided during the term of this Agreement shall be maintained in a confidential fashion and will not be used or disclosed for any purpose other than as set forth in this Agreement. As used in this section, "Confidential Information" means private, confidential, trade secret or other proprietary information (whether or not embodied or contained in some tangible form) relating to any actual or anticipated business of Cherryland or TCL&P, as applicable, and their respective affiliates, or any information which, if kept secret, will provide the party disclosing such Confidential Information (in each case a "Discloser") an actual or potential economic advantage over others in the relevant trade or industry. As defined herein, Confidential Information includes, without limitation, designs, formulae, compilations, computer programs and files, devices, methods, techniques, know-how, inventions, research and development, business data (including cost data), strategies, methods, prospects, plans and opportunities, customer/member lists, marketing plans, specifications, financial information, invention disclosures, patent applications (whether abandoned or not), techniques, products and services of the Discloser and identified in writing by the Discloser as confidential, proprietary or trade secret information.
15. Restrictive Use of Confidential Information. Except as required in the performance of its obligations under this Agreement or with the prior written authorization of the Discloser, the Recipient shall not directly or indirectly use, disclose, disseminate or otherwise reveal any Confidential Information and shall maintain Confidential Information in confidence for a period of five (5) years from the date of termination or expiration of this Agreement, for whatever reason. Recipient shall use the same care to protect Confidential Information of the Discloser as Recipient uses to protect its own confidential information, but not less than a reasonable standard of care. Recipient shall restrict use of the

Discloser's Confidential Information to its employees, and to those who have been pre-approved in writing by Discloser, who have a need to know the Confidential Information and who have a written agreement with Recipient sufficient to comply with this Agreement. Nothing contained in this section shall in any way restrict Recipient's rights to use, disclose, or otherwise dispose of any information which:

- (a) At the time of disclosure by Discloser was already in the possession of Recipient (provided such information had not been previously furnished to Discloser by Recipient), as shown by a written record;
- (b) Is independently made available to Recipient by an unrelated and independent third party whose disclosure does not constitute a breach of any duty of confidentiality owed to Discloser;
- (c) Is generally available to the public in a readily-available document; or
- (d) Is compelled to be disclosed pursuant to a court order, provided that Discloser shall first have the opportunity to request an appropriate protective order.

16. Termination of Agreement. Upon termination or expiration of this Agreement for any reason whatsoever, Cherryland and TCL&P shall leave with or return to the other all documents, records, notebooks, computer files, and similar repositories or materials containing Confidential Information of the other party and such other party's affiliates, including any and all copies thereof.
17. Injunctive Relief. TCL&P and Cherryland agree that the terms of this Agreement relating to Confidential Information and the use thereof are reasonable and necessary to protect their respective business interests and that the other party would suffer irreparable harm from a breach. Thus, in addition to any other rights or remedies, all of which shall be deemed cumulative, TCL&P and Cherryland, as applicable, shall be entitled to obtain injunctive relief to enforce the terms of this Agreement.
18. Intellectual Property. TCL&P shall not acquire any right to any tradename, trademark, servicemark, copyright, patent or other form of intellectual property of Cherryland. TCL&P shall not use such intellectual property of Cherryland in any manner except in the performance of its obligations hereunder as permitted or contemplated in connection therewith. Likewise, Cherryland shall not acquire any right to any tradename, trademark, servicemark, copyright, patent or other form of intellectual property of TCL&P. Cherryland shall not use such intellectual property of TCL&P in any manner except in the performance of its obligations hereunder as permitted or contemplated in connection therewith.
19. Independent Contractor. With respect to all matters relating to this Agreement, TCL&P shall be deemed to be an independent contractor. TCL&P shall not represent itself or its organization as having any relationship to Cherryland other than that of an independent agent for the limited purposes described in this Agreement.

20. Right of Access. TCL&P shall permit reasonable access for Cherryland to its Facility in connection with work hereunder. No charge shall be made for such visits.
21. Governing Law. This Agreement shall be deemed to have been made in, and shall be constructed under, the laws of the State of Michigan.
22. No Third-Party Beneficiaries. This Agreement confers no rights or remedies on any third-party, other than the parties to this Agreement, and their respective successors and permitted assigns.
23. Cooperation. Cherryland and TCL&P agree to cooperate fully and execute and any all supplementary documents and to take all additional actions that may be necessary or appropriate to give full force and effect to the basic terms and intent of this Agreement.
24. Severability. If any provision of this Agreement or the application thereof is held invalid, the invalidity shall not affect other provisions or applications of this Agreement which can be given effect without the invalid provisions or applications; and to this end the provisions of this Agreement are declared to be severable.
25. Counterparts. This Agreement may be signed in counterparts and all of such counterparts together shall serve as a fully executed agreement, binding upon the parties. All of the signers to any one of the counterparts of this Agreement agree to be bound by the terms of this Agreement even if it is not signed by any or all of the other listed signers.
26. Review. The parties each hereby acknowledge receipt of a copy of this Agreement before signing it. Each understands that the provisions of this Agreement are contractual, and not merely recitals, and that they have read the Agreement, understand it, and sign it as their own voluntary act and deed.
27. Electronic Communication. The parties agree to conduct this transaction by electronic means. This Agreement may be executed by providing an electronic signature under the terms of the Uniform Electronic Transactions Act. This Agreement may not be denied legal effect or admissibility as evidence solely because it is in electronic form, permits the completion of the business transaction referenced herein electronically instead of in person, or has been stored electronically. As an alternative to physical delivery, any document, including any signed document or written notice may be delivered in electronic form by email. Documents with original signatures shall be provided upon request of any party.
28. Force Majeure. If either party is prevented or delayed in the performance of any of its obligations under this Agreement due to Force Majeure (defined below), that party will provide written notice to the other party specifying the nature and expected duration of the Force Majeure. The performance of the party invoking Force Majeure with respect to any obligation will be excused for the period of delay or inability to perform due to Force Majeure. If the total of any period of delay or inability to perform due to Force Majeure asserted by either party during the Term equals or exceeds 30 consecutive days, the other party will have the right, at its option, to either terminate this Agreement by written



notice or to continue to excuse the first party's performance for the period of any delay or inability to perform due to Force Majeure. As used in this Agreement, "Force Majeure" shall mean any act of God, fire, casualty, flood, war, strike, lockout, labor trouble, court order or any other circumstances beyond the reasonable control of the party asserting it that prevents or delays the performance of any of its obligations under this Agreement.

This Agreement is made by and between the parties as of the Effective Date.

CHERRYLAND ELECTRIC COOPERATIVE

\_\_\_\_\_  
By:  
Its:

TRAVERSE CITY LIGHT AND POWER DEPARTMENT

\_\_\_\_\_  
By: John Taylor  
Its: Chairman

\_\_\_\_\_  
By: \_\_\_\_\_  
Its: \_\_\_\_\_

Approved as to Substance:

\_\_\_\_\_  
By: Timothy J. Arends  
Its: Executive Director

Approved as to Form:

\_\_\_\_\_  
By: W. Peter Doren, Traverse City Light & Power  
Its: General Counsel

## SCHEDULE A

The Services to be provided by TCL&P under the Afterhours Member Support and Outage Dispatch Services Agreement (“Agreement”) shall include:

1. Monitor telephone, email and Outage Management System (OMS) for outage tickets from Callnet Call Center Services or any other provider
2. Dispatch Cherryland personnel or contractors, including but not limited to, linemen, meter techs or Miss-Dig locators as necessary and appropriate
3. Provide coordination with Miss-Dig and/or other utilities as necessary and appropriate
4. Monitor radio and telephone calls from Cherryland crews and Cherryland’s On-Call Supervisor(s)
5. Contact Cherryland members as need for necessary communications, follow-up or additional information
6. Maintain accurate and real time status in OMS and Phone Call logs
7. Adjust outage connectivity and crew assignments to match scope of outages as provided by linemen, crews or OCS
8. Restore outages in OMS with times, causes codes, equipment codes and comments
9. Initiate, draft and send emails to Cherryland staff/employees for required follow-up items
10. Field, and respond to, questions submitted from linemen and/or crews and refer same to the OCS as necessary
11. “Call Out” linemen per the Callout List and document all calls and the reason(s) for same
12. Other services necessary to effectuate the intent of the Agreement
13. Those additional services agreed upon by Cherryland and TCL&P



# Schedule B:

Afterhours

Response

Manual

## Introduction

This manual is meant as a guide for all on-call supervisors and employees who have the responsibility of afterhours cooperative business that may come up. It is the practice of the Engineering & Operations Manager to seek out interested Managers and Supervisors and to assign each on a one-week-rotating basis, to the position of **“On-Call Supervisor” (OCS.)**

This person, in general, is responsible for any cooperative issues that would come up outside of normal business hours. Including but not limited to:

- Level based After Hours Outage procedures
- On-Call Line Crew Dispatch Procedures
- Additional Specific Work Procedures
- Scheduled Overtime Procedures
- Qualified linemen OT list maintenance
- Apprentices
- MIR Call in Procedures
- Managing social media/communications
- Approve Time Sheets
- Re-Connects
- Collections
- Water Heater
- Accident Investigation
- Post-Accident Drug Testing

This manual is meant as a guide for the On-Call Supervisor and **“After Hours Dispatcher” (AHD)** to follow, to better manage the responsibility of the positions. The guide also covers the some specific responsibilities of the employees working afterhours. This guide is not meant to be all inclusive, best practices and sound decision making is critical in operating our system safely and consistently. The guide is organized and separated into the above sections so that quick reference is available in all circumstances.

In this draft the AHD is based on TCLP dispatchers performing these duties.

## After Hours Outage Procedures:

Outages that occur outside of normal working hours, which include, overnight, holidays and weekends, are the sole responsibility of the On-Call Supervisor.

There are three levels of after-hours-outages:

- ♦ Level 1 – AHD Outage Dispatch
- ♦ Level 2 – CEC Outage Dispatch
- ♦ Level 3 – “All hands on deck”/Major Storm

The On-Call Supervisor determines, through established criteria, what Level Cherryland is on at any given time.

1.

## Level 1 – AHD Outage Dispatch

### Typical Conditions:

- ♦ AHD dispatches standby linemen and consults OCS as needed
- ♦ Isolated outages
- ♦ Normal crew outage restoration processes are reasonable for ticket volumes
- ♦ Available resources of “on call” crew and available crews via normal call out procedures are acceptable

### General Procedure:

1. Calls come into OMS by speaking with CallNet rep, or through Cherryland IVR or SmartHub or SCADA
2. CallNet call taker enters information into CallNet system, which in turn, down loads the information to **Outage Management System (OMS)**
3. CallNet system notifies AHD Dispatcher via:
  - I. OMS Alerts
  - II. CallNet E-Mails
4. AHD checks OMS for AMI conflict
  - I. AHD calls member if AMI conflicts or OCS for guidance on non-outage calls
    - a. See “On-Call Line Crew Dispatch Specifics”
  - II. If AMI is “verified” or stuck “requesting” AHD will treat as an outage
    - a. See “On-Call Line Crew Dispatch Specifics”
5. AHD assigns crew in OMS
6. Crew Responds to outage or Hazard
7. Crew reports to AHD when they are on site and have identified the open point.
  - I. Crew reports the open point location and device
  - II. Crew reports the estimated patrol time.
  - III. AHD enters details into OMS including:
    - a. time on site
    - b. adjusts outage connectivity in oms, if needed (Merge, split, set device, verify, etc)
    - c. sets ETR based on patrol time plus 2 hours.
8. AHD will set safety status check to 1 hour beyond patrol time estimate provided by linemen.
9. AHD will update ETR or comments if new information is provided by Linemen.
10. Crew restores power
11. Crew calls AHD with outage information including:
  - Time Back on
  - Cause Code
  - Equipment Code
  - Protective device location, type, and size
  - Partial, step, or back-feed restoration process, if any
  - “No Outage” if appropriate

Any required follow-up

12. AHD restores outage in OMS
13. AHD e-mails any items requiring follow-up to CEC Scheduler via E-mail.
14. CEC Engineering staff to review outages for connectivity and coding accuracy daily.
15. AHD shall report any disconnected or reconnected meters to CEC via E-mail so that the account records can be adjusted accordingly. E-mail outage/restoration ticket to [CEC@cecelec.com](mailto:CEC@cecelec.com) and copy [outagelist@cecelec.com](mailto:outagelist@cecelec.com).
16. OCS shall assure that a Service Order is generated for any follow-up work that is required from afterhours events.

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## On-Call Line Crew Dispatch Specifics:

- Daylight hours:
  - AHD shall dispatch First Stand-by Lineman with truck only.
    - Second linemen should also be automatically dispatched on the following:
      - 911 calls requesting our response
      - \*Known line outages with lead designation and/or 4 or more equipment locations
      - Reports of down power lines with power out
      - \*Outages locations with drive times exceeding 40 minutes
  - AHD shall confirm with On-call Supervisor prior to dispatching the following calls:
    - Members who currently have power
    - Outage locations not found in the database
    - All non-outage calls, except 911 calls
    - Outages calls with "AMR conflict: True"
  - First Stand-by may contact AHD, for additional help (see below)
  - AHD shall contact On-call Supervisor if outages escalate.
- Non-Daylight hours (starting 30min before sun set: )
  - AHD shall dispatch First Stand-by with truck to the outage or hazard.
  - AHD shall also dispatch the second Stand-by.
    - The second Stand-by shall contact the First Stand-by for any special directions
    - The second Stand-by shall report to the shop to get the appropriate company vehicle/equipment and proceed to assist the First Stand-by.
  - Stand-by Crew may contact AHD for additional help (see below)
  - AHD shall contact On-call Supervisor if outages escalate.
- In the event additional Stand-by or Linemen are requested:
  2. AHD shall seek approval from the On-call Supervisor to call in additional Stand-by or Linemen.
  3. Additional Stand-by or Linemen shall report to the Shop and contact the First Stand-by to determine what Trucks and/or Materials will be needed, prior to leaving shop
  4. AHD shall report to the On-call Supervisor who they contacted and who has been sent to help.
  5. AHD shall continue to maintain a log of the call out process (W/refusals, VM left, no answer, call backs, and accepted.) Also see "Additional Specific Work Procedures."
  6. On-call supervisor shall review the call out process with AHD after each time the call out list is utilized.



## Level 2 - CEC Outage Dispatch

- ♦ Trigger(s) to go to Level 2 (only one trigger required)
  - Help beyond the "Qualified List" to be utilized
  - OCS's Discretion
  - Consideration Points:
    - More Than Seven Open line Outages
    - More than Three Crews working
- ♦ Typical conditions include:
  - Widespread outages
  - Outages are expected to be restored within a 36 hour period
  - Crew resources beyond the "Qualified List" might be utilized
  - Qualified lineman investigator process may be utilized
  - Apprentices, Bird Dogs, and Warehouse staff may be utilized
  - Some contract and ROW crews may be utilized

### General Procedure:

1. OCS informs E&O Manager that OCS will assume dispatch responsibilities. (General Manager shall be backup if E&O Mgr is not available)
  - I. E&O Mgr/OCS begins calls additional Supervisor Staff, as required
  - II. E&O Mgr/OCS review call out procedures and evaluate additional needs
  - III. OCS notifies Grass Roots and Public Relations (outages@cecelec.com)
  - IV. E&O Mgr updates GM that outages have escalated
2. OCS informs AHD and all working crews that CEC will assume complete dispatch responsibilities (identify dispatcher to all, even if it is the OCS)
  - I. CallNet continues to take calls and multispeak to OMS
  - II. CallNet shall call Dispatcher on all 911 calls and other eminent hazards
  - III. CEC Dispatcher and crews shall establish and facilitate elevated communications between crews
    - i. Dispatcher and Crews shall ask questions, not make assumptions
    - ii. All crews shall check in with CEC dispatcher before energizing
    - iii. All crews shall check in with CEC dispatcher before moving to another outage location
  - IV. CEC Dispatcher maintains crew and outage status in OMS
3. OCS coordinates outages by priority and crew availability;
  - I. 911 crews on site
  - II. Largest number out of power are first priority – Circuit - Line Section – Tap
  - III. Divide crews in quadrants as applicable – N-S-E-W
4. E&O Mgr/OCS discuss and call Additional crews as needed;
  - I. Contractors
  - II. Green apprentices, warehouse, metering, engineering, etc.
  - III. IT staff to assist with communications needs
  - IV. MIR to Close Outage(s) if Necessary
5. CEC Dispatch restores outages, see Level I outage procedures 10-13

## Level 3 – "All hands on deck" / Major Storm

- ♦ Possible Triggers for Level 3:
  - Outage durations are expected to exceed 36 hours
  - 10% or more of members are without power
  - OCS needs office support
- ♦ Typical Conditions:
  - MECA is contacted to provide Mutual Aide Crews
  - All available crew resources are needed and sought
    - Cooperatives
    - Municipals
    - IOUs
    - Contract line crews
    - Contract tree crews
    - Others as required
  - Large scale outages – office is opened with all cross functional support provided
    - Engineering / Operations / Warehouse Services
    - Member Services
  - Public Relations / Grass Roots fully engaged
  - Qualified journeyman and non-qualified investigators process is fully utilized
  - Members and Media are notified to prepare for extended outage durations of multiple days or more

Additional procedures over Level 2 to be implemented:

- E&O Mgr & supervisors shall make it clear to all required employees that this is an “all hands on deck” Level 3 event.
  - It is expected that employees all make necessary personal arrangements to work approximately 15 hours on, and 9 hours off, shifts through the duration of the event or they need to request to be excused by their normal supervisor for specific situations.
  - Employees shall check with the active supervisor before being released each day to confirm their return to work time and shall plan on returning to work unless specifically released for extenuating circumstances or completed system restoration.
- Supervisory staff in coordination with E&O Manger will establish a schedule of start and release times based on 9 hours off, 15 hours on.
  - Crew schedules shall be managed to maximize daylight work and to maintain 24 hour response to 911 type calls.
  - This may mean adjusting start/finish times as required.
  - Adequate analysis needs to be used when coordinating schedules between employees and outside crews so as not to violate work rules within the collective bargaining contract and amendments.

- Outage priority will be maintained as follows:
  1. Calls from 911 crews on site waiting or other eminent safety hazards
  2. Larger outages (Feeders and Large Line sections)
  3. Critical infrastructure loads (create critical load list)
  4. Longer duration line outages
  5. General Line sections and tap outages
  6. Transformer and meter outages with medical emergency
  7. Remaining transformer and meter outages
  8. General hazards that have power

During this event staff will immediately refer to the Cherryland Electric Cooperative Emergency Restoration Plan.

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## Additional Specific Work Procedures:

### Continuation of Duty:

- Employees working at the end of a regular work day shall continue working on their current job or outage until completed.
- Crews working on regular scheduled work shall seek approval from their supervisor to work OT in appropriate, prior to the end of the work day.
- The Standby and call out list procedures should be used as appropriate for new jobs or outages that need to be dispatched after 3:30pm.

### Call Out List Procedures:

- Scheduled standby linemen shall always be called first for overtime, if they have not limited out on the 16 hour rules.
- Additional Linemen shall be called in order specified the from the callout list for the time period.
- They shall be call sequentially until all help need has been obtained, or the complete list has been called twice.
  - If the list has been completed twice and required help still has not been obtained, the outage shall be escalated to Level 2.
- If addition help is need within an hour of the last use of the list, calling should resume from where the last linemen was called in.
- If linemen return missed calls when going through the list, they should be dispatched if we haven't yet dispatched the requested number of linemen.
  - If the requested number of linemen have already been dispatched, the linemen who returned missed calls will not be needed at that time.
  - If additional linemen are need, before we start over at the top of the list, those linemen that called back, but were not dispatched, should be re-contacted (in their original order on the list) before proceeding down the list where we previously left off.
- If an hour passes since the last use of the list, calling shall revert back to the beginning of the list and continue sequentially as needed.

### Use of Non- "Qualified List" Employees

- CallNet/OCS shall go through the qualified list twice prior to seeking or accepting help from CEC, or other, resources beyond the qualified list.
- If it is more than an hour since we went through the list twice, we shall call through it again a third time. Confirm the steps are documented prior to seeking or accepting help from CEC or other resources beyond the qualified list.
- Remember if CEC employees call back, within a reasonable time (10 minutes) and we have called for outside help, we must bring them if we have open outages without crews on them, or provide them with a scheduled start time to facilitate scheduled work time on level 3 outages.

### Over Time Accounting:

- Start and finish times worked must be provided in time sheet comments for all overtime worked.
- OT starts at time of callout.
- Hours worked starts when employee arrives at CEC "punch in" or when standby starts driving a CEC vehicle.
- Employees on Standby shall be "immediately available"
- Employee called from the list, shall be in route to CEC as promptly as possible and within 15 minutes, or less, of call out time.
- OT and hours work end when employee leaves CEC "punch out", or when the standby employee arrives at home driving a CEC vehicle.
- OT as a continuation of work is not paid ½ hour call out or 2 hour minimum.
- 2 hour Minimum callout allowance does not apply to OT immediately preceding regular shift.
- Working through lunch must be approved by you supervisor at time of, or advance, to be paid for the ½ hour O/T.

#### 16 Hour Procedures:

- Linemen should be relieved from service once they have worked 16 hours in a rolling 24 hour block, when possible.
- Typically linemen will be sent home upon completion of the outage on which they reach their 16 hour limit, or if they feel unfit to continue work.
- If linemen have not yet hit their 16 hour limit, they should still be consider for new assignments, even if at 15:45 hours with the desire to continue to the next assignment.
- Linemen should be off work for 9 hours, whenever possible, to reset their 16 hour limit.
- See Level 3 Event for major storm scheduling exception.
- Linemen shall be responsible for monitoring and reporting their hours before they reach their 16 hour limit or if they feel unfit to continue work, they shall notify the OCS.

#### Paid Rest:

4.6 "If, within the nine (9) hour rest period, his regular work hours are scheduled, he will be paid for the regular scheduled hours during this rest period at his regular straight time hourly rate. For purposes of this sub paragraph, rest time shall be determined from the time of punch out to the time of punch in."

#### During Level One Events

- When linemen are approaching their hour limit, Linemen shall report to the OCS prior to the 16 hour mark. OCS shall instruct CallNet with their deadline, and CallNet shall release the linemen when they report restoration on their current assignment, if they have reached the 16 hour deadline.
- Linemen shall not be dispatched to new outages once they have reached their 16 hour limit. CallNet shall record, and report to the on-call supervisor their return to work time.
- OCS shall report to the Operations Supervisor and/or Engineering Supervisor details of their employees rest status.
- Linemen shall communicate with the supervisor if there are any problems with this.

- On-call
- Supervisor shall instruct CallNet dispatchers what to do if additional calls come in. Either going to the list, or contacting the supervisor as appropriate for the situation.

#### During Level Two and Level Three Events

- All CEC available qualified linemen "A" must be working, offered work, limited out on 16 hours, or scheduled in 15 hour on / 9 hour off rotations when other resources are to be used in power restoration efforts.
- In extended outage scenarios, when restoration times are expected to exceed 36 hours, standby linemen for the week will work the "night shift" when possible.
- Additional linemen will be called in linemen to start at sun up, and working to maintain that rotation as best possible for extended outages.
- During week days, when more than the two standby guys are need during the night, the third man for the upcoming weekend will be used first, whenever possible.
  - If additional crews are needed at night it will be based on their hours availability on the call out list if more crews would be available than needed.

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## Scheduled Overtime Procedures

- This procedure applies to both members requested O/T and Cherryland driven O/T events (including hot line demos) for which there are two business days, or more, notice available to establish the schedule.
- Scheduled standby linemen for the week shall work scheduled overtime, as required, to maintain "equitable distribution of over time."
- Scheduled O/T shall be posted or verbally indicated by going through the lineman overtime list, if required, to obtain additional linemen to fulfill the needs of the scheduled overtime from least to greatest hours worked.
- Refusal shall not be charged.
- If no volunteers are found through this process, additional linemen as needed for scheduled O/T shall be duty as assigned to the low hour linemen (they may find their own replacement should they have a conflict.)
- OCS shall provide details of scheduled O/T to CallNet for their use.
- Scheduled standby crew shall notify the OCS when they have completed the schedule O/T work.
- Lineman shall be reasonably available via the normal call out list process should additional help be required during the scheduled O/T event.
- "Standby" pay premiums will apply to the weekly scheduled "standby" linemen only.

## Qualified O/T List Maintenance

- New hires into the linemen call out list will have their hours worked number set to match the linemen with the most hours worked year to date, and put in the last position on the linemen callout list, once they have completed the 6 month probationary period or sooner if their supervisor approves they are ready to be on call.
- When callout pool becomes divisible by 2 and 3, we enter into a fixed repetition.
  - The schedule is maintained, but we rotate the three guys in each week to a different man position each time their week comes up.
  - Person A gets 1<sup>st</sup> man first rotation, second rotation he gets 2<sup>nd</sup> man and on 3<sup>rd</sup> rotation he get 3<sup>rd</sup> man and then back to first man on 4<sup>th</sup> rotation.....
- Employees out on extended leave, workers comp, FMLA, etc.
  - Should be charged refusal hours for posted standby weeks.
  - If they can trade their weeks for later on after they are back, then they come back with the O/T hours they had when they left, or 0 hours if they are out over the New Year's reset.
- Posting for standby weeks offered up: Post on board in linemen's room on standby posting form.
  - Linemen giving up week shall be charged refusal for hours worked by bidder. Bid shall be awarded too bidder with lowest hours worked.
  - Bids shall be taken down Friday am of week before standby.
  - Bid will be awarded Monday as soon as prior week O/T hours are calculated to be used to determine low hour bidder.
  - Bidder must be eligible for standby position at time of award. (100% medical and apprentices must have the needed hours for the step required for the posted position.)
- See "Apprentices" section for apprentices and O/T.



## Refusal time

- OCS shall report to accounting weekly any employee who refused an offer to work over time.
  - They shall include the time and date of the call and who the next person on the list was that took the offer to work.
  - This must be provided to accounting by 9am Monday morning for the preceding week so that the new hours can be calculated.
- Refusal time is charged to the originally scheduled linemen for hours worked by employee who sign posted standby weeks.
- Do not charge refusal on mutual aid outage assistance requests. Stand-by can go, but must trade or get coverage for their standby by low hour list.

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## Apprentices

Apprentices become hot at 3,000 hours, according to the GLE/IBEW joint apprenticeship program and the CEC-UWA contract. At this point they become eligible to fill the role of a third or fourth man on stand-by. However they will not be placed on the lineman call out list or be eligible to be the second man on a two man crew until they have reached 4,000 hours, at which point they are considered to be experienced enough with hot work to be the second man on stand-by.

Apprentices shall be added to the stand-by schedule when a new year's schedule is made, when they are expected to hit 3,000 hours.

Apprentices between 3,000 and 4,000 hours that land on the standby list as 1<sup>st</sup> or 2<sup>nd</sup> man shall be moved to the 3<sup>rd</sup> man position for the week, and the 3<sup>rd</sup> man shall assume the apprentice's 1<sup>st</sup> or 2<sup>nd</sup> man duty accordingly.

3,000-4,000 hour apprentices (4th Step) shall be able to bid on posted 3rd man standby positions, however 4,000 hour+ apprentices and Linemen shall have priority over 4th step apprentices since these 4th step apprentices have not yet had their hours adjusted and are not yet on the linemen callout list.

Apprentices with 4,000 hour+ that land on the standby list as 1<sup>st</sup> man, they shall be moved to 2<sup>nd</sup> man position and the 2<sup>nd</sup> man for the week shall assume 1<sup>st</sup> man position.

When an apprentice with 4,000 hour+ is on standby as the 2nd man he will accompany the first man, whenever practical, to further develop their trouble shooting experiences.

Apprentices shall be on their own O/T list until they reach 4,000 hours, they may be called from this list to work with a two lineman or more crew, if all linemen from qualified list have been offered the opportunity to work. When an apprentice reaches 4,000 hours, they are added to the linemen call out list, their hours worked will be adjusted to match the linemen with the most hours worked year to date, and put in the last position on the callout list. Apprentices will be skipped on the list if single lineman is required.

All apprentices need to work with a qualified journeyman at all times and will not be permitted to perform any hot work without the supervision of a journey man.

Apprentices shall not be eligible to take the first standby position until they have completed the apprentice program and are qualified as a journey man.

Regardless of prior education, apprentices will start their apprenticeship with zero hours, Step 1 for logging of apprenticeship hours and for progression work rules.

*When apprentices reach the on-call schedule, they shall be rotated annually to work with a different pair(s) of linemen from year to year. This enables apprentice to learn from a large group of linemen.*

## MIR(s) Call in Procedures

Level II Event Occurs – E&O Mgr/OCS shall notify Member Service Department Manager

E&O Mgr shall coordinate with Member Service Department Manager when additional staff is need in operations for dispatching or outage/AMI system operations.

Member Service Manger will make the call on when:

- MIR(s) are necessary to take over phones (from CallNet)

MIR(s) will be called in order on weekly call out sheet

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## Managing Social Media/Communications


Triggers to notify Grassroots:

- Copy Grassroots on all outage information e-mails.
- Grassroots will monitor oms/e-mail during 7am-9pm +/- . Call Grassroots with any information to be posted on social media at night as needed.
- Pass along any information about the outage, conditions

Triggers to notify Grassroots and Media Relations:

- 1,000 or more total meters out of power
- Telephone System Problems Occur
- Public service announcements are needed

## After Hours Delinquent Collection / Reconnects

- For safety reasons, field representatives will **not** accept payment in the field.
- There are three options to make payment, should a member want to be reconnected after hours:
  - The member may pay online using our self-service SmartHub website.
  - The member may phone our automated payment system at **1-(800)-442-8615**.
  - The member may speak with a CallNet attendant.
    - The CallNet attendant will make payment on behalf of the member through SmartHub.
      - The Member Service Department will e-mail CallNet a spreadsheet weekly with accounts eligible and ineligible for auto-restoration.
- If a member has a remote installed at their location and they were disconnected for nonpayment within the last week, their service is eligible for auto-reconnect.
  - Following payment of the delinquent balance and the reconnect fee of \$50.00, the member's service will be automatically restored.
- Kyle is available until 7:00 PM the day of disconnect to resolve any meter/reconnect problems should they arise.
  - Any meter/reconnect problems that arise after 7:00 PM on the day of disconnect (or any other day following disconnect) will be addressed the following business day.
    - If an auto-reconnect fails on a Saturday, a reconnect will be scheduled for Monday morning.
- If a member does not have remote capability installed at their location, or if it has been >6 days since they were disconnected for nonpayment, they are not eligible for auto-reconnection.
  - The member must still pay the delinquent balance and the reconnect fee; however, their account will be scheduled for reconnect the next business day.
- To know whether or not a member has been disconnected for nonpay, refer to alerts portion of CIS.
  - A DNP alert will be present when the member's account is in focus 
- \*\*If there are any extenuating circumstances with a delinquent collection/reconnect situation, please contact the Member Service Supervisor.

## **Approval of Time Sheets**

- Time sheets will be approved by employee Supervisor(s) the following business day

## **Water Heater / Dual Fuel**

- Contact Power Quality Technician
- Review LCT/LMT troubleshooting procedure with member, if practical
- Contact on-call electrical contractor to resolve the issue

## **Accident Investigation / Reporting**

### Car-Pole Accidents

- Line crew will take photos of scene
- Line crew will ask police officer for complaint number
- Line crew will turn in all documentation to supervisor
- Any/all evidence from the scene shall be saved (pole, transformer, et cetera)

Public Injury - contact Safety Director

Property Damage or Vehicle Damage Accident – contact Safety Director

Property Damage or Vehicle Damage Accident involving a CEC employee – must be investigated and documented – Contact Safety Director

Any employee involved vehicle accident, in which any vehicle is towed or any party is transported for medical attention, requires a drug test. OCS must transport employee to a medical facility. Drug test forms are in folder in the outage center.

OCS shall gather complaint number, material usage sheets, and any required follow-up needs and provide to Scheduling Administrator for billing purposes. Operations supervisor shall obtain police reports and assure the billing packages are provided to accounting for invoicing in a timely manner.

## **Employee Injury Reporting**

Any Employee injuries must be reported to the immediate supervisor and in writing to the Safety Director. Any injuries that require treatment will also require that the employee is drug tested at the time of injury/treatment. Employees must be treated at Munson Emergency Room or Walk-in Clinic.

**SCHEDULE C**

**SERVICE FEE SCHEDULE**

Base Dispatch and Administration Fee \$1,200/Month

Included Dispatch Events: 90/Month

Additional fee per Dispatch Event: \$10/Dispatch Event


A "Dispatch Event" is defined as notification(s) that requires the dispatch of field personnel and which results in one restored outage ticket.

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TRAVERSE CITY  
LIGHT & POWER

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**To:** Light & Power Board  
**From:** Tim Arends, Executive Director   
**Date:** June 18, 2014  
**Subject:** Hall to Gray Substation Transmission Line Upgrade Justification

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Attached for your review is written justification for the need to upgrade the Hall to Gray Substation transmission line that currently runs along Wayne Street and through Hickory Meadows and Hickory Hills. Also attached is a map of the various high voltage lines that run through the area. The blue dashed line is that section of the Hall to Gray Substation transmission line that was undergrounded in recent years.

I have included in your packet a letter sent to the Slabtown Neighborhood that identifies the process for making a decision on the transmission line. At your meeting on Tuesday, the presentation is to focus only on the need for the transmission line, and whether to upgrade that line to current day standards. Michael McGeehan of GRP Engineering, Inc. will be in attendance to support its recommendation to upgrade the line in the best interests of TCL&P, and to answer any of the Board's questions.

At this meeting staff is seeking direction from the Board on whether to pursue upgrading the transmission line as identified in the capital plan. If the Board provides that direction, I will proceed with the next steps of the process in coming to a decision of how and where to upgrade the transmission line.



To: Tim Arends  
Firm: TCL&P  
From: Michael P. McGeehan

Client: TCL&P  
Project Name: Miscellaneous Engineering  
Project No: 13-0576.01  
Issue Date: April 28, 2014

Subject: Gray Road – Hall Street Transmission Line

Background

The Gray Road – Hall Street 69kV transmission line (originally referred to as the "Grawn Line") was designed in 1958 and constructed in 1959. Line design met the requirements of the National Electrical Safety Code (NESC) in place at that time. The NESC is the code that governs the design of overhead transmission lines including horizontal and vertical clearances to the ground and adjacent structures. The line was insulated for and operates at a voltage of 69,000-volts. Transmission conductor is #4/O ACSR and had an original design thermal rating (ampacity) of 105A (13MVA). A thermal upgrade study was completed in 2009 and line modifications were finalized in 2010 to increase the conductor rating to a maximum of 381A (45MVA) at peak summer conditions. Current peak system for TCL&P is 603A (72MVA), therefore the line is rated to support 63% of TCL&P system load.

This transmission line has been in operation for 55 years which is well in excess of the typical 30 – 40 year typical lifespan. It is the oldest section of transmission line on TCL&P's system. Poles, conductor and hardware are original (circa 1959) with the exception of two poles added and three poles replaced as part of the thermal upgrade completed in 2010. Although overhead electric systems including poles, conductor and hardware generally last longer than expected, this line is well beyond its anticipated useful life. Pole testing is scheduled to be completed in spring 2014 to determine if any poles require immediate replacement. Testing and analysis of hardware and conductor is not practical and therefore has not occurred. Aluminum conductor does lose strength over time due to conductor heating and no analysis has been completed to determine the extent of loss of conductor strength.

This transmission line is one of the four 69kV connections for TCL&P to the regional 138kV transmission system. [REDACTED 1] Currently three of the 69kV lines are in service [REDACTED 2], and the fourth is scheduled to be in service May 2014.

Analysis

The Midcontinent Independent System Operator (MISO) is the Regional Transmission Organization that manages the transmission system assets of TCL&P and insures the Infrastructure meets North American Electric Reliability Corporation (NERC) criteria. NERC is the entity that enforces reliability standards and completes assessments of the bulk electric system, including transmission lines, all under the oversight of the Federal Energy Regulatory Commission (FERC.) A key requirement for the TCL&P 69kV transmission system is that it must be operating as a looped system to insure reliability and provide support to the bulk electric system. Currently there are two 69kV lines serving the TCL&P system from the south out of Grand Traverse Substation. One of these lines is looped to Gray Road Substation through the Gray Road – Hall Street Transmission Line. The second 69kV line will be connected into a separate loop with the completion of the East Hammond Substation and associated transmission Line. Therefore, the Gray Road – Hall Street Transmission Line must remain in service to keep the TCL&P transmission system within the MISO

requirements. MISO has also flagged this transmission line in the past as needing to be rebuilt based on load, age and single-contingency planning. Single-contingency refers to the loss of one piece of equipment (e.g. pole/structure, breaker, transformer) on a particular transmission line segment. Should TCL&P choose to not rebuild, MISO may force TCL&P to rebuild or remove it from MISO.

The two existing 69kV transmission lines serving TCL&P's system from Grand Traverse Substation occupy the same structures (poles) for a distance of 1.6 miles. [REDACTED 3] In the event of the loss of one transmission structure within this section of line, both transmission circuits from Grand Traverse Substation would be out of service. This single contingency outage (loss of one structure) produces a loss of two transmission lines. The remaining transmission source into TCL&P's system would be the line from East Hammond Substation. Although this line is being constructed to handle 100% of TCL&P load under peak conditions, the existing 69kV transmission lines interconnecting TCL&P's four distribution substations are not sized to handle full system load. Therefore, load shedding (customer outages) would occur under a single contingency situation if the Gray Road - Hall Street line is out of service or is unreliable. These outages would be lengthy as spare structures for the double-circuit line are not stocked by TCL&P.

#### Planned Upgrades

Reconstruction of the Gray Road - Hall Street 69kV transmission line will include replacement of all wood poles, insulators, conductor, plus associated hardware, guying, and anchoring. Poles will generally be replaced in the same location, although revised pole spacing will occur where it makes good engineering and practical sense. Poles will be taller due to increased conductor sag with the proposed #795 ACSS conductor. This increased height will provide the NESC required clearances over ground features plus distribution circuits, and joint-use (phone, cable, etc.) lines on the same poles. Line design will give preference to traditional round wood poles. Self-supporting laminated wood structures will only be utilized if installation of guying and anchoring is not possible. The line will be insulated and operated at 69kV for the foreseeable future.

#### Conclusion

The 69kV Gray Road - Hall Street 69kV transmission line must remain in service to provide the most reliable transmission system for TCL&P and interconnected utilities by eliminating potential customer outages under first (single) contingency conditions and to meet MISO requirements of having transmission lines looped. Completion of the South Substation project including installation of 69kV circuit breakers will allow for automatic clearing of any faults on the south [REDACTED 4] line section thereby maintaining service to all TCL&P customers plus Wolverine Power's South Airport Substation assuming the Gray Road - Hall Street 69kV line is re-conducted. Completion of two 69kV transmission loops capable of serving peak system load provides adequate redundancy within the transmission system.

Signed:   
GRP Engineering, Inc.

cc: TCL&P  
Tom Olney  
GRP Engineering, Inc.  
Rob Shelley

660 Cascade W Parkway SE Suite 65  
Grand Rapids MI 49546  
P: 616.942.7183  
F: 616.285.6448

[www.grp-engineering.com](http://www.grp-engineering.com)

459 Bay Street  
Petoskey MI 49770  
P: 231.439.9683  
F: 231.439.9698

  
**WOLVERINE**  
POWER COOPERATIVE

May 5, 2014

ERIC D. BAKER  
President/CEO

John Taylor  
Chairman of the Board  
Traverse City Light & Power  
1131 Hastings Street  
Traverse City, MI 49686

Tim Arends  
Director  
Traverse City Light & Power  
1131 Hastings Street  
Traverse City, MI 49686

Dear Messrs. Taylor and Arends:


I am writing to express Wolverine Power Cooperative's support for the Traverse City Light & Power (TCL&P) proposed project to rebuild the Gray Rd – Hall Street transmission line. This project was contemplated nearly a decade ago and is required to meet area reliability needs. This project will impact positively the reliability for customers of Traverse City Light & Power, Cherryland Electric and Consumers Energy.

Nearly a decade ago, TCLP and Wolverine jointly assessed and planned a series of projects to improve reliability in the Grand Traverse Region. During that process, the scope of the Gray Road project expanded to include a reliability benefit to Consumers Energy as well. The three step plan was significant but simple: Step 1, Interconnect the three transmission systems of Wolverine, TCL&P and ITC/METC at Gray Rd; Step 2, Wolverine would rebuild its transmission lines around Traverse City; Step 3, TCL&P would rebuild 4 miles of line between Gray Rd and Hall Street. Steps 1 and 2 were completed by 2010. Step 3 is the last important step.

Wolverine has rebuilt nearly 300 miles of 1950s vintage transmission line very similar to that of the existing TCL&P Gray Rd to Hall Street line. The new lines are capable of moving 4-8 times the amount of power, they are more energy efficient (due to lower line losses), and they have proven to withstand harsh Michigan storms. In fact, during three significant storms over the past year including 80+ mile per hour straight line wind storms, a massive ice storm and other significant weather events, Wolverine's new lines remained intact and energized, when old poles broke in the storms.

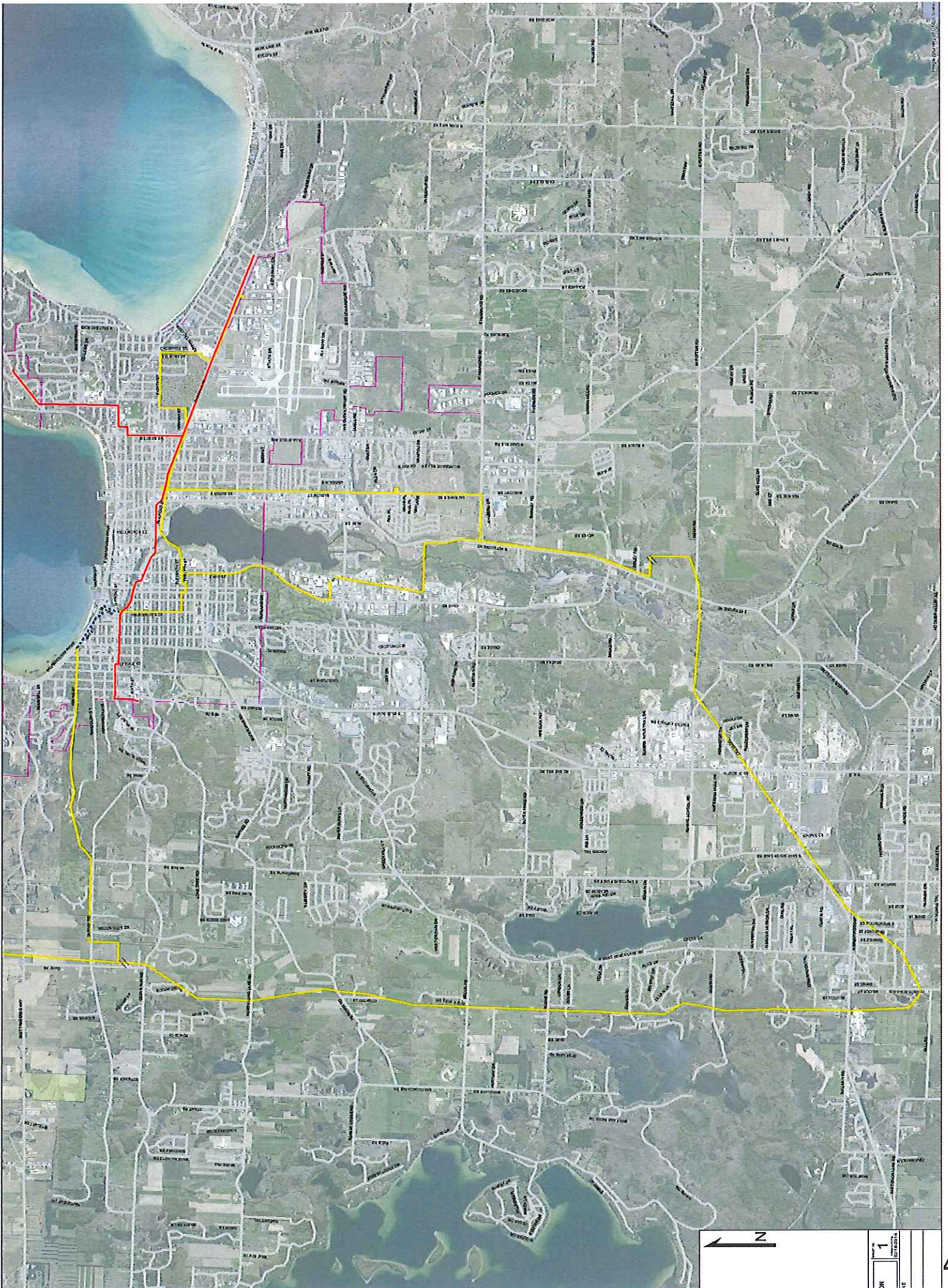
I applaud the TCL&P Board for taking on this last project to improve reliability for the entire Grand Traverse Region. I recognize the important local stakeholder viewpoints that have to be weighed and balanced when projects like this one are undertaken. I also recognize the ability of locally-owned public power companies to demonstrate leadership and long-term vision, and in this regard, I support your rebuild project.

Sincerely,

  
Eric D. Baker

cc: Tony Anderson, Cherryland Electric Cooperative

10125 West Watergate Road • P.O. Box 229 • Cadillac, MI 49601 • 231.775.5700 • fax 231.775.2077 • www.wpsc.com





TRAVERSE CITY  
LIGHT & POWER

Investing Our Energy In You

June 6, 2014

Dear Customers and Community Members:

**RE: Hall Street Substation to Gray Substation Transmission Line Upgrade**

Now that the City Commission has authorized the TCL&P Board to approval its Six-Year Capital Improvements Plan – 2014 (Plan), the process for coming to a decision on the transmission line that currently runs along Wayne Street and through the Hickory Meadows/Hills area can commence. The Plan has this project scheduled for upgrade in 2015-2016. Because this transmission line is the oldest line on the system it is deemed to be the highest priority for the utility. Most of the poles and conductor are 55 years old and were fully depreciated at 33 years in age. If the line remains overhead in the same place, an upgrade would require 4'-5' taller poles and about ½" larger in diameter conductor than is currently on the poles.

As I indicated to the TCL&P Board, City Commission, Planning Commission, and in prior written communications, the process for making a decision about the future of the transmission line will be open and transparent, inviting input from all interested parties. Other viable options will be considered by the utility with feasibility assessments and preliminary design/cost estimates prepared. However, everyone seems to be in agreement that doing nothing is not a viable option as it would jeopardize the long-term reliability and safety of the system.

The proposed transmission line upgrade has raised considerable concerns and questions from many Slabtown Neighborhood residents and Hickory Meadows supporters as it did in 2007-2008 when this project was first discussed in the community. The decision process of what to do with the transmission line will involve communication of relevant facts to all parties, public input/presentation opportunities, historical information including prior Board actions, and the presentation of other viable options before the project is officially presented to the TCL&P Board for its consideration of approval.

Tentatively, the schedule in reaching a Board decision on this capital improvement item is as follows:

- June 11, 2014 – TCL&P Board is anticipated to take formal action to approve the Six Year Capital Plan. (NOTE: This meeting is on a Wednesday and will be held at TCL&P's Service Center located at 1131 Hasting Street. All Board meetings start at 5:15 p.m.)
- June 24, 2014 – At the TCL&P Board Meeting (Commission Chambers), a presentation of the need for the transmission line and the need for its upgrade will be presented by GRP Engineering. GRP Engineering is the same firm that designed the different options in 2008. The Board will be asked to give its consensus on moving forward with upgrading the line at this meeting.



- Month of July 2014 – TCL&P staff will meet with the City of Traverse City, Slabtown Neighborhood representatives, and Recreational Authority Board members to discuss the project and any viable alternative options.
- Months of August & September 2014 – Contract engineers will prepare preliminary engineering work including estimated costs for each option to upgrade the transmission line.
- October 14, 2014 – TCL&P Board presentation of all options/costs/project history will be presented and open for discussion, including public comments.
- October 21, 2014 – Possible TCL&P Board study session to answer remaining questions and/or continue with Board and public discussions.
- **October 28, 2014 – TCL&P will have on its agenda a staff recommendation included in a project authorization request for its consideration of approval.**

Your participation is encouraged throughout this public process as the utility continues to make decisions in the best interests of the city residents, community, and all TCL&P customers/owners. While I cannot predict the outcome of this project, I can promise you that I will see this through to a Board decision so that we can move forward as a community.

Sincerely,




Tim Arends  
TCL&P Executive Director

Cc: TCL&P Board Members



**TRAVERSE CITY  
LIGHT & POWER**

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**To:** Light & Power Board  
**From:** Tim Arends, Executive Director   
**Date:** June 17, 2014  
**Subject:** Power Supply Presentation Summary

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Over the past seven months we have been engaged in a process to insure the future power supply resource needs of TCL&P are met in a manner that address the issues, concerns and goals of the Board. This process has been driven by a high level exposure to key topical areas typically encountered in resource planning.

RTD Consulting's Bob Dyer and Howard Axelrod will be meeting with the Board at the June 24, 2014 meeting to present a summary of the process. The goal of this meeting is to have the Board express its opinion(s) on what key or critical issues the Board feels need to be addressed in the resources planning process. Bob and Howard, as experts in the area of resource planning, are familiar with all of the items a utility would normally consider but they need your input as to what is unique about TCL&P and what direction the Board feels is best for the utility.

Included in your packet is a brief recap of the process and materials to initiate a full board discussion. This is provided to give you a starting point. Staff, Bob and Howard will be available to address any questions as we approach a conclusion to this process and begin planning for the utilities future power supply.

# BOARD INFORMATION AND GOALS DEVELOPMENT FOR TRAVERSE CITY LIGHT AND POWER

JUNE 24, 2014

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Robert T. Dyer, P.E.  
RTD Consulting, LLC  
2771 Monument Rd.  
Suite 29, Box 337  
Jacksonville, FL 32225





# Presenters of Topics

- The Operating Environment-Bob Dyer, President RTD Consulting.
- Transmission-Bob Dyer, President RTD Consulting.
- The need for new Generation-Bob Dyer, President RTD Consulting.
- Environmental Requirements and Local issues-Bob Dyer, President RTD Consulting.
- Financial, cost, revenue requirements and other related issues-Mark Beauchamp, President of Utility Financial Solutions.
- The Generation planning process-Howard Axelrod, PhD, President of Energy Strategies.
- Independent vs. participation with others-Dave Walters, General Manager MPPA
- The development of goals and guidelines- Bob Dyer and Howard Axelrod.

## What is the expected outcome from this process?

- A better understanding of the various issues that will have to be considered in resource planning.
- What issues the Board needs to address.
- Issues that are out of the influence of the Board.
- Identify any specific goals that should be incorporated into the planning process.
- A high level overview to facilitate a more global understanding of TCLP's planning needs.

## Issues and Level of Concern

- The following is a listing of the issues identified through this process with a magnitude of concern expressed. This is the opinion of the consultant based on the discussion held with the Board.
- The goal of the meeting is to develop the thoughts of the Board to compile their list and identify their level of concern for those issues.
- The following is a “Straw Man” from the consultants **WE WANT YOUR THOUGHTS AND OPINIONS!**

**Issues:**                      1   2   3   4   5   6   7   8   9   10

- I.    **Transmission:**
  - a. Reliability
  - b. Ownership
    - i. Cost
  - c. MISO (NITS)
    - i. Cost
  
- II.   **Generation:**
  - a. Existing Fleet
    - i. Bell River
      - 1. Age
      - 2. Fuel Source
      - 3. Cost
    - ii. Campbell
      - 1. Age
      - 2. Fuel Source
      - 3. Cost
    - iii. Kaskaska CT
      - 1. Age
      - 2. Fuel Source
      - 3. Cost
  - b. Adequacy (Capacity)
    - i. Existing Fleet
      - 1. Cost
      - 2. Risk
      - 3. Volatility
    - ii. Contracts
      - 1. Cost
      - 2. Risk
      - 3. Term
      - 4. Volatility
    - Market (MISO)
      - 5. Cost
      - 6. Risk
      - 7. Volatility
  - c. Green Energy (compliance w/PA295)
    - i. Compliance w/law
    - ii. desire to increase level
    - iii. Cost

| Issues: | Level of Concern |   |   |   |   |   |   |   |   |      |
|---------|------------------|---|---|---|---|---|---|---|---|------|
|         | Low              |   |   |   |   |   |   |   |   | High |
|         | 1                | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10   |

**d. Local Generation**

**i. Local Acceptance:**

- 1. Green Energy
- 2. Conventional Energy

**ii. Overall Cost:**

- 1. Green Energy
- 2. Conventional Energy

**iii. Energy Conservation:**

- 1. Reduction of Demand and Energy

**e. Independent Ownership**

**i. Economy of Scale**

- ii. Ability to secure lower cost supply
- iii. Flexibility of power supply

**f. Joint Action**

**i. Economy of Scale:**

- ii. Ability to secure lower cost supply
- iii. Flexibility of power supply

**III. Financial and Revenue Requirements:**

- a. Employ pricing mechanisms through the rates that supports utility objectives.
- b. Matching cost of services to those who incur the cost.

**IV. Resource Planning:**

- a. Economies of scale limits the choices available to TCLP for self-owned generation.
- b. Energy Conservation, load management and distributed resources are options to be explored.
- c. Resource planning is an iterative process and should be reviewed every two years.

# Questions/Discussion