

A REGULAR MEETING

Of The

TRAVERSE CITY LIGHT AND POWER BOARD

Will Be Held On

TUESDAY, December 13, 2016

At

5:15 p.m.

In The

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

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

Jennifer J. St. Amour
Administrative Assistant
1131 Hastings Street
Traverse City, MI 49686
(231) 922-4940 ext. 201

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

Posting Date: 12-09-16
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 November 22, 2016. (Approval recommended) (p.4)
- b. Consideration of authorizing a purchase order to RESCO in the amount of \$132,795.00 for reclosers and associated materials for the Recloser Replacement Project. (Approval recommended) (Schimpke) (p.6)
- c. Consideration of approving the Special Legal Counsel Policy. (Approval recommended) (Doren) (p.7)
- d. Consideration of authorizing a Fourth Amendment to the Munson Dark Fiber Services Agreement. (Approval recommended) (Menhart) (p.9)

3. Unfinished Business

- a. Public Hearing regarding:
 - Consideration of amended street lighting and private area lighting tariff rates. (Myers-Beman) (p.16)

4. New Business

None.

5. Appointments

None.

6. Reports and Communications

- a. From Legal Counsel.
- b. From Staff.
 1. September 30, 2016 Financial Statements. (Myers-Beman) (p.22)
 2. Six Year Capital Improvements Plan-2017 Board discussion. (no staff report) (Arends/Schimpke) (p.30)
- c. From Board.

7. Public Comment

/js

**TRAVERSE CITY
LIGHT AND POWER BOARD**

Minutes of Regular Meeting
Held at 5:15 p.m., Commission Chambers, Governmental Center
Tuesday, November 22, 2016

Board Members -

Present: Pat McGuire, Amy Shamroe, Bob Spence, John Taylor, Jan Geht

Absent: Jeff Palisin, Tim Werner

Ex Officio Member -

Present: Marty Colburn, City Manager

Others: Tim Arends, Karla Myers-Beman, Kelli Schroeder, Pete Schimpke, Tony Chartrand, Jennifer St. Amour

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

Item 2 on the Agenda being Consent Calendar

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

- a. Minutes of the Regular Meeting of November 8, 2016.
- b. Authorizing ESRI renewal.

CARRIED unanimously.

Item 3 on the Agenda being Unfinished Business

None.

Item 4 on the Agenda being New Business

- a. Consideration of LED Light Rate Tariff.

The following individuals addressed the Board:

Tim Arends, Executive Director
Karla Myers-Beman, Controller

Moved by McGuire, seconded by Taylor, that the Board authorizes the Secretary to set a public hearing for the proposed January 1st increase to be held at the December 13, 2016 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 continuing the Energy Optimization Program based on pro forma budget.

The following individuals addressed the Board:

Tim Arends, Executive Director
Karla Myers-Beman, Controller

Moved by Shamroe, seconded by Taylor, that the Board recommends staff to continue the Energy Optimization Program based on the proposed pro forma budget and include the development of a strategy to evolve the Energy Optimization Program as part of the Strategic Plan.

Roll Call:

Yes- Shamroe, Spence, Taylor, Geht
No- McGuire
Absent- Palisin, Werner

Motion carried.

Item 5 on the Agenda being Appointments

None.

Item 6 on the Agenda being Reports and Communications

- a. From Legal Counsel.
b. From Staff.
1. 2017 Six-Year Capital Plan.

The following individuals addressed the Board:

Tim Arends, Executive Director
Pete Schimpke, Manager of Operations and Engineering
Karla Myers-Beman, Controller

2. Karla Myers-Beman presented the 2017-2018 Budget Schedule.

Item 7 on the Agenda being Public Comment

There being no objection, Chairman Geht declared the meeting adjourned at 7:52 p.m.

/js

Tim Arends, Secretary
LIGHT AND POWER BOARD



**TRAVERSE CITY
LIGHT & POWER**

To: Light & Power Board
From: Pete Schimpke, Manager of Operations & Engineering *PS*
Date: December 6, 2016
Subject: Recloser Replacement Project – Project Materials

The last phase of the Recloser Replacement Project is to replace nine (9) reclosers. Requests for project materials were sent out to vendors and bids were received as follows:

<u>Bidder</u>	<u>Bid Total</u>
RESCO	\$132,795
G&W Electric	\$136,953

This item is appearing on the Consent Calendar as it is deemed non-controversial. Staff recommends issuing a purchase order to RESCO in the amount of \$132,795 for the purchase of reclosers for the Recloser Replacement Project. 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 ISSUE A
PURCHASE ORDER TO RESCO IN THE AMOUNT OF \$132,795 FOR RECLOSERS &
ASSOCIATED MATERIALS FOR THE RECLOSER REPLACEMENT PROJECT.**



TRAVERSE CITY
LIGHT & POWER

To: Light & Power Board
From: W. Peter Doren, General Counsel
Date: December 1, 2016
Subject: Policy for Special Legal Counsel

Attached you will find a proposed Policy for Special Legal Counsel. It is a restatement and update of two previous policies adopted by the Board.

A Policy for Special Legal Counsel was adopted by the Board on April 11, 1989 that provided that there would be a list of approved special legal counsel adopted by the Board who could be used by the Executive Director upon recommendation of General Counsel. The list of approved legal counsel that was adopted is now very much out of date and has never been supplemented with the actual special legal counsel that we use periodically, such as Peter Ellsworth of Dickinson Wright. The Executive Director and I propose that this process be changed to allow specialized legal counsel to be selected by General Counsel and the Executive Director without further Board action. This is reflected in the attached proposed Policy for Special Legal Counsel.

Another policy adopted by the Board on March 7, 1989, dealt with situations where General Counsel was unable, due to time constraints, to timely provide legal services. In that case, General Counsel was authorized to obtain special counsel as needed. The Executive Director and I recommend that this be continued, but with the selection of the special counsel in these circumstances to be by both the Executive Director and General Counsel.

We think that the revised Policy will allow for Light & Power business to be conducted efficiently and effectively. Of course, expenditures for a special legal counsel must be pursuant to previously authorized budget for professional and contractual services.

The following motion is recommended:

MOVED BY _____ AND SECONDED BY _____
THAT A REVISED POLICY FOR SPECIAL LEGAL COUNSEL BE ADOPTED AND ALL
PREVIOUS POLICIES ON THIS SUBJECT BE RESCINDED EFFECTIVE IMMEDIATELY.

Light and Power Department
City of Traverse City, MI
Adopted:

POLICY FOR SPECIAL LEGAL COUNSEL

Upon recommendation of General Counsel, an attorney specializing in a legal area needed by the Department may be utilized by the Executive Director without further Board action. Should the legal bill for any one special counsel or firm exceed the authorized spending limit of the Executive Director in any one fiscal year, that fact will be forthwith reported to the entire Light and Power Board.

General Counsel shall monitor generally and assist as needed special counsel, but a special counsel shall report directly to the appropriate TCL&P staff person or to the Light and Power Board as the case may be. Similarly, the staff or the Light and Power Board may communicate directly with the special legal counsel as needed.

General Counsel with approval of the Executive Director is authorized to obtain special counsel, as needed, for timely responses to Light and Power legal issues, which timeliness is determined by the Executive Director.

Timothy Arends
Executive Director and Secretary
Traverse City Light and Power Board



**TRAVERSE CITY
LIGHT & POWER**

To: Light and Power Board
From: Scott Menhart, Manager of Telecom & Technology
Date: November 8, 2016
Subject: Amendment to Munson Dark Fiber Services Agreement

Attached for your consideration is an Amendment to the Munson Dark Fiber Services Agreement between TCL&P and Munson.

Munson and TCL&P entered into an agreement dated August 29, 2007 for the purposes of providing Munson with fiber optic communications. On August 25, 2008, Munson added an additional site, Alpha Center, to the Agreement which became the First Amendment to the Dark Fiber Services Agreement. Then on April 24, 2012, Munson added another site, Copper Ridge, to the Agreement which became the Second Amendment to the Dark Fiber Services Agreement. Finally, the third amendment to the agreement happened in June of 2014, when Munson moved operations from the Alpha Center location to the Copper Ridge location and removed the Alpha Center location from the Agreement.

Munson now has plans to hook up the newly developed Cowell Family Cancer Center as part of their fiber route for a rate of \$275 a month, which is consistent with the Board approved tariff rate for a single site hookup. If the Board approves, this will be the fourth amendment to the dark fiber service agreement. Staff also updated the layout of the agreement exhibits to align with an easier understandable format which are attached.

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 AMENDMENT FOUR FOR THE MUNSON DARK FIBER SERVICES AGREEMENT, SUBJECT TO APPROVAL AS TO SUBSTANCE BY THE EXECUTIVE DIRECTOR AND AS TO FORM BY GENERAL COUNSEL.

FOURTH AMENDMENT TO
MUNSON DARK FIBER SERVICES AGREEMENT

THIS AMENDMENT is made and entered into as of the _____ day of _____, 2016, 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 6th 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, April 24, 2012, and September 12, 2014, and wish to further amend that Agreement to address lateral extensions of the Dark Fiber Services by the Customer.

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 Customer, at its expense, may extend to other adjacent sites its telecommunications fiber system that is connected to TCL&P's dark fiber system at the site identified as 1105 Sixth Street. Such extensions are herein referred to as Lateral Extensions. Customer shall promptly notify TCL&P of all Lateral Extensions and the address of the building to which they are extended. Lateral Extensions may only be made to property owned or leased, and occupied by the Customer.
2. The attached Exhibit 1 replaces Exhibit 1 to the Dark Fiber Services Agreement. The ERU Fee is changed to reflect Lateral Extensions by the Customer to other sites. Exhibit 2, the ERU Fee and Recurring Charge, is replaced to be as set forth in Exhibit 2. Exhibits 1 and 2 are attached hereto and incorporated herein by reference. These fees shall begin on the first of the month following the date of this Amendment.
3. Future Lateral Extensions by Customer will be charged \$275 monthly, \$3300 annually, and will cause amendments to Exhibits 1 and 2 upon signature of the Customer and TCL&P Executive Director.
4. The ERU Fee for a new site shall commence as of the month of the Acceptance Date for that site. The ERU Lateral Extension fee for a new Lateral Extension shall commence as of the month it is connected and in operation.
5. The Dark Fiber Services Agreement signed by the parties on August 29, 2007, and amended on August 25, 2008, April 24, 2012, and September 12, 2014, is continued in all respects except as amended as herein described.

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

TRAVERSE CITY LIGHT & POWER DEPARTMENT

By: Jan Geht, Chairperson

APPROVED AS TO FORM

By Timothy Arends, Executive Director

MUNSON MEDICAL CENTER

By _____
W. Peter Doren
Traverse City Light & Power
General Counsel

By: Joe Dechow
Manager, IS Infrastructure

EXHIBIT 1

<u>Property Tax Number</u>	<u>Location</u>	<u>Address</u>	<u>Fiber Strands</u>
	Munson Medical Center	1105 Sixth Street	68
	With Lateral Extensions to:		
28-51-777-001-50	1200 Sixth Street Professional Building	1200 Sixth Street	
28-51-104-076-50	Munson Professional Building	1221 Sixth Street	
28-51-104-076-10	Munson Manor Hospitality House Building 29/Administration and Foundation Building	1220 Medical Campus Drive 1150 Medical Campus Drive	
28-51-866-020-00	Milliken Building	224 Circle Drive	
28-05-004-026-00	Munson Oxygen Supply/Home Medical Equipment on West Front Street	3816 W. Front Street	
28-05-004-027-00	Professional Terrace West/Thirlby Clinic Building on West Front Street	3537 W. Front Street	
28-51-758-028-00	Cowell Family Cancer Center	217 S. Madison Street	
	<u>Connects To</u>		
	Munson Community Health Center	550 Munson Ave.	4
	Munson Diagnostics	4100 Park Forest Dr.	4
	North Flight Billing	1237 Hastings	4
	NSMA	2651 Aero Park	4
	Munson Data Center	49 Hughes Dr	48
	Building D	4110 Copper Ridge	4
		Total Fiber Count	68

As amended _____, 2016

EXHIBIT 2

ERU FEES

I. ERU Fee and Sites – Initial Term

<u>Site</u>	<u>Location</u>	<u>Monthly</u>	<u>Annually</u>
1)	1105 Sixth Street <i>(with lateral extensions below)</i>	\$800	\$9,600
	a) 1200 Sixth Street, 1200 Sixth Street Professional Building	\$0	\$0
	b) 1221 Sixth Street, Munson Professional Building	\$0	\$0
	c) 1220 Medical Campus Drive, Munson Manor Hospitality House	\$0	\$0
	d) 1150 Medical Campus Drive, Building 29/Admin and Found. Build.	\$0	\$0
	e) 224 Circle Drive, Milliken Building	\$0	\$0
	f) 3816 W. Front Street, Munson Oxygen Supply/Home Medical Equipment	\$0	\$0
	g) 3537 W. Front Street, Professional Terrace West/Thirlby Clinic Building	\$0	\$0
	h) 217 S. Madison Street, Cowell Family Cancer Center	\$275	\$3,300
2)	550 Munson Avenue, Munson Community Health Center	\$800	\$9,600
3)	1237 Hastings, North Flight Billing	\$800	\$9,600
4)	4100 Park Forest Drive at Copper Ridge, Munson Diagnostics	\$800	\$9,600
5)	2651 AeroPark, NSMA	\$1,000	\$12,000
6)	49 Hughes Drive, Munson Data Center	\$3,800	\$45,600
7)	4110 Copper Ridge, Building D	\$1,100	\$13,200

II. ERU Fee and Sites – First & Second Renewal -- Subject to Renewal Escalation

<u>Site</u>	<u>Location</u>	<u>Monthly</u>	<u>Annually</u>
1)	1105 Sixth Street <i>(with lateral extensions below)</i>	\$784	\$9,408
	a) 1200 Sixth Street, 1200 Sixth Street Professional Building	\$0	\$0
	b) 1221 Sixth Street, Munson Professional Building	\$0	\$0
	c) 1220 Medical Campus Drive, Munson Manor Hospitality House	\$0	\$0
	d) 1150 Medical Campus Drive, Building 29/Admin and Found. Build.	\$0	\$0
	e) 224 Circle Drive, Milliken Building	\$0	\$0
	f) 3816 W. Front Street, Munson Oxygen Supply/Home Medical Equipment	\$0	\$0
	g) 3537 W. Front Street, Professional Terrace West/Thirlby Clinic Building	\$0	\$0
	h) 217 S. Madison Street, Cowell Family Cancer Center	\$275	\$3,300
2)	550 Munson Avenue, Munson Community Health Center	\$784	\$9,408
3)	1237 Hastings, North Flight Billing	\$784	\$9,408
4)	4100 Park Forest Drive at Copper Ridge, Munson Diagnostics	\$784	\$9,408
5)	2651 AeroPark, NSMA	\$980	\$11,760
6)	49 Hughes Drive, Munson Data Center	\$3,722	\$44,664
7)	4110 Copper Ridge, Building D	\$1,078	\$12,936

III. 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.

IV. 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 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 _____, 2016.

FOR THE LIGHT & POWER BOARD MEETING OF DECEMBER 13, 2016



**TRAVERSE CITY
LIGHT & POWER**

To: Light & Power Board
From: Karla Myers-Beman, Controller
Date: December 7, 2016
Subject: Approval of rate increase effective January 1, 2017

At the last board meeting staff presented the LED Light Rate Study completed with Utility Financial Solutions, LLC for street lights and private area lighting. The spreadsheet showing the different light types and the corresponding rates follow this memo.

The public hearing, in accordance with the board motion approved at the last meeting, has been scheduled for today's meeting, with public notice provided through an advertisement in the Traverse City Record Eagle on November 30, 2016, posted on the TCL&P website and letters mailed out to customers who currently have an active yard light on their account.

After the public hearing if the Board concurs with implementing the new LED light rates included in the tariff sheets following this board memo the following motion is appropriate:

MOVED BY _____, SECONDED BY _____,

**THAT THE BOARD AUTHORIZES THE AMENDED STREET LIGHTING AND PRIVATE
AREA LIGHTING TARIFF RATES AS PRESENTED EFFECTIVE JANUARY 1, 2017.**

City of Traverse City
LED Street Lighting COS Study

Lamp Type	Total Monthly Cost per Lamp Summary										Current Light Rate per Comparable Lamp Wattage
	Monthly Power Supply Cost/Light	Monthly O&M, Depreciation & ROR Cost/Light	Monthly Customer Service Cost/Light	Monthly Distribution Cost/Light	Monthly kW	Total Monthly Tariff Rate					
SL 157 Watt LED (250W HPS) (HL)	\$ 2.26	\$ 6.21	\$ 2.82	\$ 1.26	\$ 10.87	\$ 12.56					
SL 130 Watt LED (250W HPS) (HL)	\$ 1.87	\$ 5.37	\$ 2.82	\$ 1.04	\$ 10.87	\$ 11.11					
SL 112 Watt LED (250W HPS) (HL)	\$ 1.61	\$ 4.53	\$ 2.82	\$ 0.90	\$ 10.87	\$ 9.87					
SL 54 Watt LED (100W HPS) (HL)	\$ 0.78	\$ 4.15	\$ 2.82	\$ 0.43	\$ 7.97	\$ 8.19					
SL 45 Watt LED (100W HPS) (HL)	\$ 0.65	\$ 3.60	\$ 2.82	\$ 0.36	\$ 7.97	\$ 7.43					
SL 50 Watt LED (LL)	\$ 0.72	\$ 3.39	\$ 2.82	\$ 0.40	\$ 12.09	\$ 7.33					
SL 86 Watt LED (LL) Silver Drive	\$ 1.24	\$ 8.00	\$ 2.82	\$ 0.69	\$ 12.09	\$ 12.76					
SL 75 Watt LED (LL) Garland Street	\$ 1.08	\$ -	\$ 2.82	\$ 0.60	\$ -	\$ 4.50					
TART Trail 54 Watt (100W HPS)	\$ 0.78	\$ 4.15	\$ 2.82	\$ 0.43	\$ 12.09	\$ 8.19					
Auto Parking LED 50 Watt (100W HPS) (LL)	\$ 0.72	\$ 4.15	\$ 2.82	\$ 0.40	\$ 12.09	\$ 8.10					
EASC 62 Watt LED	\$ 0.89	\$ 5.56	\$ 2.82	\$ 0.50	\$ 6.52	\$ 9.78					
EASC 119 Watt LED	\$ 1.72	\$ 6.08	\$ 2.82	\$ 0.96	\$ -	\$ 11.57					
EASC 137 Watt LED	\$ 1.98	\$ 6.23	\$ 2.82	\$ 1.10	\$ 9.73	\$ 12.12					
EASC 283 Watt LED	\$ 4.08	\$ 8.13	\$ 2.82	\$ 2.27	\$ -	\$ 17.31					
Wood Pole	\$ -	\$ 3.56	\$ -	\$ -	\$ 1.63	\$ 3.56					
Silver Drive Pole	\$ -	\$ 8.53	\$ -	\$ -	\$ -	\$ 8.53					
West Front Pole (includes lighting component)	\$ -	\$ 19.64	\$ -	\$ -	\$ -	\$ 19.64					

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

PRIVATE AREA LIGHTING SERVICE

(Rate "PAL")

Availability:

Open to any customer desiring photoelectric-controlled, un-metered Private Area Lighting (also referred to as "Security Lighting" or "Dusk-to-Dawn" lighting).

Nature of Service:

The Department will install, own and maintain un-metered, photoelectric-controlled luminaries in mutually-agreeable locations as required by the customer. Standard overhead equipment includes wood poles and non-decorative fixtures. Any lighting system other than this will be charged based on expected life and a 5% carrying cost of capital. The Light and Power Board retains the right to self-fund special lighting projects that it determines are in the best interest of the City.

Monthly Rate:

One existing pole:

High Pressure Sodium

100 Watt HPS 8,500 Lumens	\$ 6.52 per month
250 Watt HPS 24,000 Lumens	\$ 9.73 per month
35 Watt Low Level Pedestrian Light	\$11.39 per month
For each alternate cut-off, decorative fixture:	\$ 1.51 per month

LED

54 Watt LED	\$ 8.19 per month
62 Watt LED	\$ 9.78 per month
112 Watt LED	\$ 9.87 per month
119 Watt LED	\$11.57 per month
137 Watt LED	\$12.12 per month
283 Watt LED	\$17.31 per month

For each additional pole required: \$ 3.56 per month

Terms and Conditions:

Initial minimum term is one (1) year for each installation.

City of Traverse City
Light and Power Department
Effective:

Private Area Lighting Service (Rate "PAL"), cont.

Special Conditions:

Where the customer desires other than standard wood poles or desires underground wiring or special equipment not covered herein, the Department, at its option, will provide such facilities by special agreement. In addition, the customer agrees to furnish the Department with a trenchable route across their property, if needed, and agrees to restore any damage due to trenching at their cost.

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.

Termination of Service:

If a customer cancels service prior to three (3) years from installation date, customer must pay the cost of installation as follows:

1. Without a pole: \$220.00
2. With a pole: \$300.00

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

STREET LIGHTING SERVICE

(Rate "GV")

Availability:

Open to the State of Michigan or any political subdivision or agency thereof having jurisdiction over public streets or roadways for street lighting service for any system consisting of one or more luminaires where the Department has an existing distribution system with secondary voltage available.

Nature of Service:

The Department will furnish, install, and own all equipment comprising the street lighting system. The Department will supply the energy and maintain the entire equipment with the replacement of the asset subject to the utility's Decorative Lighting Policy and Street Lighting Operations and Maintenance Policy. In areas where the Department has installed a residential underground electric distribution system, the street lighting system will be served from said underground electric distribution system. In all other areas, the street lighting system will normally be served from either overhead lines or from underground cables as available. Standard overhead equipment includes wood poles and non-decorative fixtures. Any lighting system other than this will be charged based on expected life and an 5% carrying cost of capital. The Light and Power Board retains the right to self-fund special lighting projects that it determines are in the best interest of the City.

Monthly Rate:

The charge per luminaire (per month) shall be:

<u>Type of Luminaire</u>	<u>Nominal Rating of Lamps (One Lamp Per Luminaire)</u>		<u>Rate Per Luminaire (per month)</u>
	<u>Watts</u>	<u>Lumens</u>	
High Pressure Sodium	100	8,500	\$ 7.97
High Pressure Sodium	250	24,000	\$ 10.87
Low Level Pedestrian Light	35	3,600	\$ 11.39
Low Level Pedestrian Light	50		\$ 11.39
Low Level Pedestrian Light	100		\$ 12.09
Designated Areas (LL)	50		\$ 2.64
Designated Areas (LL)	35		\$ 2.02
City of TC 8 th Flasher			\$ 13.20
Cut-off Without Pole (LL)	100		\$ 9.50
Cut-off (LL)	100		\$ 12.09

<u>Type of Luminaire</u>	<u>Nominal Rating of Lamps (One Lamp Per Luminaire)</u>		<u>Rate Per Luminaire (per month)</u>
	<u>Watts</u>	<u>Lumens</u>	
100 Watt with Deco Arm	100		\$ 9.50
Barlow 100 Watt	100		\$ 6.52
For alternate cut-off, decorative fixture: \$1.51 per month.			
LED	157		\$ 12.56
LED	130		\$ 11.11
LED	112		\$ 9.87
LED	54		\$ 8.19
LED	45		\$ 7.43
LED	50		\$ 7.33
LED – Autoparking	50		\$ 8.10
LED – Silver Drive	86		\$ 12.76
LED – Garland Street	75		\$ 4.50

The charge per pole (per month) shall be:

<u>Pole Type</u>	<u>Rate Per Pole (per month)</u>
West Front Street (includes lighting component)	\$ 19.64
Silver Drive	\$ 8.53

Near intersections, the Department, at its option and expense, may install a 50 watt lamp in lieu of a 35 watt lamp.

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. 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

To: Light and Power Board
From: Karla Myers-Beman, Controller
Date: December 7, 2016
Subject: Quarterly Financial Report

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

Electric Utility Fund

As of September 30, 2016 (25% through the fiscal year) operating revenues are 24.87% of budgeted operating revenues. Residential sales increased relating to additional 1.6M of kWh's consumed while commercial sales remained relatively flat with a decrease in the per kWh rate caused by a lower power cost recovery rate.

Total operating expenses are at 23.48% of budget year-to-date, or very nearly on-budget with purchase power costs at 24.44%, and public service costs at 13.71% lower than expected due to energy optimization funds not fully expended. General administration expenses at 19.05% lower than expected because of expenses expected to be incurred later in the fiscal year.

Net income through the first quarter is \$1,077,890, which is approximately \$265,000 increase over the prior year.

Cash flow statement shows approximately \$650,000 expended in capital assets, primarily for the LaFranier Road Transmission Project and Pole Replacement Project.

Fiber Fund

Revenues in the Fiber Fund are 18.29% of budgeted operating revenues while expenses are 19.95% of budget year-to-date. Salaries and related fringe benefits are at 12.27% and 2.61% of budget, less than expected because of time being allocated and capitalized to the Substation Security Camera Project. WIFI Operations and Maintenance is at 66.34% of budget relating to Merit Network expenses incurred this quarter relating for the WIFI system internet feed, a primary expense of this line item. The Fund has a net loss or change in net position of \$(19,707).

TRAVERSE CITY LIGHT AND POWER

(A Component Unit of the City of Traverse City, Michigan)

ELECTRIC FUND STATEMENT OF NET POSITION SEPTEMBER 30, 2016

ASSETS	LIABILITIES AND NET POSITION	
Current assets		
Cash and cash equivalents	\$ 6,459,488	\$ 1,353,799
Investments	14,099,838	339,870
Receivables		106,322
Customer, less allowances of \$279,103 for uncollectible accounts (Light and Power Fund)	3,006,307	-
Accrued interest	34,124	-
Taxes	1,271	284,900
Other	1,675,241	
Inventories	1,498,357	
Prepaid expenses	65,691	
Total current assets	<u>26,840,317</u>	<u>2,084,891</u>
Non-current assets		
Other postemployment benefit asset	1,382,770	199,150
Long-term advances - due from primary government	689	14,076,449
Asset held for sale	-	
Land and land improvements	1,079,419	
Construction in progress	2,041,098	
Capital assets being depreciated, net	53,114,223	
Total non-current assets	<u>57,618,199</u>	<u>14,275,599</u>
Total assets	<u>84,458,515</u>	<u>16,360,490</u>
Deferred outflow	3,190,964	56,234,740
Total cash and investments	<u>\$ 20,559,326</u>	<u>\$ 71,288,990</u>
		15,054,250
		56,234,740
		15,054,250
		\$ 71,288,990

TRAVERSE CITY LIGHT AND POWER

(A Component Unit of the City of Traverse City, Michigan)

ELECTRIC FUND
SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL (UNAUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2016

	Month to Month Comparison			Year to Year Comparison			Budget to Year to date Comparison				
	Month to date	Month to date	Month to date	Year to date	Year to date	Year to date	Year to date	Year to date	Year to date		
	Actual	Prior Year	Difference	Actual	Prior Year	Difference	Actual	Amended Budget	Favorable (Unfavorable)	% of budget	
Operating revenues - sales											
Residential	\$ 575,022	\$ 426,413	\$ 148,608	\$ 1,623,555	\$ 1,506,733	\$ 116,822	\$ 1,623,555	\$ (4,751,445)	25.47%		
Commercial	1,373,759	1,245,286	128,472	3,747,117	3,904,699	(157,582)	3,747,117	(12,402,885)	23.20%		
Industrial	897,774	901,655	(3,881)	2,615,173	2,602,183	12,990	2,615,173	(8,154,827)	24.28%		
Public authority	32,363	31,534	829	119,248	122,511	(3,264)	119,248	(195,752)	37.86%		
Street lighting	16,695	16,695	-	45,065	48,679	(3,614)	45,065	(149,935)	23.11%		
Yard lights	8,241	7,900	341	21,791	23,383	(1,592)	21,791	(60,209)	26.57%		
Total operating revenues - sales	2,903,854	2,629,463	274,390	8,171,949	8,208,189	(36,241)	8,171,949	(25,715,051)	24.12%		
Other operating revenues											
Forfeited discounts	4,587	6,626	(2,039)	13,775	17,344	(3,570)	13,775	(56,225)	19.68%		
Merchandise and jobbing	21,811	3,988	17,823	25,333	5,693	19,641	25,333	(38,867)	39.46%		
Sale of scrap	1,712	6,371	(4,658)	3,620	7,682	(4,062)	3,620	(31,380)	10.34%		
Recovery of bad debts	-	-	-	-	26	(26)	-	(200)	0.00%		
MISO income	349,565	369,307	(19,742)	1,019,851	1,029,323	(9,472)	1,019,851	(1,980,149)	34.00%		
Miscellaneous	3,625	3,447	178	9,284	7,866	1,418	9,284	(26,216)	26.15%		
Total other operating revenues	381,300	389,739	(8,439)	1,071,863	1,067,934	3,929	1,071,863	(2,133,037)	33.44%		
Nonoperating revenues											
Rental income	1,475	2,714	(1,239)	24,995	31,111	(6,116)	24,995	(15,705)	61.41%		
Pole rental income	-	-	-	4,420	4,388	33	4,420	(32,080)	12.11%		
Reimbursements	5,168	533	4,635	6,896	39,448	(32,552)	6,896	(65,104)	9.58%		
Interest income	4,400	12,009	(7,610)	29,101	57,504	(28,402)	29,101	(140,899)	17.12%		
Gain/loss on sale of assets	8,000	-	8,000	8,000	-	8,000	8,000	(42,000)	16.00%		
Total nonoperating revenues	19,043	15,256	3,787	73,413	132,450	(59,038)	73,413	(295,787)	19.88%		
Total revenues	3,304,196	3,034,458	269,739	9,317,225	9,408,573	(91,349)	9,317,225	(28,143,875)	24.87%		
Generation expense											
Non purchase power expenses	40,275	37,519	2,756	97,310	36,597	60,713	97,310	352,340	21.64%		
Capacity costs	69,372	24,000	45,372	210,412	36,000	174,412	210,412	534,588	28.24%		
MISO	138,474	115,963	22,511	1,074,788	335,377	739,411	1,074,788	326,212	76.72%		
Lansing Bridge	-	483,190	(483,190)	-	1,516,207	(1,516,207)	-	-	#DIV/0!		
Stoney Corners	238,561	185,699	52,862	543,274	533,049	10,225	543,274	2,626,726	17.14%		
M-72 Wind Turbine	2,154	2,035	119	5,454	5,922	(467)	5,454	31,546	14.74%		
Combustion Turbine	301,334	241,509	59,825	705,280	838,255	(132,975)	705,280	3,566,720	16.51%		
Campbell Coal Plant	370,206	464,059	(93,853)	859,115	1,339,430	(480,316)	859,115	3,552,885	19.47%		
Belle River Coal Plant	343,861	401,347	(57,486)	1,065,426	1,301,853	(236,427)	1,065,426	3,121,574	25.45%		
Landfill Gas	46,041	40,477	5,564	128,037	130,317	(2,281)	128,037	989,963	11.45%		
Biateral contracts	361,958	3,600	358,359	1,183,493	147,520	1,035,973	1,183,493	3,102,507	27.61%		
Purchase power expenses	1,871,962	1,961,879	(89,917)	5,775,279	6,183,930	(408,651)	5,775,279	17,852,721	24.44%		

TRAVERSE CITY LIGHT AND POWER

(A Component Unit of the City of Traverse City, Michigan)

ELECTRIC FUND
 SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL (UNAUDITED)
 FOR THE PERIOD ENDED SEPTEMBER 30, 2016

	Month to Month Comparison		Year to Year Comparison		Amended Budget	Budget to Year to date Comparison		% of budget
	Month to date Actual	Month to date Prior Year	Month to date Difference	Year to date Actual		Year to date Prior Year	Year to date Difference	
Distribution	\$ 289,230	\$ 331,204	\$ (41,974)	\$ 873,889	\$ 3,886,250	\$ 936,953	\$ 3,012,361	22.49%
Transmission	30,115	31,420	(1,305)	93,668	437,000	99,415	343,332	21.43%
Customer accounting	40,012	45,003	(2,990)	138,056	559,350	127,247	421,294	24.68%
Public service	32,002	67,171	(35,169)	66,654	486,000	120,610	419,346	13.71%
General administration expense	78,137	50,479	27,658	226,246	1,187,800	161,314	961,554	19.05%
Other expenses								
Insurance	5,611	5,099	512	16,931	65,500	15,389	48,569	25.85%
City fee	125,000	125,000	-	375,000	1,870,000	375,000	1,495,000	20.05%
Depreciation	192,101	179,828	12,272	576,302	2,525,000	539,485	1,948,698	22.82%
Total expenses	<u>2,704,446</u>	<u>2,832,603</u>	<u>(128,157)</u>	<u>8,239,335</u>	<u>35,094,550</u>	<u>8,595,959</u>	<u>26,855,215</u>	<u>23.48%</u>
Income before transfers	599,751	201,855	397,896	1,077,890	2,366,550	812,634	1,288,660	0
Transfers in	-	-	-	-	175,000	-	175,000	#DIV/0!
Change in net position	<u>\$ 599,751</u>	<u>\$ 201,855</u>	<u>\$ 397,896</u>	<u>\$ 1,077,890</u>	<u>\$ 2,541,550</u>	<u>\$ 812,634</u>	<u>\$ 1,463,660</u>	

TRAVERSE CITY LIGHT AND POWER

(A Component Unit of the City of Traverse City, Michigan)

ELECTRIC FUND STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED SEPTEMBER 30, 2016

Cash flows from operating activities	
Cash received from customers	\$ 9,926,758
Cash payments to employees	(1,673,480)
Cash payments to suppliers for goods and services	(6,097,071)
Cash payments of City fee	(375,000)
	<hr/>
Net cash provided by operating activities	1,781,208
	<hr/>
Cash flows from noncapital financing activities	
Customer deposits paid	(1,610)
Rental income received	29,415
Reimbursements received	6,896
	<hr/>
Net cash provided by noncapital financing activities	34,701
	<hr/>
Cash flows from capital and related financing activities	
Purchase of capital assets	(656,839)
	<hr/>
Cash flows from investing activities	
Purchase of investments	(3,250,182)
Interest and dividends	29,101
	<hr/>
Net cash used in investing activities	(3,221,081)
	<hr/>
Net decrease in cash and cash equivalents	(2,062,011)
Cash and cash equivalents, beginning of year	8,521,499
	<hr/>
Cash and cash equivalents, end of year	\$ 6,459,488

TRAVERSE CITY LIGHT AND POWER
(A Component Unit of the City of Traverse City, Michigan)

ELECTRIC FUND
SUPPLEMENTARY INFORMATION
FOR THE PERIOD ENDED SEPTEMBER 30, 2016

SALES	KWH month	KWH year to date	Monthly revenue	Year to date revenue	Current month	Prior year month	Revenue/Sales monthly variance	Year to date	Prior year to date	Revenue/Sales year to date variance
Residential Sales	5,751,065	15,986,111	\$ 606,609	\$ 1,676,624	\$ 0.1055	\$ 0.1104	\$ (0.0049)	\$ 0.1049	\$ 0.1102	\$ (0.0053)
Commercial Sales	14,319,604	39,895,032	1,467,509	4,076,231	0.1025	0.1103	(0.0078)	0.1022	0.1077	(0.0055)
Industrial Sales	11,683,840	34,447,140	913,958	2,663,481	0.0782	0.0798	(0.0016)	0.0773	0.0816	(0.0043)
Yard and Street Lights	125,159	367,842	24,752	72,571	0.1978	0.1967	0.0011	0.1973	0.1975	(0.0002)
Total Sales	31,879,668	90,696,125	\$ 3,012,828	\$ 8,488,907						

Note: Revenues do not agree to income statement because of monthly accruals.

PURCHASED POWER	MISO Account	KWH month	KWH year to date	Monthly cost	Year to date cost	Cost per kWh for the month	Cost per kWh for the year to date
MISO		1,735,161	13,639,310	41,637.29	349,817.23	0.024	0.026
Wolverine		not applicable	not applicable	2,719.96	6,397.77	not applicable	not applicable
Transmission		not applicable	not applicable	1,582.69	38,134.85	not applicable	not applicable
Subtotal		1,735,161	13,639,310	45,939.94	394,349.85	0.026	0.029
Bilateral Contract		9,888,000	30,272,000	361,958.40	1,183,492.80	0.037	0.039
Campbell #3		7,342,350	9,878,455	370,205.90	859,114.72	0.050	0.087
Belle River		5,493,296	17,612,662	343,861.06	1,065,425.85	0.063	0.060
Combustion Turbine		1,005,999	10,058,878	372,448.81	1,309,510.42	0.370	0.130
Landfill Gas		703,018	2,218,852	67,461.01	204,244.53	0.096	0.092
Stoney Corners		2,057,981	4,686,627	238,561.16	543,275.80	0.116	0.116
M-72 Wind Turbine		30,769	77,921	2,153.83	5,454.47	0.070	0.070
MPPA Capacity Costs (market)		not applicable	not applicable	69,372.06	210,412.14	not applicable	not applicable
Total		28,256,574	88,444,705	\$ 1,871,962.17	\$ 5,775,278.58	\$ 0.066	\$ 0.065

TRAVERSE CITY LIGHT AND POWER
 (A Component Unit of the City of Traverse City, Michigan)

FIBER FUND
STATEMENT OF NET POSITION
SEPTEMBER 30, 2016

ASSETS		LIABILITIES AND NET POSITION	
Current assets			
Cash and cash equivalents	\$ 219,917	Accounts payable	\$ 438
Accounts receivable	6,371	Accrued expenses and other liabilities	2,140
Inventory	5,956	Unearned revenue	14,270
Prepaid expenses	120	Due to primary government	13,932
Total current assets	<u>232,364</u>	Total current liabilities	<u>30,780</u>
Non-current assets		Long term liabilities	
Construction in progress	8,940	Compensated absences	2,599
Capital assets being depreciated, net	1,530,500	Net pension liability	38,427
Total non-current assets	<u>1,539,440</u>	Total liabilities	<u>71,806</u>
Total assets	<u>1,771,804</u>	Invested in capital assets	1,539,440
Deferred outflow	9,965	Unrestricted	190,230
		Total net position	<u>\$ 1,729,670</u>

TRAVERSE CITY LIGHT AND POWER
(A Component Unit of the City of Traverse City, Michigan)

FIBER FUND
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE PERIOD ENDED SEPTEMBER 30, 2016

	Amended Budget	Year to date Actual	Favorable (Unfavorable)	Percentage of Budget
Operating revenues				
Charges for services	\$ 326,316	\$ 59,694	\$ (266,622)	18.29%
Merchandising and jobbing	-	-	-	#DIV/0!
Total operating revenues	326,316	59,694	(266,622)	#DIV/0!
Operating expenses				
Salaries and wages	72,072	8,845	63,227	12.27%
Fringe benefits	61,632	1,507	60,125	2.44%
Supplies	1,000	1,269	(269)	126.89%
WiFi Operations and maintenance	32,000	21,228	10,772	66.34%
Professional and contractual	56,900	8,535	48,365	15.00%
Professional development	2,500	-	2,500	0.00%
Insurance	1,400	-	1,400	0.00%
Repairs and maintenance	5,000	-	5,000	0.00%
Vehicle Rental	13,000	2,269	10,731	17.46%
City fee	16,400	-	16,400	0.00%
Depreciation	145,000	35,748	109,252	24.65%
Total operating expenses	406,904	79,401	327,503	19.51%
Operating income	(80,588)	(19,707)	60,881	
Nonoperating revenues				
Reimbursements	38,400	-	(38,400)	0.00%
Interest revenue	500	-	(500)	0.00%
Total nonoperating revenues	38,900	-	(38,900)	-
Income before transfers	(41,688)	(19,707)	21,981	
Transfers out	(175,000)	-	(175,000)	#DIV/0!
Change in net position	(216,688)	(19,707)	196,981	
Net position, beginning of year	1,729,670	1,729,670	-	
Net position, end of year	\$ 1,512,982	\$ 1,709,963	\$ 196,981	

**TRAVERSE CITY LIGHT & POWER
CAPITAL IMPROVEMENTS PLAN 2017**

ELECTRIC FUND Sum of Amount Row Labels	FISCAL YEARS						Grand Total
	Column Labels						
	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	
Transmission			\$ 475,000.00	\$ 475,000.00	\$ 430,000.00	\$ 615,000.00	\$ 1,995,000.00
Transmission Line Reconstruction			475,000.00	475,000.00	430,000.00	615,000.00	1,995,000.00
Cass Road Substation to Barlow Junction 1.3 Miles rebuild						615,000.00	615,000.00
Barlow Substation to Parsons Substation 2.7 Miles rebuild			475,000.00	475,000.00			950,000.00
Hall Street Substation to Cass Road Substation 2.8 Miles rebuild					430,000.00		430,000.00
Substation	1,165,000.00	1,645,000.00	1,560,000.00	1,610,000.00			5,980,000.00
Substation Transformer Upgrades	750,000.00	1,500,000.00					2,250,000.00
Barlow #1 Transformer		750,000.00					750,000.00
Cass Road #1 Transformer	750,000.00						750,000.00
Barlow #2 Transformer		750,000.00					750,000.00
Substation Switching Stations			1,560,000.00	1,610,000.00			3,170,000.00
Parsons Substation			1,560,000.00				1,560,000.00
Barlow Substation				1,610,000.00			1,610,000.00
Substation Circuit Exits (New)	415,000.00	145,000.00					560,000.00
Parsons Substation		145,000.00					145,000.00
Barlow Substation	200,000.00						200,000.00
Cass Road Substation	215,000.00						215,000.00
Distribution	1,951,591.00	3,805,591.00	3,731,591.00	4,136,591.00	3,423,591.00	4,196,591.00	21,245,546.00
Distribution Circuit Rebuild	350,000.00	839,000.00	650,000.00	980,000.00	1,117,000.00	1,815,000.00	5,751,000.00
Grandview Parkway Install new 750 MCM CU URG & Padmount Equipment along Grandview Pkwy & Behind Bldgs North of Front St - 2.0 Miles		650,000.00	650,000.00				1,300,000.00
PC-32 Circuit OH 8th St/Hastings St Area East to Munson Avenue	350,000.00					400,000.00	750,000.00
OH East Bay Blvd & East Ave						400,000.00	400,000.00
BW-30 & PC-32 Circuits OH Parsons St & Airport Access to Munson Avenue - 1.72 Miles		189,000.00					189,000.00
HL-33 Circuit 69 KV Underbuild along Wadsworth St from 5th to 13th St - .78 Miles		189,000.00		400,000.00	725,000.00	725,000.00	1,850,000.00
SS-32 Circuit LaFranier Rd from South Sub to Hammond Road - .82 Miles				400,000.00	725,000.00	725,000.00	1,850,000.00
BW-30 Circuit OH Hastings St & Carver St from Parsons St to Woodmere Avenue - 1.09 Miles				200,000.00			200,000.00
CD-21 Circuit OH Cass St & 8th to 14th Street - .49 Miles				285,000.00			285,000.00
CD-31 Circuit Replace Poles & Install Additional Poles on CD31 along US31 from 14th St South and on Franke Rd from Silver Lake Rd South to US 31 to improve clearance				95,000.00			95,000.00
HL-22 Circuit OH alley north of 8th St from Lake Ave East to Railroad Ave - .45 Miles					125,000.00		125,000.00
PC-22 Circuit OH in back lot area from Parsons Rd to Munson Ave - .48 Miles					185,000.00		185,000.00
OH Munson Avenue from Davis Street to 3 Mile Road - 1.43 Mile					82,000.00	370,000.00	452,000.00
					82,000.00		82,000.00
						370,000.00	370,000.00

**TRAVERSE CITY LIGHT & POWER
CAPITAL IMPROVEMENTS PLAN 2017**

ELECTRIC FUND	FISCAL YEARS							
	Sum of Amount	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	Grand Total
PC-23 Circuit							320,000.00	320,000.00
OH Along Munson Avenue from Davis Street to Three Mile Road - 1.19 Miles							320,000.00	320,000.00
Overhead to Underground Conversion Projects			700,000.00	725,000.00	750,000.00	775,000.00	800,000.00	3,750,000.00
Line Improvements, Extensions and New Services	1,000,000.00	1,050,000.00	1,100,000.00	1,150,000.00	1,200,000.00	1,250,000.00		6,750,000.00
Critical and Large Customers (New)	270,000.00	410,000.00	925,000.00	925,000.00				2,530,000.00
Hartman Road Overhead Tie (New)		475,000.00						475,000.00
High Pressure Sodium to LED System Replacements	331,591.00	331,591.00	331,591.00	331,591.00	331,591.00	331,591.00	331,591.00	1,989,546.00
Facilities and Other	150,000.00	100,000.00						250,000.00
Hastings Service Center Facility Improvements (New)	150,000.00	100,000.00						250,000.00
Parking Lot		100,000.00						100,000.00
Datacenter Upgrades	150,000.00							150,000.00
Joint TCL&P, City of Traverse City and DDA Projects	2,375,000.00	75,000.00			1,340,000.00	-		3,790,000.00
Automated Metering Infrastructure (AMI)	1,900,000.00							1,900,000.00
Upgrade Front Street Lighting Circuits and Receptacles					1,340,000.00			1,340,000.00
Financial Software (New)	25,000.00	75,000.00						100,000.00
Park Street Streetscapes Lighting	100,000.00							100,000.00
Eighth Street Streetscapes Lighting (New)			-					-
Division Street Streetscapes Lighting (New)								-
Cass & Lake Street Streetscapes Lighting	350,000.00							350,000.00
West Front Streetscapes Lighting (New)								-
Grand Total	\$ 5,641,591.00	\$5,625,591.00	\$5,766,591.00	\$6,221,591.00	\$5,193,591.00	\$4,811,591.00	\$33,260,546.00	
NOTES:								
1) THIS WORKSHEET IS FOR ILLUSTRATION PURPOSES AND ONLY IS SUPPLEMENTAL TO THE PLAN.								
2) ACTUAL FISCAL YEAR THAT A PROJECT MAY BE UNDERTAKEN MAY DIFFER FROM THE FISCAL YEAR DEPICTED IN THIS SPREADSHEET. DOLLAR AMOUNTS ARE ESTIMATES FOR INFORMATION ONLY AND ARE NOT A PART OF THE OFFICIAL PLAN.								
3) STREET LIGHTING PROJECTS ARE SUBJECT TO FUNDING REQUIREMENTS PER THE DECORATIVE LIGHTING POLICY AND STREET LIGHTING OPERATIONS AND MAINTENANCE POLICY.								



SIX YEAR CAPITAL IMPROVEMENTS PLAN – 2017

ELECTRIC FUND

TRANSMISSION:

Transmission Line Reconstruction

Location: Existing transmission corridor from Barlow Street Substation to Parsons Road Substation, Hall Street Substation to Cass Road Substation, and Cass Road Substation to Barlow Junction.

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

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

Fiscal Year(s): 2019-20 through 2022-23

SUBSTATION:

Substation Transformer Upgrades

Location: Barlow and Cass Road Substation

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

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

Fiscal Year(s): 2017-18 through 2018-19

Substation Switching Stations

Location: Parsons and Barlow Substation

Character: Addition of switching equipment to allow for switching load on the looped transmission system for increased reliability.

Extent: Installation of substation infrastructure and equipment.

Fiscal Year(s): 2019-20 through 2020-21

Substation Circuit Exits (NEW)

Location: Parsons, Barlow, and Cass Road Substation

Character: New undergrounding from the substation to the circuits.

Extent: Installation of new wire and conduit.

Fiscal Year(s): 2017-18 through 2018-19



SIX YEAR CAPITAL IMPROVEMENTS PLAN – 2017

DISTRIBUTION

Distribution Circuit Rebuild

Location: Throughout the entire service area. In 2016-17, BW-31 circuit, which includes the commercial corridor North of Eighth Street between Barlow Street and Garfield Avenue ending at Peninsula/Center Road will be completed. Future projects have been evaluated and currently the planned replacement schedule for future years are Grandview Parkway, PC-32, BW-30, HL-33, SS-32, CD-21, CD-31, HL-22, PC-22, and PC-23.

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

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

Fiscal Year(s): 2017-18 through 2022-23 (Annual Program)

Overhead to Underground Conversion Projects

Location: Throughout the entire service area

Character: Conversion of overhead distribution facilities to underground.

Extent: Annual Program for approved projects except for 2017-18 was removed based on project load for that fiscal year.

Fiscal Year(s): 2018-19 through 2022-23 (Annual Program)

Line Improvements, Extensions, and New Services

Location: Throughout the entire service area

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

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

Fiscal Year(s): 2017-18 through 2022-23 (Annual Program)

Critical and Large Customers (NEW)

Location: Location near the intersection of Cass and South Airport Road and the Industrial Park

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

Extent: They are one-time projects in which wages, benefits, materials and equipment charges are capitalized for upgrades to existing services for improvements needed for our top ten and most critical customers.

Fiscal Year(s): 2017-18 through 2022-23



SIX YEAR CAPITAL IMPROVEMENTS PLAN – 2017

DISTRIBUTION (continued)

Hartman Road Overhead Tie (NEW)

Location: Southwest service area

Character: Overhead construction, poles, wires and related materials.

Extent: Allow a second feed into the circuit to enhance reliability.

Fiscal Year(s): 2018-19

High Pressure Sodium to LED System Replacements

Location: Throughout the entire utility service area

Character: LED yard lighting replacements.

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

Estimated Cost: \$1,989,546

Fiscal Year(s): 2017-18 through 2022-23

FACILITIES AND OTHER:

Hastings Service Center Facility Improvements (NEW)

Location: 1131 Hastings Street

Character: Site and data infrastructure improvements to existing facility

Extent: Needed upgrades to the datacenter infrastructure for reliability purposes, which will allow for the current datacenter equipment to be used at an offsite recovery center.

Additionally included are parking lot improvements at the service center.

Fiscal Year(s): 2017-18 through 2018-19

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

Automated Metering Infrastructure (AMI)

Location: Entire service area

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

Extent: A program to provide for the migration to electronic advanced meters that will assist utility customers on energy use, reliability and provide reads to utility billing. Will also drive future system engineering planning as well as provide metrics on completed items to show project results.

Fiscal Year(s): 2017-18



SIX YEAR CAPITAL IMPROVEMENTS PLAN – 2017

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

Upgraded Front Street Lighting Circuits and Receptacles

Location: Downtown north and south along Front Street

Character: Upgrade circuit to accommodate increased load

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

Fiscal Year(s): 2021-22

Financial Software (NEW)

Location: Hastings Street Service Center and Governmental Center

Character: Upgrade the current accounting financial software package

Extent: New software programs for utility billing, cash receipts, general ledger, purchase orders, miscellaneous receivables, payroll, accounts payable, fixed assets, and human resources.

Fiscal Year(s): 2017-18 through 2018-19

Park Street Streetscapes Lighting

Location: From State Street to Grandview Parkway

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

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

Fiscal Year(s): 2017-18

Eighth Street Streetscapes Lighting (NEW)

Location: Boardman Avenue to Woodmere Avenue

Character: New street lighting installations in conjunction with planned corridor improvements.

Extent: To be determined in coordination with the City.

Fiscal Year(s): 2018-19

Division Street Streetscapes Lighting (NEW)

Location: Fourteenth Street to Grandview Parkway

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

Extent: To be determined in coordination with MDOT.

Fiscal Year(s): 2022-23



SIX YEAR CAPITAL IMPROVEMENTS PLAN – 2017

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

Cass & Lake Street Streetscapes Lighting

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

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

Extent: To be determined in coordination with DDA.

Fiscal Year(s): 2017-18

West Front Streetscapes Lighting

Location: Division Street to Elmwood Avenue

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

Extent: To be determined in coordination with the City.

Fiscal Year(s): 2017-18

Traverse City Light & Power - Electric Fund

Cash Flow Forecast - Market Value of Assets - 10 year amortization MERS and 2% rate increase in 2018-19

Fiscal Year:	Actual 2015/16	Estimate 2016/17	Estimate 2017/18	Estimate 2018/19	Estimate 2019/20	Estimate 2020/21	Estimate 2021/22	Estimate 2022/23
Receipts								
Charges for Services	31,666,113	33,887,000	34,564,740	35,947,330	36,666,276	37,399,602	38,147,594	38,910,546
Other Operating Revenues	3,863,931	3,204,900	3,268,998	3,334,378	3,401,066	3,469,087	3,538,469	3,609,238
Non Operating Revenues	630,842	369,200	376,584	384,116	391,798	399,634	407,627	415,779
Transfers in	175,000	175,000	175,000	150,000	150,000	150,000	150,000	150,000
Total Receipts	36,335,886	37,636,100	38,385,322	39,815,823	40,609,140	41,418,322	42,243,689	43,085,563
Payments								
Generation Expense	23,069,158	24,077,650	24,559,203	25,050,387	25,551,395	26,062,423	26,583,671	27,115,345
Distribution Expense	4,387,363	3,886,250	3,763,975	3,839,255	3,916,040	3,994,360	4,074,248	4,155,733
Transmission Expense	451,739	437,000	445,740	454,655	463,748	473,023	482,483	492,133
Metering & Customer Accounting	560,770	559,350	570,537	481,948	491,587	501,418	511,447	521,676
Conservation & Public Service	671,545	486,000	495,720	505,634	515,747	526,062	536,583	547,315
Administrative & General	985,174	1,187,800	1,211,556	1,235,787	1,260,503	1,285,713	1,311,427	1,337,656
Insurance	62,001	65,500	66,810	68,146	69,509	70,899	72,317	73,764
City Fee	1,784,900	1,870,000	1,907,400	1,945,548	1,984,459	2,024,148	2,064,631	2,105,924
GASB 68 Adjustment	(1,096,888)	775,330	790,837	806,654	822,787	839,242	856,027	873,148
Capital Investments	8,388,478	7,746,500	5,641,591	5,625,591	5,766,591	6,221,591	5,193,591	4,811,591
Additional Street Lighting Projects	-	169,000	-	-	-	-	-	-
Total Payments	39,264,240	41,260,380	39,453,369	40,013,604	40,842,365	41,998,880	41,686,426	42,034,283
Cashflow Surplus/Deficit (-)	(2,928,354)	(3,624,280)	(1,068,047)	(197,781)	(233,225)	(580,558)	557,263	1,051,280
Opening Cash & Investments Balance	22,318,405	19,390,051	15,765,770	14,697,724	14,499,942	14,266,717	13,686,160	14,243,422
Closing Cash & Investments Balance	19,390,051	15,765,770	14,697,724	14,499,942	14,266,717	13,686,160	14,243,422	15,294,702
Reserved Cash & Investment Balance	9,350,000	9,525,000	9,700,000	9,800,000	9,900,000	10,000,000	10,400,000	10,550,000
Unreserved & Undesignated Cash & Investment	10,040,051	6,240,770	4,997,724	4,699,942	4,366,717	3,686,160	3,843,422	4,744,702