

**A REGULAR MEETING**

Of The

**TRAVERSE CITY LIGHT AND POWER BOARD**

Will Be Held On

**Tuesday, October 22, 2019**

At

**5:15 PM**

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 & Power. Individuals with disabilities requiring auxiliary aids or services should contact the Light and Power Department by writing or calling the following.

Jennifer St. Amour  
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:  
10/18/2019  
3:00 P.M.

**AGENDA**

Page

- Pledge of Allegiance**
- 1. Roll Call**
  - 2. Disclosure of Recusal**
  - 3. 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. Approval of Agenda
    - b. Consideration of approving minutes of the Regular meeting of September 10, 2019. (Approval Recommended) 4 - 7  
[MINUTES - Regular Meeting 9.10.19](#)
  - 4. Unfinished Business**
    - a. Public Hearing regarding rate adjustments effective November 1, 2019. (Myers-Beman) 8 - 29  
[TCLP-19-056 - Pdf](#)
  - 5. New Business**
    - a. Consideration of approving a tree trimming services agreement. (Dixon) 30  
[TCLP-19-060 - Pdf](#)
  - 6. Reports and Communications**
    - a. From Legal.
    - b. From Staff.
      1. Update on Fiber to the Premise. (Menhart-verbal)
      2. PC-32 Distribution Circuit Rebuild, Pole Replacement and Parsons Switch Station Projects close-out reports. (Dixon/Myers-Beman) 31 - 34  
[TCLP-19-058 - Pdf](#)
    - c. From Board.
      1. Chairman Update.
  - 7. Public Comment**
    - a. General Public Comment

/js

**TRAVERSE CITY  
LIGHT AND POWER BOARD**

Minutes of Regular Meeting  
Held at 5:15 p.m., Commission Chambers, Governmental Center  
Tuesday, September 10, 2019

**Board Members -**

Present: John Taylor, Elysha Davila, Ross Hammersley, Pat McGuire, Amy Shamroe, Tim Werner, Paul Heiberger

Absent:

**Ex Officio Member -**

Present: Marty Colburn, City Manager

**Others:** Tim Arends, W. Peter Doren (General Counsel), Daren Dixon, Scott Menhart, Karla Myers-Beman, Kelli Schroeder, Jacob Hardy, Tony Chartrand, Jennifer St. Amour

**Item 2 on the Agenda being Disclosure of Recusal - None**

**Item 3 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 as amended:

- a. *Removed.*
- b. Approved the minutes of the Regular Meeting of August 13, 2019.
- c. Approved rescinding the Transformer, Capacitor, and Other Electrical Equipment Spill Cleanup Plan with an immediate effective date.
- d. Approved adopting a Resolution declaring 743 Boyd Street surplus for utility purposes.
- e. Approved a five-year maintenance agreement with Cummins Bridgeway for planned generator maintenance.

CARRIED unanimously.

**Items Removed from the Consent Calendar**

- a. Approval of Agenda.

Tim Arends requested "Consideration of Sale of Property – 743 Boyd Ave." be added to New Business.

Tim Arends requested Russ Soyring be allowed to give his tree ordinance presentation under Staff Reports prior to New Business due to time constraints.

Moved by Shamroe, seconded by McGuire, to accept the Agenda as amended.



CARRIED unanimously.

- b. Presentation on tree ordinance.

The following individuals addressed the Board:

Russ Soyring, City Planner  
Tim Arends, Executive Director  
Daren Dixon, Operations Manager

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

None.

**Item 5 on the Agenda being New Business**

- a. Consideration of scheduling a Public Hearing at the October 2019 regular meeting regarding rate adjustments to be effective November 1, 2019.

The following individuals addressed the Board:

Tim Arends, Executive Director  
Karla Myers-Beman, Controller

Moved by Heiberger, seconded by Shamroe, that the Board tentatively approves the rate adjustment and authorizes the Secretary to set a public hearing for the proposed November 1<sup>st</sup> rate adjustment at the October meeting yet to be determined; 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 Sale of Property – 743 Boyd Ave.

The following individuals addressed the Board:

Daren Dixon, Operations Manager  
Tim Arends, Executive Director  
W. Peter Doren, General Counsel

Moved by McGuire, seconded by Werner, that the Board adopts the Resolution certifying property to be surplus for utility purposes, subject to the City Commission affirming that the affected property is surplus.

CARRIED unanimously.

Moved by Hammersley, seconded by McGuire, authorizing the Executive Director to execute a sales agreement as negotiated by the parties.

CARRIED unanimously.

**Item 6 on the Agenda being Reports and Communications**

## a. From Legal Counsel.

W. Peter Doren summarized how legal services of Sondee, Racine & Doren are delivered to TCL&P and the Board.

## b. From Staff.

## 1. Presentation by MERS on the actuarial report.

The following individuals addressed the Board:

Tim Arends, Executive Director  
Karla Myers-Beman, Controller

## 2. FTTP Update.

The following individuals addressed the Board:

Scott Menhart, Chief Information Officer  
Rick DeLisle, Director of Service & Delivery, Fujitsu

6:45 Tim Werner left the meeting.

## 3. Seedling Giveaway.

The following individuals addressed the Board:

Tim Arends, Executive Director

## 4. Discussion of October Board meeting date.

The following individuals addressed the Board:

Tim Arends, Executive Director

## c. From Board

Ross Hammersley reported he will be speaking at University of Michigan's Ross School of Business for their 2019 Energy Conference.

Chairman Taylor reported on feedback from fellow Board members regarding the Renewable Energy Goals and Capacity Planning presentation given at the August 13, 2019 meeting and how the Board will choose consultants going forward. He also spoke on Board goals and indicated he would put a short report together to show progress and to gain additional feedback.

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

## a. General

The following individuals from the Public addressed the Board:

Scott Hardy, 521 Washington St., ratepayer

There being no objection, Chairman Taylor declared the meeting adjourned at 7:05 p.m.

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Tim Arends, Secretary  
LIGHT AND POWER BOARD

DRAFT



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**To:** Traverse City Light and Power Board  
**From:** Karla Myers Beman - Controller  
**Meeting:** Regular Board - Oct 22 2019  
**Subject:** Rate Adjustments

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Staff presented rate adjustments at the last board meeting and included in your board packet are those adjustments presented in the utility's rate tariff sheets. Not only do the changes in the tariff sheets provide for rate changes, but wording changes relating to the measurement of peak demand and the closing of the Primary Interruptible Demand Rate.

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 adjustments and the modifications to the rate sheets, the following motion would be appropriate:

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

**THAT THE BOARD AUTHORIZES THE RATE ADJUSTMENTS SHOWN IN THE PRESENTED TARIFF RATES EFFECTIVE NOVEMBER 1, 2019.**



City of Traverse City  
Light and Power Department  
Effective: November 1, 20182019

## RESIDENTIAL SERVICE

(Rate "R")

### Availability:

Available to single family residences, individually metered dwelling units in: mobile home courts, apartment buildings, condominiums, and multiple dwelling units. This rate is not available for general service or for resale purposes.

Service for single phase motors may be included under this rate, provided the individual capacity of such motors does not exceed 3 hp, nor the total capacity of 10 hp, without the specific consent of the Department.

Service under this rate is not available when a portion of the dwelling or an appurtenant building is used for commercial, industrial, or resale purposes unless the wiring is so arranged that service for residential and non-residential purposes are metered separately at separate service locations.

### Nature of Service:

Alternating current, 60 hertz, single phase, 120/240 nominal volts.

### Monthly Rate:

Customer Charge: \$7.50 per month, plus

Energy Charge: 9.21¢ per kWh for the first 16 kWh per day

10.55¢ per kWh for all over 16 kWh per day

### Water Heating Service (Rate "RH"):

When service is supplied to a Department-approved water heater with a tank capacity of 30 gallons or greater, the rate of 9.4221¢ per kWh shall apply to the first 29-16 kWh per day. All excess kWh are billed at 10.55¢ per kWh. This provision for water heating service is not applicable to the use of electricity as an occasional or seasonal substitute for another method of water heating.

### Space Heating Service (Rate "RS"):

When service is supplied to a residence which has permanently installed electric heating equipment as the primary source of space heating, the following rate shall apply: 9.4321¢ per kWh ~~for~~ 480 shall apply to the first 16 kWh/month per day. All excess kWh are billed at 10.55¢/ per kWh.

City of Traverse City  
Light and Power Department  
Effective: November 1, 20182019

Residential Service (Rate "R"), cont.

**Power Service Cost Recovery:**

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

**Minimum Charge:**

The customer 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. 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.

City of Traverse City  
Light and Power Department  
Effective: November 1, 20182019

**RESIDENTIAL SENIOR CITIZEN SERVICE**

(Rate "SR")

**Availability:**

Available to single family residences, individually metered dwelling units in: mobile home courts, apartment buildings, condominiums, and multiple dwelling units. This rate is not available for general service or for resale purposes.

Service for single-phase motors may be included under this rate, provided the individual capacity of such motors does not exceed 3 hp, nor the total capacity of 10 hp, without the specific consent of the Department.

**Nature of Service:**

Alternating current, 60 hertz, single phase, 120/240 nominal volts.

**Monthly Rate:**

Customer Charge: \$7.50 per month, plus a discount of ~~\$31.00~~  
Energy Charge: ~~8.288~~¢ per kWh for the first 16 kWh per day  
~~11.10.55~~¢ per kWh for all over 16 kWh per  
day

**Water Heating Service (Rate "SH"):**

When service is supplied to a Department-approved water heater with a tank capacity of 30 gallons or greater, the rate of ~~8.36188~~¢ per kWh shall apply to the first ~~29-16~~ kWh's per day. All excess kWhs are billed at 10.55¢ per kWh. This provision for water heating service is not applicable to the use of electricity as an occasional or seasonal substitute for another method of water heating.

**Space Heating Service (Rate "SS"):**

When service is supplied to a residence which has permanently installed electric heating equipment as the primary source of space heating, the following rate shall apply: 8.99¢ per kWh ~~for 480 kWh per month shall apply to the first 16 kWh's per day. All excess kWhs are billed at and~~ 10.00~~55~~¢ per kWh ~~for excess.~~

City of Traverse City  
Light and Power Department  
Effective: November 1, 20182019

Residential Senior Citizen Service (Rate "SR"), cont.

**Power Service Cost Recovery:**

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

**Minimum Charge:**

The customer 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. 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.

**Senior Citizen Requirements:**

To qualify for this reduction, the customer must be 62 years-of-age and head of the household. To apply for this, write or come to the City's Utility Customer Service Department at the Governmental Center, 400 Boardman Avenue, Traverse City, MI 49684. If you are applying in writing, be sure to:

1. Give your full name and utility service address.
2. State that you are 62 years-of-age or older, and supply copy of identification showing such.
3. State that you are the head of the household.
4. Sign your written request.



City of Traverse City  
Light and Power Department  
Effective: November 1, 20182019

**COMMERCIAL DEMAND/GENERAL SECONDARY SERVICE**

(Optional Rate "CD")

**Availability:**

Open to any customer desiring secondary 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 the service is three phase, 3-wire, lighting may be included, provided the customer furnishes all transformation facilities required for such purpose and so arranges the lighting circuits as to avoid excessive unbalance of the three phase load. When the service is single phase, or 4-wire, three phase, the single phase individual motor capacity shall not exceed 3 hp, nor the total single phase motor capacity 10 hp, without the specific consent of the Department.

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: \$20.00 per meter per month, plus
- Capacity Charge: \$13.45 per kW for peak kW of billing demand, plus
- Energy Charge: 5.76¢ 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: November 1, 20182019

Commercial Demand (Optional Rate "CD"), cont.

**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. 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 peak kilowatts (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: November 1, 20182019

**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: \$20.00 per meter per month, plus

Capacity Charge: \$13.25 per kW for peak kW of billing demand, plus

Energy Charge: 5.62¢ per kWh for all energy used

**Power Service Cost Recovery:**

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

**Minimum Charge:**

The capacity charge included in the rate.

City of Traverse City  
Light and Power Department  
Effective: November 1, 20182019

Commercial Demand Primary Metered (Rate "D3"), cont.

**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.

**Michigan Sales Tax:**

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

**Billing Demand:**

The billing demand shall be the peak kilowatts (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: November 1, 20182019

**COMMERCIAL ELECTRIC HEAT AND AIR CONDITIONING**

(Rate "C1")

**Availability:**

Open to any commercial or industrial customer desiring service for electric space heating furnished through a separate meter to which no other device, except electric air-conditioning equipment or electric water heater(s), may be connected and provided the customer has permanently installed and uses electric heating equipment as the primary source of space heating. Electric space heating will be considered to include heating by light systems when the lighting equipment provides a major portion of the heating system as determined by the Department. This rate is not available for heating water for industrial processing or for resale purposes. This rate is not applicable as an occasional or seasonal substitute for another method of heating.

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

**Monthly Rate:**

Customer Charge: \$15.00 per customer per month, plus

Energy Charge: ~~10.82~~11.20¢ per kWh for all energy used

**Power Service Cost Recovery:**

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

**Minimum Charge:**

The customer charge included in the rate.

City of Traverse City  
Light and Power Department  
Effective: November 1, ~~2018~~2019

Commercial Electric Heat and Air Conditioning (Rate "C1"), cont.

**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.

**Michigan Sales Tax:**

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

City of Traverse City  
Light and Power Department  
Effective: November 1, 20182019

**COMMERCIAL AND INDUSTRIAL WATER HEATING SERVICE**

(Rate "CH")

**This rate will not be available to new customers after July 1, 1982. Present customers will continue to be served at present location under this rate.**

**Availability (prior to July 1, 1982):**

Open to any commercial or industrial customer desiring service for electric water heater(s) served through a separate meter to which no other device shall be connected. This rate is not applicable to the use of electricity for space heating service or as an occasional or seasonal substitute for another method of water heating. This rate is not available for heating water for industrial processing or for resale purposes.

**Nature of Service:**

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

**Monthly Rate:**

Customer Charge: \$15.00 per customer per month, plus

Energy Charge: ~~9.911.00¢~~ per kWh for all kWh used

**Power Service Cost Recovery:**

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

**Minimum Charge:**

The customer charge included in the rate.

City of Traverse City  
Light and Power Department  
Effective: November 1, 20182019

Commercial and Industrial Water Heating Service (Rate "CH"), cont.

**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.

**Michigan Sales Tax:**

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



City of Traverse City  
Light and Power Department  
Effective: November 1, 20182019

**PRIMARY SERVICE-HIGH LOAD FACTOR**

(Rate "I1")

**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 customers must purchase and retain ownership of all necessary transforming, controlling and protective equipment, and, install and maintain this equipment at their expense. The customer is responsible for all costs and liability associated with the 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: \$100.00 per meter per month, plus

Capacity Charge: \$12.25 per kW of on-peak billing demand

Energy Charge: 6.4¢ per kWh for all kWh consumed during the on-peak period,  
November through May.

6.4¢ per kWh for all kWh consumed during the on-peak period, June  
through October.

5.2¢ per kWh for all kWh consumed during the off-peak period.

City of Traverse City  
Light and Power Department  
Effective: November 1, 20182019

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

**Power Service Cost Recovery:**

This rate is subject to the Department's 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. 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 peak kilowatts (kW) supplied during ~~the 30-minute period of maximum use during~~ on-peak hours during the month, per schedule below, but never less than 54% of the highest on-peak billing demand of the preceding billing months of June through September.

**Schedule of On-Peak and Off-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.  
Off-Peak Hours: 5:00 p.m. to 10:00 a.m.

City of Traverse City  
Light and Power Department  
Effective: November 1, 20182019

Primary Service-High Load Factor (Rate "I1"), 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.



City of Traverse City  
Light and Power Department  
Effective: November 1, 20182019

**PRIMARY INTERRUPTIBLE**

(Rate "P3")

**RATE CLOSED EFFECTIVE DECEMBER 31, 2019**

**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: November 1, 20182019

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 customers 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.

**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: \$100.00

Billing Demand Charge: \$12.25 per kW of contracted firm service billing capacity

Energy Charge: 6.6¢ per kWh for all kWh consumed during the on-peak period  
November through May.

6.8¢ per kWh for all kWh consumed during the on-peak period  
June through October.

6.0¢ per kWh for all kWh consumed during the intermediate-peak  
and off-peak period.

City of Traverse City  
Light and Power Department  
Effective: November 1, 20182019

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 "I1" metering.

**Power Service Cost Recovery:**

This rate is subject to the Department's 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. 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: November 1, 20182019

**METAL MELTING PRIMARY SERVICE**

(Rate "MM")

**Availability:**

Open to any customer who provides metal melting and heat treating services and is desiring primary voltage service for general use where the billing demand is 500 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 customers must purchase and retain ownership of all necessary transforming, controlling and protective equipment, and, install and maintain this equipment at their expense. The customer is responsible for all costs and liability associated with the 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:	\$55.00 per meter per month, plus
Capacity Charge:	\$10.00 per kW of the highest on-peak billing demand for the past twelve months
Energy Charge:	6.36¢ per kWh for all kWh consumed during the on-peak period, November through May. 6.36¢ per kWh for all kWh consumed during the on-peak period, June through October 4.76¢ per kWh for all kWh consumed during the off-peak period.

**Power Service Cost Recovery:**

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

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Metal Melting Primary Service (Rate"MM"), cont.

**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. 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 peak 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 and Off-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.
Off-Peak Hours:	5:00 p.m.	to	10:00 a.m.

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



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Metal Melting Primary Service (Rate"MM"), 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 will be determined through metering of lagging kilovar hours and kilowatt hours during the billing period. The calculated ratio of lagging Metal Melting Primary Service (Rate"MM"), cont.

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.

**To:** Traverse City Light and Power Board  
**From:** Daren Dixon - Operations Manager, Mark Watson - Field Engineering Supervisor  
**Meeting:** Regular Board - Oct 22 2019  
**Subject:** 2019 - 2024 Tree Trimming Services Agreement

Bids have been obtained for Vegetation Line Clearance maintenance service on TCL&P's utility system 2019-2024 (5 years). Bid requests were sent to five qualified companies. Bid pricing was for an hourly rate of a two person crew with aerial lift truck, chipper and other related equipment for the purpose of vegetation maintenance around TCLP's electric distribution, transmission and fiber systems.

Bidder	Year 1	Year 2	Year 3	Year 4	Year 5	Extended Contract Amount
Asplundh Tree Expert Co.	\$99.29	\$102.06	\$104.73	\$107.15	\$109.61	\$1,087,507.20
Davey Tree Expert Co.	\$118.92	\$122.37	\$125.90	\$129.55	\$133.31	\$1,310,504.00
Penn Line Service Inc.	N/A	N/A	N/A	N/A	N/A	NO BID
Nelson Tree Service	N/A	N/A	N/A	N/A	N/A	NO BID
Townsend	N/A	N/A	N/A	N/A	N/A	NO BID

Staff recommends selecting Asplundh Tree Expert Co. as they are the low bidder for the defined work scope.

If the board is in agreement, the following motion is recommended:

**THE BOARD AUTHORIZES THE CHAIRMAN AND SECRETARY TO EXECUTE A 5 YEAR AGREEMENT WITH ASPLUNDH TREE EXPERT CO. FOR VEGETATION MANAGEMENT SERVICES IN THE AMOUNT OF \$1,087,507.20 , MORE OR LESS, SUBJECT TO REVIEW AS TO SUBSTANCE BY THE EXECUTIVE DIRECTOR AND AS TO FORM BY GENERAL COUNSEL.**

**To:** Traverse City Light and Power Board  
**From:** Daren Dixon - Operations Manager, Karla Myers Beman - Controller  
**Meeting:** Regular Board - Oct 22 2019  
**Subject:** Capital project close out reports

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Below is a summary of the financial results of the PC-32 Distribution Circuit Rebuild, Pole Replacement, and Parsons Switch Station Projects.

### **PC-32 Distribution Circuit Rebuild Project**

This project came in over budget by approximately \$218,000. In October 2018, staff brought before the Board the request to amend the hourly assistance agreement with CC Power LLC for the purpose of achieving the strategic plan goals of recruitment and retention of employees along with maintaining a highly reliable system. These goals were accomplished by CC Power LLC training the employees on how to install Hendrix spacer cable on this distribution circuit rebuild project. By doing the training on this project it caused an overage on labor and equipment, but it also benefitted the employees by providing a challenging work environment and expanded their knowledge and ability to maintain the system and to construct future utility capital projects.

Higher costs in labor, equipment and materials was also caused by unforeseen wet soil conditions which warranted assistance from a third party contracted vacuum truck and laborer at nearly all pole locations.

### **Pole Replacement Project**

Overall the project came under budget by approximately \$60,000. Labor and equipment came in over budget and was covered by contingency. Materials came under budget with some contracts not fully expended as these were changed and directly charged to inventory instead of to the project due to timing of delivery relating to the year-end audit.

### **Parsons Switch Station**

Overall the project came in over budget \$185,000 directly related to the contracted labor and equipment costs. As mentioned during the contract approval process at the September 25, 2018 board meeting, it was discovered the third party contracted engineering estimate did not include all the 69 kV work needed to complete the project. This will be taken into consideration while preparing the estimate of the Barlow Switch Station Project.



Project Name PC-32 East Bay Boulevard Redesign

Sum of Amount Row Labels	Column Labels Capital Plan	Budget	Contract	Cash outlay	Over (Under) Budget	Over (Under) Contract
<b>Contracted Labor &amp; Equipment</b>			<b>21,400.00</b>	<b>195,444.27</b>	<b>195,444.27</b>	
P 7996			18,000.00	14,656.27		(3,343.73)
General Utility Contract				180,178.00		
P 8202			3,400.00	610.00		(2,790.00)
<b>Engineering, Administrative &amp; Construction Inspections</b>		<b>30,000.00</b>	<b>30,000.00</b>	<b>23,050.04</b>	<b>(6,949.96)</b>	<b>(6,949.96)</b>
Contract			30,000.00	23,050.04		
(blank)		30,000.00				
<b>Internal Labor &amp; Equipment</b>		<b>185,000.00</b>		<b>230,387.66</b>	<b>45,387.66</b>	
(blank)		185,000.00				
444				230,387.66		
<b>Materials</b>		<b>100,000.00</b>	<b>75,885.31</b>	<b>115,939.12</b>	<b>15,939.12</b>	
Direct Purchase				10,337.09		
Inventory				28,250.98		
P 2018-1632			47,669.17	50,113.26		2,444.09
P 2018-1662			17,445.14	17,759.79		314.65
(blank)		100,000.00				
P 7930			10,771.00	9,478.00		
<b>Miscellaenous</b>				<b>3,100.00</b>	<b>3,100.00</b>	
(blank)				3,100.00		
(blank)		350,000.00				
(blank)		350,000.00				
<b>Contingency</b>		<b>35,000.00</b>			<b>(35,000.00)</b>	
(blank)		35,000.00				
<b>Grand Total</b>		<b>350,000.00</b>	<b>350,000.00</b>	<b>127,285.31</b>	<b>567,921.09</b>	<b>217,921.09</b>
						<b>(10,324.95)</b>



Project Name Pole Replacement Project

Sum of Amount Row Labels	Column Labels Capital Plan	Budget	Contract	Cash outlay	Over (Under) Budget	Over (Under) Contract
<b>Engineering, Administrative &amp; Construction Inspections</b>		<b>45,000.00</b>	<b>27,850.00</b>	<b>55,454.66</b>	<b>10,454.66</b>	
Internal Engineering				32,111.50		
S 2016-0611 & S 2016-0529			27,200.00	22,799.91		(4,400.09)
S 2016-0675			400.00	293.25		(106.75)
S 2017-0684			250.00	250.00		-
(blank)		45,000.00				
<b>Contracted Labor &amp; Equipment</b>		<b>385,000.00</b>	<b>116,742.00</b>	<b>225,760.92</b>	<b>(159,239.08)</b>	
Contract			109,282.00	100,352.18		(8,929.82)
L 2016-8198				992.50		
L 2016-8663				550.00		
L 2017-8855				550.00		
S 2016-0620				3,833.89		
S 2016-0656				1,475.35		
(blank)		385,000.00				
General Utility Contract				110,547.00		
P 8014			7,460.00	7,460.00		-
<b>Internal Labor &amp; Equipment</b>				<b>244,239.06</b>	<b>244,239.06</b>	
(blank)				242,662.43		
505				1,216.61		
506				360.02		
<b>Materials</b>		<b>180,000.00</b>	<b>110,117.59</b>	<b>108,870.79</b>	<b>(71,129.21)</b>	
Direct Purchase				363.08		
Inventory				86,274.80		
L 2016-8202				30.75		
L 2016-8225				43.05		
L 2016-8284				12.20		
L 2016-8307				11.99		
L 2016-8415				11.58		
L 2016-8582				210.00		
P 2016-1223			20,619.05	518.28		(20,100.77)
P 2016-1249			20,353.73	21,395.06		1,041.33
P 2016-Series			69,144.81			(69,144.81)
(blank)		180,000.00				
<b>Miscellaneous</b>			<b>1,584.62</b>	<b>4,787.26</b>	<b>4,787.26</b>	
L 2016-8192				78.00		
L 2016-8333				464.32		
L 2016-8376				464.58		
L 2016-8476				463.16		
L 2016-8774				232.61		
L 2016-8830				472.26		
L 2017-9402				250.17		
S 2016-0663			1,584.62	1,584.62		-
(blank)				777.54		
(blank)		650,000.00				
(blank)		650,000.00				
<b>Contingency</b>		<b>90,000.00</b>			<b>(90,000.00)</b>	
(blank)		90,000.00				
<b>Grand Total</b>		<b>650,000.00</b>	<b>700,000.00</b>	<b>256,294.21</b>	<b>639,112.69</b>	<b>(60,887.31) (101,640.91)</b>

Project Name Parsons Switch Station

Sum of Amount Row Labels	Column Labels Capital Plan	Budget	Contract	Cash outlay	Over (Under) Budget	Over (Under) Contract
<b>Contracted Labor &amp; Equipment</b>		866,000.00	1,188,756.00	1,188,756.04	322,756.04	
Contract (blank)		866,000.00	1,180,684.00	1,188,756.04		8,072.04
Contract-change Order			8,072.00			(8,072.00)
<b>Engineering, Administrative &amp; Construction Inspections</b>		188,000.00	188,000.00	181,917.25	(6,082.75)	
Contract (blank)		188,000.00	188,000.00	181,917.25		(6,082.75)
<b>Internal Labor &amp; Equipment</b>				18,180.00	18,180.00	
722				10,882.40		
16395				7,297.60		
<b>Materials</b>		350,000.00	277,225.83	356,416.61	6,416.61	
Direct Purchase				642.50		
Inventory				78,548.28		
P 2018-1638 (blank)		350,000.00	73,530.00	73,530.00		-
P 2018-1708			45,468.00	45,468.00		-
P 2018-1709			45,256.00	45,256.00		-
P 2018-1735			104,637.02	104,637.02		-
P 2018-1730			6,013.81	6,013.81		-
P 2018-1741			2,321.00	2,321.00		-
<b>Miscellaneous</b>				639.85	639.85	
Miscellaneous (blank)				639.85		
(blank)	1,560,000.00					
(blank)	1,560,000.00					
<b>Contingency</b>		156,000.00			(156,000.00)	
(blank)		156,000.00				
<b>Grand Total</b>	1,560,000.00	1,560,000.00	1,653,981.83	1,745,909.75	185,909.75	(6,082.71)