



CITY COUNCIL/ELECTRICAL  
ADVISORY COMMITTEE

January 16, 2013 – 6:00 p.m.  
Regular Meeting

CITY COUNCIL

Leo Evans, Mayor  
Brady Nelson, Mayor Pro-tem  
Patricia Baribeau, Council Member  
Ronald Beauchamp, Council Member  
Walter Baker, Council Member

ADMINISTRATION

James V. O'Toole, City Manager  
Robert S. Richards, CMC, City Clerk  
Ralph B.K. Peterson, City Attorney  
Mike Furmanski, Electrical Superintendent  
Michael Dewar, City Controller  
Thomas Butz, Power System Engineering

ELECTRICAL ADVISORY COMMITTEE

Tim Wilson, Chairperson  
Ann Bissell, Vice Chairperson  
Larry Arkens, Committee Member  
Glendon Brown, Committee Member  
John Anthony, Committee Member  
Vacant Seat  
Vacant Seat

Escanaba City Council Chambers: 410 Ludington Street - Escanaba, MI 49829

Meeting Agenda

Wednesday, January 16, 2013

CALL TO ORDER  
ROLL CALL  
APPROVAL/ADJUSTMENTS TO THE AGENDA  
CONFLICT OF INTEREST DECLARATION

NEW BUSINESS

- 1. Update - Electric Department –General Operations.**  
**Explanation:** Electrical Superintendent Mike Furmanski will update the city Council Electrical Advisory Committee and Citizens of Escanaba on the current departmental activities, and the MISO Y1 contract.
- 2. Update– Operation and Maintenance of Power Plant – Pro Energy Services, Inc.**  
**Explanation:** Pro Energy Services, Inc. will update the City Council, Electrical Advisory Committee and Citizens of Escanaba on the status of the operation and maintenance of the power plant.
- 3. Update – Capacity.**  
**Explanation:** Administration will provide an update on capacity for planning year 2013/2014.
- 4. Update – Power Plant Purchase Agreement.**  
**Explanation:** Administration will provide an update on the status of power plant purchase agreement between the City of Escanaba and Escanaba Green Energy, LLC.

Agenda -January 16, 2013

GENERAL PUBLIC COMMENT  
COMMISSION/STAFF COMMENT AND ANNOUNCEMENTS  
ADJOURNMENT

The City of Escanaba will provide all necessary, reasonable aids and services, such as signers for the hearing impaired and audiotapes of printed materials being considered at the meeting to individuals with disabilities at the meeting/hearing upon five days notice to the City of Escanaba. Individuals with disabilities requiring auxiliary aids or services should contact the City of Escanaba by writing or calling City Hall at (906) 786-9402.

Respectfully Submitted,



James V. O'Toole  
City Manager

**OFFICIAL PROCEEDINGS**  
**CITY COUNCIL**  
**ELECTRICAL ADVISORY COMMITTEE**  
**CITY OF ESCANABA, MICHIGAN**  
**Special Joint Meeting**  
**Wednesday, December 12, 2012**

Pursuit to a meeting notice posted December 6, 2012, the meeting was called to order by the Mayor Leo J. Evans at 6:04 p.m. in the Council Chambers of City Hall located at 410 Ludington Street.

Present: Mayor Leo J. Evans, Council Members, Patricia A. Baribeau, Ronald J. Beauchamp, and Brady L. Nelson.

Absent: Council Member Walter A. "Pete" Baker.

Present: Electrical Advisory Committee (EAC) Members: Chairperson Tim Wilson, Jon Anthony, Ann Bissell, and Glendon Brown .

Absent: Electrical Advisory Committee Members: Larry Arkens, and Three vacancies

Also Present: City Manager James V. O'Toole, Electric Superintendent Mike Furmanski, City Controller Mike Dewar, Pro Energy Escanaba Power Plant Manager Jack Scott, Power System Engineering representative Tom Butz, Escanaba Green Energy representatives Charles DeTiege and, members of the public, and Media.

Beauchamp moved, Nelson seconded, **CARRIED UNANIMOUSLY**, to approve the agenda as submitted.

**UNFINISHED BUSINESS** - None

**CONFLICT OF INTEREST** - None

**PUBLIC HEARING** - None

**NEW BUSINESS**

**Update - Electric Department –General Operations.**

Electrical Superintendent Mike Furmanski updated the City Council, Electrical Advisory Committee and Citizens of Escanaba on the current departmental activities, and the MISO Y1 contract. The following items were reviewed

- New Entrance Signs;
- Pole Maintenance;
- Tree Trimming Bid;
- Sub-Station transformers. Electric Superintendent will investigate purchase of a transformer as a backup for the new substation and report back at the January Joint Meeting;
- MISO Y1 update.

**Update– Operation and Maintenance of Power Plant – Pro Energy Services, Inc.**

Pro Energy Services, Inc. updated the City Council, Electrical Advisory Committee and Citizens of Escanaba on the status of the operation and maintenance of the power plant.

- No accidents or injuries;
- Plant was not called up to run;
- Down time was used for maintenance.

**Update – Electric Operations Budget Comparison.**

City Controller Dewar provided an update on Electric Operations as compared to the budget for Fiscal Year 2012/2013 through October. The following (See Attachment – A):

- Fiscal 2012/13 Fund Electric Budget – Comparison of Changes;
- Comparative Income Statement First Four Months of the Current Fiscal Year;
- Insurance Costs.

**Update – Load Forecast Study.**

Administration provided an update on the need to have a load forecast done. The last Load Forecast Study was completed in 2003.

- Changes to load forecast figures now that City was working with MISO;
- After review and discussion, Administration would seek a RFP for a new Load Forecast Study and bring to Council for approval.

**Update – Capacity Changes in the MISO market.**

Power System Engineering representative Tom Butz provided an update on the changes coming soon to the MISO market. (Attachment – B)

- Administration researching best option;
- Administration asked to seek approval on a capacity cap from Council;
- There was a lot of uncertainty until the MISO Auction occurred;
- The Capacity was available now. Members questioned whether the information could be analyzed and make a decision the following month;

It was the consensus of the Electrical Advisory Committee to move forward to secure capacity at an amount of a maximum amount of \$178,000.

After discussion Nelson moved, Baribeau seconded, to move forward to secure Power Plant Capacity for the 2013/14 fiscal year at an amount not to exceed \$178,000.

Ayes: Nelson, Baribeau, Evans

Nays: Beauchamp

**MOTION CARRIED.**

**Update – Power Plant Purchase Agreement.**

EGE Representative Charles DeTiege provided an update on the status of power plant purchase agreement between the City of Escanaba and Escanaba Green Energy, LLC.

- Final documentation details for the loan was in hand;
- December 20<sup>th</sup> was still a target date for the sale provided Homeland Security did not delay the wire transfer;
- Sale would happen by the end of year;
- Reviewed details of what issues were resolved;
- EGE was still working on final property loan and insurance.

**GENERAL PUBLIC COMMENT - None**

**COUNCIL/COMMITTEE, STAFF REPORTS - None**

**ADJOURNMENT**

Hearing no further public comment, or further reports from the Electrical Advisory Committee or Council, the meeting adjourned at 7:55 p.m.

Respectfully submitted,

Robert S. Richards, CMC  
City Clerk

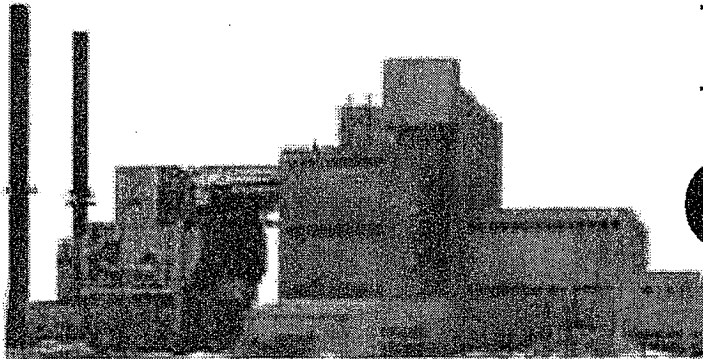
Approved:

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Leo J. Evans, Mayor

Escanaba Operating Services

Monthly Report

December 2012



*Escanaba Generating Station*

# Escanaba Operating Services

## Executive Summary

Units 1 and 2 remained in service for the entire month of December. There is 13,975 tons of coal on the dock. The OSHA incident, rate for the year-ending 2012 was **zero**. The Steam Generating Units and the Combustion Turbine were operated during the month of December as detailed in the **Operations Summary** section of this report.

## Key Performance Indicators (Note: This table is for the City's fiscal year July 2012 through June 2013)

Measure	Unit of Measure	Month	Year to Date
Steam Plant Gross Electrical Generation	MWH	1162	7571
Unit 1 Net Electrical Generation	MWH	500	2794
Unit 2 Net Electrical Generation	MWH	401	2768
Unit 1 Hours of Operation	Hours	97.5	581.4
Unit 2 Hours of Operation	Hours	76.1	510
Coal Consumption	Tons	80.98	3818
Coal on Dock	Tons	13975	13975
Steam Plant Net Heat Rate	BTU/KWH	n/a	n/a
Plant Availability	%	99.99%	99.99%
Combustion Turbine Gross Electrical Generation	MWH	49	257
Combustion Turbine Station Service	MWH	36.1	104.9
Combustion Turbine Hours of Operation	Hours	5	38.5
Fuel Oil Consumption	Gallons	5619	39954
Combustion Turbine Availability	%	100%	100%

## Operations Summary

### Unit Start-Ups and Shut Downs

Turbine Generator Unit 1 was operated from December 11, 2012 thru December 14, 2012. Unit 2 was operated from December 11, 2012 thru December 13, 2012. Both units were dispatched by MISO and operated reliably throughout the period. The CTG was operated on December 19, 2012 for visible emission testing by the Michigan Department of Environmental Quality (MDEQ) and was dispatched on December 27, 2012 at the request of the Midwest Interconnected System Operator (MISO)

Unit	Date	On-Line Time	Off-Line Time	Reason
1	12/11/12	06:54		MISO
1	12/14/12		17:03	
2	12/11/12	02:37		MISO
2	12/13/12		24:00	
CT	12/19/12	12:43	16:00	Visible Emission Test
CT	12/27/12	14:04	15:13	MISO

**Unit Trips and Unplanned Outages**

Unit	Date	Breaker Open Time	Breaker Close Time	Duration (Hours)	Cause
1	None				
2	None				
CTG	12/19/12	10:45	12:43	2	Engine Radiator Coolant Leak caused by a defective radiator cap. The defective cap was replaced.

**Planned Outages**

There were no planned outages during the month of November 2012.

Unit	Start Date	Start Time	End Date	End Time	Cause
1	None				
2	None				
CTG	None				

**Forced Load Reduction Events**

Forced Load Reduction Events are events that limit the generating capability of a turbine/generator unit. The reductions are measured in megawatts of unavailable power due to equipment or component failure. In these situations the generating unit *continues to operate* but at a lower than design megawatt output.

Start Date	Start Time	End Date	End Time	Load Limit	Cause
None					

**Maintenance Activities**

**Plant Maintenance Activities for December 2012**

**Unit 1**

There were no **major** repairs made to Unit 1 during the month.

**Unit 2**

There were no **major** repairs made to Unit 2 during the month.

**Combustion Turbine**

There were no major repairs to the Combustion Turbine Unit during the month.

**Plant Outstanding Issues:**

One of the plant Vacuum Priming Pumps failed in service. A new pump was ordered. These pumps are used to remove the air from the top of the condenser water box and helps assure the water box is completely full during plant operation. An air space in the top of the water box will cause the upper tubes of the condenser to lose cooling



water flow and will subject the tubes to overheating and potential failure. This condition may cause a reduction in generating capability if the condition is not corrected.

## Emissions Compliance Overview-Air/Water

- There were no Air deviations for the month of October.

### Air Monitoring Deviations

Start Date	Start Time	End Date	End Time	Opacity Parameter	Cause
None					

### Water – NPDES Permit Deviations

- There was one deviation during the month of December.

### Water – Groundwater

- 1) The plant was over the 10,000 gallon limit on seven days during the month. **Corrective Action:** An application for a new groundwater discharge permit has been submitted for a higher plant effluent limit. The DEQ has given the facility a draft permit, which was reviewed and approved by both the DEQ and the facility. A permit for public comment will arrive shortly. Hopefully the limit will be modified as a result of these actions.

### Water Monitoring Deviations

Start Date	End Date	Parameter	Cause
12/1	12/2	Flow	Weather
12/12	12/14	Flow	Units in Operation
12/26	12/27	Flow	Wet Layup of Units.

## Occupational Health Overview

### OSHA Summary of Work Related Injuries and Illnesses

- 1) There were no OSHA recordable injuries or illnesses during the month of December. Safe man-hours worked to date are 34013.9 since January 1, 2012. The Illness and Incident Rate for the year remains at zero (0).

### EH&S Incidents – (Near Misses and Property Damage)

None

## Labor Statistics

Labor Statistics (Note: These statistics are for the 2012 calendar year from Jan 1 through December 31.)

Item	Month	Year to Date
Total Man-Hours Worked	2854	34013.9
Total Number of Standard Time (ST) Hours	2329.5	31974.8
Total Number of Overtime (OT) Hours	168.5	2082.4
Total Number of Double Time (DT) Hours	356	3136.75

MeritMail

NB#4  
CC/EAC 1/11/13  
jotoole@escanaba.org

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**Escanaba Green Energy Update**

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**From :** Jim O'Toole - City Manager  
<jotoole@escanaba.org>

Fri, Jan 11, 2013 08:26 AM

**Subject :** Escanaba Green Energy Update

**To :** Jim O'Toole - City Manager  
<jotoole@escanaba.org>

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**From:** "John Ranson"  
**To:** [jotoole@escanaba.org](mailto:jotoole@escanaba.org),  
**Sent:** Wednesday, January 9, 2013 1:21:20 PM  
**Subject:** RE: Update

Gentlemen:

Here is a quick update. At the suggestion of our good friend Charles Detiege, EGE proposed to Provaris that EGE's lawyer should draft the closing documentation. And Provaris agreed - so EGE's lawyer will start drafting immediately. This should shorten the closing process since all proper US based legal language will be incorporated in the first draft.

Provaris is reviewing the insurance coverages - these coverages are what Provaris asked for, so there should be no further issues or delays on this open item.

Everyone is still targeting a closing asap. I know that rings hollow given EGE's and Provaris' track record to date. But there is no hesitation on the part of Provaris that it will not do the deal and its representative is prepared to speak to this issue at next week's meeting.

Call me if you want further perspective.

Regards

John

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NB #4  
CC/EGC 1/16/13

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# CITY OF ESCANABA

## Recap of Troutman Sanders Legal Billings Subsequent to EGE Agreement to Cover City's Legal Costs

<u>Billing Date</u>	<u>Service Month</u>	<u>Related to MISO/SSR</u>	<u>Related to Plant Sale</u>	<u>Total</u>	<u>Date of EGE Billing</u>
10/08/2012	September, 2012	\$28,627.21	\$18,461.25	\$47,088.46	10/11/2012
11/12/2012	October, 2012	11,394.45	10,730.25	22,124.70	11/15/2012
12/05/2012	November, 2012	9,246.60	7,414.65	16,661.25	12/07/2012
01/10/2013	December, 2012	2,575.80	<u>21,223.80</u>	23,799.60	01/10/2013
<b>Owed to City by EGE</b>			<b><u>\$57,829.95</u></b>		