



CITY COUNCIL/ELECTRICAL
ADVISORY COMMITTEE

December 10, 2014 – 6:00 p.m.
Regular Meeting

CITY COUNCIL

Marc Tall, Mayor
Ronald Beauchamp, Mayor Pro-Tem
Patricia Baribeau, Council Member
Michael Sattem, Council Member
Ralph Blasier, 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

ELECTRICAL ADVISORY COMMITTEE

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

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

Meeting Agenda

Wednesday, December 10, 2014

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.
- 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. Approval – MISO Attachment Y submission**
Explanation: Administration will seek Council approval to submit an Attachment Y to MISO for another year of suspension for the 2 steam units.
- 4. Approval – Power Plant Insurance**
Explanation: Administration will seek Council approval to purchase insurance as required by our Generation – Transmission Interconnection Agreement.
- 5. Update – Power Plant Purchase Agreement/Sale.**
Explanation: An update on the sale of the power plant will be provided.

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,

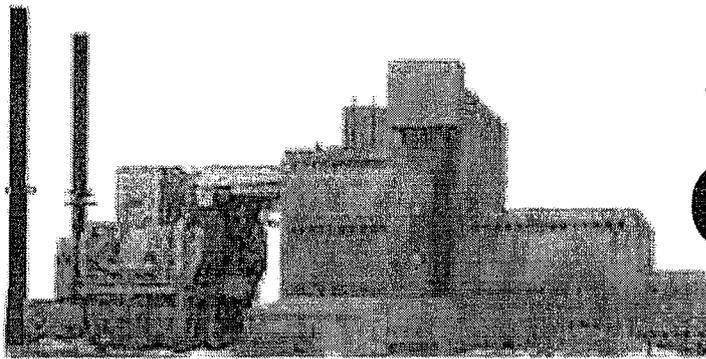

James V. O'Toole
City Manager

NB # 2
CC/EAC 12/10/14

Escanaba Operating Services

Monthly Report

November 2014



Escanaba Generating Station

**Escanaba
Operating
Services**

Executive Summary

The power plant operating statistics for the month of November 2014 are described in the tables below.

Key Performance Indicators

Measure	Unit of Measure	Month	Year to Date
Steam Plant Gross Electrical Generation	MWH	1845	21784
Unit 1 Net Electrical Generation	MWH	936	9374
Unit 2 Net Electrical Generation	MWH	567	5746
Unit 1 Hours of Operation	Hours	165.4	1584.6
Unit 2 Hours of Operation	Hours	107	1380.8
Coal Consumption	Tons	1209.1	12247.3
Coal on Dock	Tons	1950.9	1950.9
Steam Plant Net Heat Rate	BTU/KWH	n/a	n/a
Plant Availability	%	98%	86%
Combustion Turbine Gross Electrical Generation	MWH	87	461.6
Combustion Turbine Station Service	MWH	40.2	340.3
Combustion Turbine Hours of Operation	Hours	11.6	77.1
Fuel Oil Consumption	Gallons	13080	80744
Combustion Turbine Availability	%	100%	100%

Operations Summary

Unit Starts

Unit 1 was started three times during the month. Unit 2 was also started three times during the month. The Combustion Turbine was started three times during the month.

Unit	Date	On-Line Time	Off-Line Time	Reason
1	10-30	0450		Hot Spot in Coal Bunker.
1	11-1		1050	MISO Request
2	10-30	0928		Hot Spot in Coal Bunker
2	11-1		0705	MISO Request
1	11-4	0004		MISO Request
1	11-5		1945	MISO Request
2	11-4	0349		MISO Request
2	11-5		0602	MISO Request
1	11-10	0109		MISO Request
1	11-14		1606	MISO Request
2	11-11	1544		MISO Request
2	11-14		1723	MISO Request
CT	11-19	1015	1457	MISO Request

CT	11-20	0751	1045	MISO Request
CT	11-25	1130	1530	Capacity and Opacity Testing

Unit Trips and Unplanned Outages

There were no unit trips or unplanned outages during the month.

Unit	Date	Breaker Open Time	Unit Released	Duration (Hours)	Cause
1	None				
2	None				
CTG	None				

Planned Outages

There were no planned outages during the month.

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

Forced Outages /Load Limitations

There were no forced outages or load limitations during the month.

Unit	Start Date	End Date	End Time	Load Limit	Cause
1	None				
2	11-10	11-11	09:37		Boiler 2 taken off to evaluate a suspected tube leak.
CTG	None				

Maintenance Activities

Plant Major Maintenance Activities for November 2014

Unit 1 and 2

Routine maintenance and equipment replacements occurred throughout the month. The plant began preparation for the coming winter months. A number of broken windows were replaced with plexiglass. Heat trace lines were tested and repaired as required. Six inch duct work was installed on the track hopper. The duct work will carry heat to the track hopper from a propane heater. This system will prevent the track hopper from freezing in the winter. All of the plant unit heaters were checked. Inoperable heaters in the precipitator building were repaired. The plant revolving screens became plugged with numerous leaves. It was necessary to clean the screens twice a day to keep the leaves on the screen from cutting off the water flow to the plant. All of the large pressure gauges in the plant were calibrated for accuracy. There were several leaks in the vacuum priming system that were repaired by maintenance. A new computer cable was installed on the opacity monitors. Maintenance replaced the coal conveyer belt and turnbuckle.

All of the plant opacity monitors were calibrated on Unit 1 and 2. The front boiler walls of both units were inspected. There were eight blistered tubes that were weld repaired. Two damaged pump house screens were repaired and replaced. The Unit heaters at the CTG were checked and found to be in good condition. Maintenance checked the lubrication levels on all of the plant pumps and rotating machinery.

Combustion Turbine

There was no major maintenance required for the Combustion Turbine during the month.

Balance of Plant Outstanding Issues

There were no outstanding issues during the month.

Emissions Compliance Overview-Air/Water

- There were three Air Monitoring deviations in the month of November.

Air Monitoring Deviations

Start Date	Start Time	End Date	End Time	Opacity Parameter	Cause
11/10	6:18	11/10	6:24	28%	Startup of Boiler with a thin Bed of Coal
11/10	6:30	11/10	6:48	23.5%	Startup of Boiler with a thin Bed of Coal
11/10	7:06	11/10	7:12	20%	Startup of Boiler with a thin Bed of Coal

Water – NPDES Permit Deviations

- There were no NPDES violations during the month of November.

Water – Groundwater

- There were no Groundwater deviations during the month of November.

Water Monitoring Deviations

Start Date	End Date	Parameter	Cause
None			

Occupational Safety and Health Overview

OSHA Summary of Work Related Injuries and Illnesses

- 1) There were no OSHA work related injuries or illnesses during the month of November.

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

- 1) There were no lost time accidents, near misses or property damage during the month.

Labor Statistics Labor Statistics (Note: These statistics are for the 2014 calendar year from Jan 1 through December 31.)

Item	Month	Year to Date
Total Man-Hours Worked	2577	29078
Total Number of Standard Time (ST) Hours	1968.5	24415.5
Total Number of Overtime (OT) Hours	263.75	2305.25
Total Number of Double Time (DT) Hours	344.75	2683

ATTACHMENT Y

Notification of Potential Generation Resource/SCU Change of Status

This is a notification of potential change of Generation Resource or Synchronous Condenser Unit ("SCU") status in accordance with Section 38.2.7.a of the Tariff. An electronic copy of the completed form will be accepted by the Transmission Provider, however, a form will not be considered complete until the original form containing an original signature, including all attachments, is received by the Transmission Provider at the following address: MISO, Attention: Director of Transmission Planning; 720 City Center Drive, Carmel, IN 46032.

The Transmission Provider may request additional information as reasonably necessary to support operations under the Tariff.

Name of Market Participant owning and/or operating the Generation Resource or Synchronous Condenser Unit ("SCU")

City of Escanaba, Michigan

Type of interest in Generation Resource or SCU:

Owner of Generation Resource/SCU

Operator of Generation Resource/SCU

Market Participant's state of organization or incorporation Michigan

Generation Resource/SCU [plant and unit number(s)] Escanaba Steam Units 1 & 2
UPPC. ESCST1 & UPPC. ESCST2

Market Participant has definitely decided and hereby certifies that it will [check one]

decommission and retire the Generation Resource/SCU commencing on ___ [day] of _____ [month] of _____ [year].

Suspend for economic reasons operation of the Generation Resource/SCU commencing on 15 [day] of June [month] of 2015 [year] and will resume operations on 14 [day] of June [month] of 2016 [year].

The Generation Resource/SCU is further described as follows:

Location: Escanaba Generating Station

Unit Name: Escanaba Steam Unit #1 UPRC. ESCST1 CPNode _____ Nameplate Capacity in MW: 12.5

Unit Name: Escanaba Steam Unit #2 UPRC. ESCST2 CPNode _____ Nameplate Capacity in MW: 12.5

Unit Name: _____ CPNode _____ Nameplate Capacity in MW: _____

Unit Name: _____ CPNode _____ Nameplate Capacity in MW: _____

Revenue Meter Location (Use Resource IDs): _____

Market Participant understands and agrees that this notification is binding as provided under Section 38.2.7 of the Transmission Provider's Tariff and will not be made public by the Transmission Provider except as provided for under Section 38.2.7.a of the Tariff.

The undersigned certifies that he or she is an officer of the Market Participant that owns or operates the Generation Resource/SCU, that he or she is authorized to execute and submit this notification on behalf of Generation Resource/SCU, and that the statements contained herein are true and correct.

Signature

Name: _____

Title: _____

Date: _____

STATE OF _____

COUNTY OF _____

Before me, the undersigned authority, this day appeared _____, known by me to be the person whose name is subscribed to the foregoing instrument, who, after first being sworn by me deposed and said:

“I am an officer of _____, I am authorized to execute and submit the foregoing notification on behalf of _____, and the statements contained in such application are true and correct.”

SWORN TO AND SUBSCRIBED TO BEFORE ME, the undersigned authority on this the _____ day of _____, 20__.

Notary Public, State of _____

My Commission expires _____

James V. O'Toole
City Manager



410 Ludington Street
Escanaba, Michigan 49829
Phone (906)786-0240

MEMORANDUM

December 6, 2014

TO: Escanaba City Council

INFO: Mike Dewar, City Controller

Mike Furmanski, City Electrical Superintendent

FROM:  James V. O'Toole, City Manager

SUBJ: Power Plant GTIA/Electric Generation Insurance

The City of Escanaba's Power Plant GTIA/electric generation insurance expired on December 2, 2014 and was administratively renewed. Due to the delay in obtaining the new quote from the insurance copy and the pending deadline which was prior to the City Council/Electrical Advisory Committee meeting, the insurance was administratively approved. It is now being brought before the Council for formal review and action.

In reviewing the attached policy you will see that the rate is quoted is at \$104,659, which is up \$1,954 over the prior year. This represents an increase of about 1.9%. You may remember we have not budgeted this item for the last several years in that we've adopted budgets based on the assumption that the Power Plant would no longer be owned and operated by the City. Therefore, NO plant costs have been budgeted.

Additionally, you may recall that in the City's initial SSR budget, this coverage and additional coverage (ProEnergy's G/L insurance, which we pay for, and MMRMA insurance coverage) were included in the SSR budget - in the amount of \$225,364. You may also recall that MISO responded that this coverage included CT insurance, which was not part of the SSR, and as a result, they "allowed" \$178,764 in insurance costs under the SSR reimbursement arrangement.

Last year's total insurance bill for the plant was \$200,214; this year's projection is \$207,000. Therefore, it's the opinion of the Administration that these costs are covered under the SSR reimbursement, after deducting for the CT insurance costs.

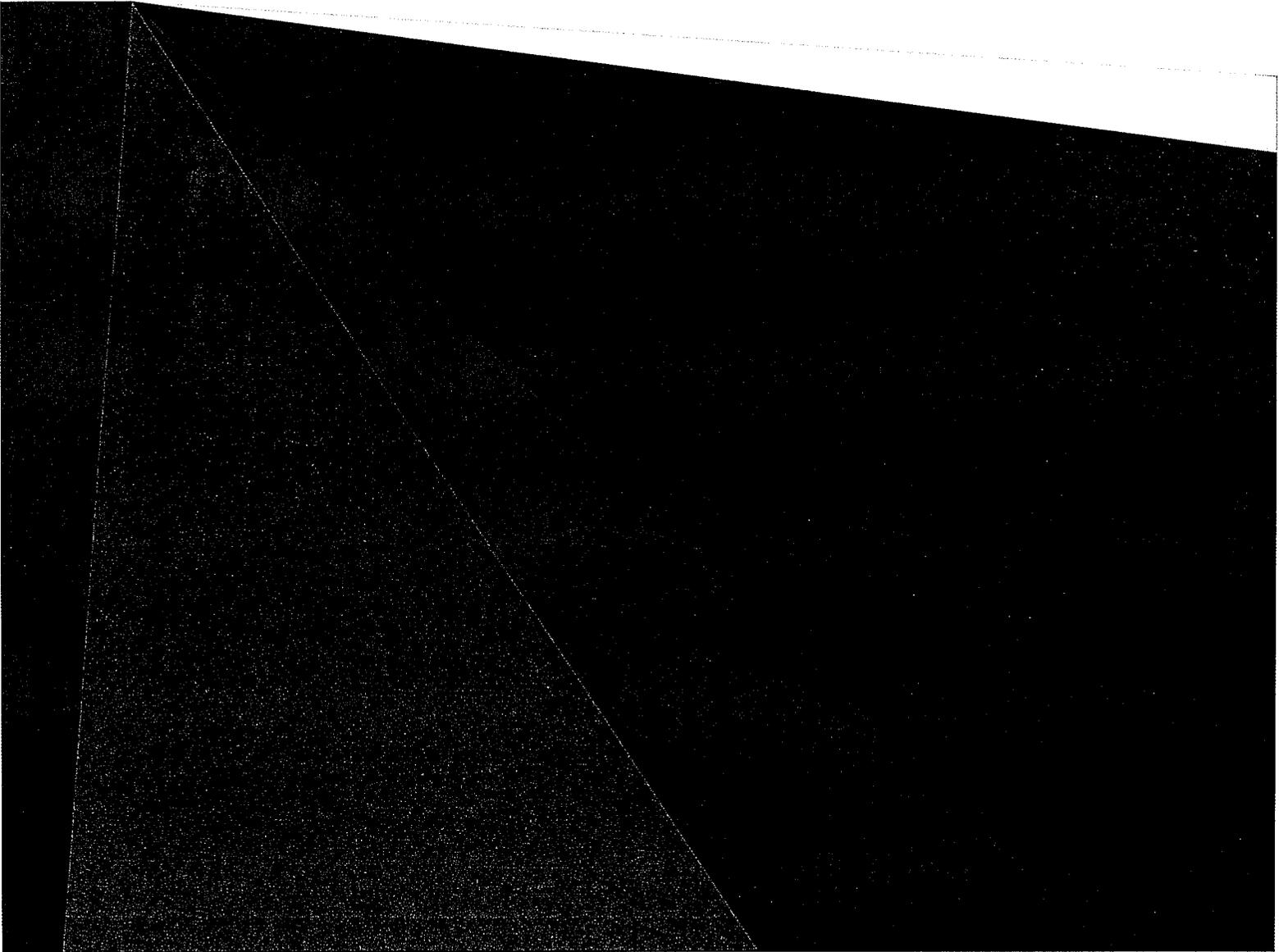
Mission Statement:

Enhancing the enjoyment and livability of our community by providing quality municipal services to our citizens.

CASUALTY PROPOSAL

CITY OF ESCANABA

November 26, 2014



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General Liability

Policy Term: December 5, 2014 – December 5, 2015

Coverage/Limits

	ACE Expiring 2013-2014	ACE 2014-2015
General Aggregate	\$2,000,000	\$2,000,000
Products/Completed Operations Aggregate Limit	\$2,000,000	\$2,000,000
Each Occurrence	\$1,000,000	\$1,000,000
Personal Injury & Advertising Injury	\$1,000,000	\$1,000,000
Damage to Premises Rented to You	\$100,000	\$100,000
Medical Expense—Per Person	\$5,000	\$5,000

Coverage Extensions (coverage is extended to include the following)

	ACE Expiring 2013-2014	ACE 2014-2015
Blanket Additional Insured—where required by written contract	Yes	Yes
Waiver of Transfer of Rights of Recovery Against Others – Blanket where required by written contract	Yes	Yes
Additional Insured – Completed Operations (ProEnergy)	Yes	Yes
Michigan Employers Liability - \$1MM/\$1MM/\$1MM	Yes	TBD
Non Contributory Endorsement for Additional Insured (ProEnergy)	Yes	Yes

Limitations, Exclusions, and Endorsements

Below are some of the exclusions identified in the insurance policy being proposed; however, it may not contain all exclusionary wording. Please refer to actual policy provisions to determine all terms, conditions, and exclusions.

	ACE Expiring 2013-2014	ACE 2014-2015
Abuse & Molestation Exclusion	Yes	Yes
Asbestos Exclusion	Yes	Yes
Employment-Related Practices Exclusion	Yes	Yes
Lead Exclusion	Yes	Yes
Fungi or Bacteria Exclusion	Yes	Yes
Failure to Supply Exclusion	Yes	Yes
Professional Liability Exclusion	Yes	Yes
Silica or Silica Related Dust Exclusion	Yes	Yes
Limitation of Coverage to Designated Premises	Yes	Yes
Information and Data-Related Liability Exclusion – with Limited Bodily Injury Exception	No	Yes

General Coverage Conditions

	ACE Expiring 2013-2014	ACE 2014-2015
Earlier Notice of Cancellation Provided by Us	60 Days	60 Days

Premium—Flat

	ACE Expiring 2013-2014	ACE 2014-2015
Estimated Annual Premium Excluding Terrorism	\$27,500	\$31,500
Optional Terrorism Coverage		\$1,575
Subject to Minimum Earned Premium	25%	TBD

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Automobile Liability & Physical Damage

Policy Term: December 5, 2014 – December 5, 2015

Coverage/Limits

	ACE Expiring 2013-2014	ACE 2014-2015
Liability – Combined Single Limit	\$1,000,000	\$1,000,000
Personal Injury Protection	Statutory	Statutory
Uninsured Motorists	\$1,000,000	\$1,000,000
Comprehensive – Hired Autos Only	Actual Cash Value	Actual Cash Value
Collision – Hired Autos Only	Actual Cash Value	Actual Cash Value
Michigan Property Protection	Statutory	Statutory

Deductibles

	ACE Expiring 2013-2014	ACE 2014-2015
Hired Auto Physical Damage – Comprehensive	\$100	\$100
Hired Auto Physical Damage – Collision	\$1,000	\$1,000

Coverage Extensions (coverage is extended to include the following)

	ACE Expiring 2013-2014	ACE 2014-2015
Additional Insured—Designated Persons or Organizations (ProEnergy)	Yes	Yes
Hired Autos Specified as Covered Autos You Own	Yes	Yes
Employees as Insureds	Yes	Yes
Waiver of Transfer of Rights of Recovery Against Others	Yes	Yes
Non Contributory Endorsement for Additional Insureds (ProEnergy)	Yes	TBD
Employee Hired Autos	Yes	Yes

Limitations, Exclusions, and Endorsements

Below are some of the exclusions identified in the insurance policy being proposed; however, it may not contain all exclusionary wording. Please refer to actual policy provisions to determine all terms, conditions, and exclusions.

	ACE Expiring 2013-2014	ACE 2014-2015
Nuclear Energy Liability Exclusion	Yes	Yes
Terrorism Exclusion	Yes	Yes

Premium—Flat

	ACE Expiring 2013-2014	ACE 2014-2015
Excludes Terrorism	\$12,782	\$13,400
Rating Basis – Units	10	10

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Umbrella Liability

Policy Term: December 5, 2014 – December 5, 2015

Coverage/Limits

	ACE Expiring 2013-2014	ACE 2014-2015
Occurrence Limit	\$20,000,000	\$20,000,000
General Aggregate	\$20,000,000	\$20,000,000
Self Insured Retention	\$25,000	\$25,000

Underlying Insurance

	ACE Expiring 2013-2014	ACE 2014-2015
General Liability	Yes	Yes
Auto Liability	Yes	Yes
Employers Liability	Yes	Yes

Limitations, Exclusions, and Endorsements

Below are some of the exclusions identified in the insurance policy being proposed; however, it may not contain all exclusionary wording. Please refer to actual policy provisions to determine all terms, conditions, and exclusions.

	ACE Expiring 2013-2014	ACE 2014-2015
Abuse or Molestation Exclusion	Yes	Yes
Designated Premises or Project Limitation Endorsement	Yes	Yes
Failure to Supply Exclusion	Yes	Yes
Fungi or Bacteria Exclusion	Yes	Yes
Lead Exclusion	Yes	Yes
Pollution Exclusion – Combination Exception Time Element and Named Peril	Yes	TBD
Polychlorinated Biphenyls Exclusion	Yes	Yes
Professional Services Liability Exclusion – Absolute	Yes	Yes
Radioactive Matter Exclusion	Yes	Yes
Silica or Silica Related Dust Exclusion	Yes	Yes
Access to or Disclosure of Confidential or personal Information and Data Related Liability Exclusion	No	Yes
Synthetic Gypsum Exclusion	No	Yes

Premium

	ACE Expiring 2013-2014	ACE 2014-2015
Annual Premium excluding Terrorism	\$59,673	\$59,759
Terrorism Additional Premium	Not purchased	N/A

Subjectivities:

1. Signed UM/UIM forms within 30 days
2. Signed TRIA rejection upon binding.
3. Premium subject to rejection/statutory minimum Uninsured/Underinsured Motorist limits on this layer. If coverage not rejected, premium may change

4

Transparency & Disclosure Documents



Transparency & Disclosure

December 05, 2014 – December 05, 2015 unless noted *

Prepared For: City Of Escanaba
 Mike Dewar
 410 Ludington St
 Escanaba, Michigan 498293924
 Phone: 0001 9067860605
 Fax:

Prepared By: Pamela L Cooley
 Milwaukee
 Phone: 414 290 4760
 Fax: 414 290 4960
 Email: Pamela.L.Cooley@marsh.com

The information presented below relates to the quote(s) and/or indication(s) Marsh has received on your behalf and includes: (1) the premiums and certain other costs payable by you, and (2) the compensation payable to Marsh or its affiliates from each insurer, wholesaler or MGA, if applicable.

Fees, taxes and surcharges are not included in the premium figures. If applicable, the premiums may also be subject to audit and retrospective rating. Insurers indicated below may have provided numerous quote options. All insurer quotes are on file with Marsh and available upon request.

Quotes/Indications Received

Layers/Limit:	Automobile Liability, Ground Up, Limit: \$1,000,000.00 Primary Auto	
Insurance Group/Insurer:	ACE American Insurance Company Insurer Consulting Compensation - Fee (See footnotes below)	
1	Cost: (USD unless noted)	
	\$13,400.00 Premium 0.00 TRIA ----- 13,400.00 Total Premium	Commission (included in premium) 1,340.00 Retail [10%]
	Note: <i>Completed UM/UIM forms prior to binding</i>	

Layers/Limit:	Excess Liability, 1st Layer, Limit: \$20,000,000.00 \$20MM Excess	
Insurance Group/Insurer:	Ace Property & Casualty Insurance Company Insurer Consulting Compensation - Fee (See footnotes below)	
2	Cost: (USD unless noted)	
	\$59,759.00 Premium 0.00 TRIA ----- 59,759.00 Total Premium	Commission (included in premium) 8,963.85 Retail [15%]
	Note: <i>Subject to signed UM/UIM forms within 30 days. Subject to signed TRIA rejection upon binding.</i>	



Transparency & Disclosure
 December 05, 2014 – December 05, 2015 unless noted *

3	Layers/Limit:	General Liability, Ground Up, Limit: \$2,000,000.00 Primary GL	
	Insurance Group/Insurer:	ACE American Insurance Company Insurer Consulting Compensation - Fee (See footnotes below)	
	Cost: (USD unless noted)	\$31,500.00 Premium 1,575.00 TRIA ----- 33,075.00 Total Premium	Commission (included in premium) 4,961.25 Retail [15%]



Transparency & Disclosure

December 05, 2014 – December 05, 2015 unless noted

Notes

Role of Marsh

Marsh is serving as your broker in placing your insurance coverage(s) referenced above. Marsh may receive different forms of compensation that relate directly or indirectly to your placements. Since Marsh's compensation may vary depending on the insurance program that you choose, Marsh is providing you with information to help you evaluate potential conflicts of interest.

Marsh may be compensated by commissions based on the sale of insurance. Commissions may vary depending on a number of factors, including the insurance purchased and the insurer selected. The commissions that Marsh or its affiliates may collect on the quotes Marsh obtained on your behalf are itemized above.

Insurer Consulting Compensation

Marsh receives separate compensation from insurers for providing consulting, data analytics or other services. The services are designed to improve the offerings available to our clients, assist insurers in identifying new opportunities, and enhance insurers' operational efficiency. The scope and nature of the services vary by insurer and by geography. This compensation can be paid in the form of a fixed fee, a percentage of premium, or a combination of both. It is in addition to and will not be credited against any fee payable to Marsh and will not be subject to any cap on commissions payable to Marsh.

Other Information

Marsh & McLennan Companies, Inc. and its subsidiaries have direct and indirect investments in insurance and reinsurance companies and have contractual arrangements with certain insurers and wholesale brokers.

For further information regarding Marsh's and its affiliates' compensation and the matters discussed above, please visit: <http://global.marsh.com/about/Transparency.php>.



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