



CITY COUNCIL/ELECTRICAL ADVISORY COMMITTEE

January 14, 2015 – 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, January 14, 2015

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 – Retirement.**
Explanation: On December 12, 2014, the City of Escanaba submitted an Attachment Y asking for an additional year of plant suspension once the current SSR is suspended by MISO. Administration will update the City Council and Electrical Advisory Committee on the MISO response which stated the City has used up all 36 months possible for suspension over a 5 year period, therefore, another suspension is not authorized. As a result of this ruling, Administration will be seeking City Council approval to file retirement paperwork with MISO.
- 4. Approval – Transformer Purchase.**
Explanation: Administration will seek Council approval to purchase transformers of various sizes.

Agenda - January 14, 2015

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

OFFICIAL PROCEEDINGS
CITY COUNCIL
ELECTRICAL ADVISORY COMMITTEE
CITY OF ESCANABA, MICHIGAN
Special Joint Meeting
Wednesday, December 10, 2014

Pursuit to a meeting notice posted December 4, 2014, the meeting was called to order by the Mayor Marc D. Tall at 6:00 p.m. in the Council Chambers of City Hall located at 410 Ludington Street.

Present: Mayor Marc D. Tall, Council Members, Patricia A. Baribeau, Ronald J. Beauchamp, and Michael R. Sattem.

Absent: Council Member Ralph B. Blasier.

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

Absent: Electrical Advisory Committee (EAC) Members: Larry Arkens, John Anthony, Ann Bissell, Two vacancies, and Power Plant Liaison.

Also Present: City Manager James V. O'Toole, Electric Superintendent Mike Furmanski, City Controller Michael Dewar, Pro Energy Services, Inc. Representative Jack Scott, members of the public and media.

ADJUSTMENTS TO THE AGENDA

Beauchamp moved, Sattem seconded, **CARRIED UNANIMOUSLY**, to approve the Joint City Council & Electrical Advisory Committee Agenda as submitted.

CONFLICT OF INTEREST – 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 following current departmental activities.

- Still had requests for new Constructions and reviewed emergency repairs out near Ford River;
- Just Burgers electric lines were energized;
- Service Truck maintenance;
- New Employee Started;
- Reviewed Large power service request.

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

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

- Reviewed starts of Units 1 & 2, and Combustion Turbine;
- No unit trips or unplanned outages during the month;
- There were no planned outages during the month;
- Reviewed Major Maintenance Activities for November;
- No major maintenance required for the Combustion Turbine during the month;
- Reviewed three Air Monitoring deviations in the month of November;
- No NPDES violations or groundwater deviations during the month;
- There were no OSHA work related injuries, no lost time accidents for November.

Approval – MISO Attachment Y submission

Administration sought Council approval to submit an Attachment Y to MISO for another year of suspension for the 2 steam units.

Electric Superintendent Mike Furmanski briefly reviewed and recommended the Attachment Y agreement, that did not include Combustion Turbine.

NB-3 Beauchamp moved, Baribeau seconded, to approve to submit an Attachment Y to MISO for another year of suspension for the 2 steam units.

Upon a call of the roll, the vote was as follows;

Ayes: Beauchamp, Baribeau, Sattem, Tall
Nays: None

MOTION CARRIED.

Approval – Power Plant Insurance

City Administration sought Council approval to purchase insurance as required by our Generation – Transmission Interconnection Agreement. City Controller Mike Dewar briefly reviewed the Power Plant Insurance policy.

NB-4 Sattem moved, Beauchamp seconded, to approve to purchase Power Plant Insurance as required by our Generation – Transmission Interconnection Agreement.

Upon a call of the roll, the vote was as follows

Ayes: Sattem, Beauchamp, Baribeau, Tall
Nays: None

MOTION CARRIED.

Update – Power Plant Purchase Agreement/Sale.

No update on the sale of the power plant was provided.

GENERAL PUBLIC COMMENT – None

COUNCIL/COMMITTEE, STAFF REPORTS

Electrical Advisory Committee Member Brown briefly reviewed a newspaper article regarding a request by Wisconsin Energy Provider Integrys, asking FERC to add another 400 megawatts to their Power Plant on US-41 Between Green Bay and Appleton Wisconsin.

ADJOURNMENT

Hearing no further public comment, or further reports from the Electrical Advisory Committee or Council, the meeting adjourned at 6:18 p.m.

Respectfully submitted,

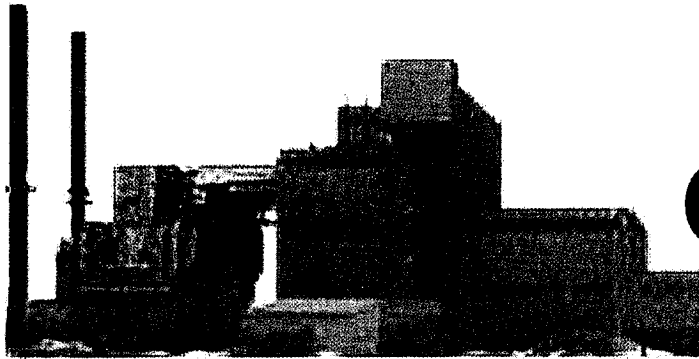
Robert S. Richards
City Clerk

Approved: _____

Marc D. Tall, Mayor

Escanaba Operating Services
Monthly Report
December 2014

NB. # 7
1/14/15



Escanaba Generating Station

Escanaba
Operating
Services

Executive Summary

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

Key Performance Indicators

Measure	Unit of Measure	Month	Year to Date
Steam Plant Gross Electrical Generation	MWH	6135	27919
Unit 1 Net Electrical Generation	MWH	2587	11961
Unit 2 Net Electrical Generation	MWH	2952	8698
Unit 1 Hours of Operation	Hours	414	1998.6
Unit 2 Hours of Operation	Hours	453.5	1834.3
Coal Consumption	Tons	3489.9	15737.2
Coal on Dock	Tons	1837.8	1837.2
Steam Plant Net Heat Rate	BTU/KWH	n/a	n/a
Plant Availability	%	97%	87%
Combustion Turbine Gross Electrical Generation	MWH	6	467.6
Combustion Turbine Station Service	MWH	42.8	383.1
Combustion Turbine Hours of Operation	Hours	1.2	78.3
Fuel Oil Consumption	Gallons	1159	81903
Combustion Turbine Availability	%	100%	100%

Operations Summary

Unit Starts

Unit 1 was started twice during the month of December. Unit 1 was forced out of service on December 1, 2014 due to 2 handhole leaks in the lower header of the boiler.

Unit 2 was started once during the month. CTG was started once during the month in order to run a performance test on the water injection system. The outage provided an opportunity to perform training for employees who were not familiar with the CTG operating systems.

Unit	Date	On-Line Time	Off-Line Time	Reason
1	12-1	0006		MISO Request
1	12-10		20:32	Shutdown for 2 Hand Hole leaks on the lower header.
1	12-12	1428		MISO Request
1	12-20		00:00	MISO Request
2	12-1	0415		MISO Request
2	12-20		01:44	MISO Request
CT	12-18	0930	14:40	Training and Water Injection Testing

Unit Trips and Unplanned Outages

There was one unplanned outage on Unit 1 as described in the table below.

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 was one forced outage on Unit 1 due to a handhole leak on the lower header noted above.

Unit	Start Date	End Date	End Time	Load Limit	Cause
1	12-10	12-12	12-12	NA	2 Handhole Leaks on the Lower Header.
2	None				
CTG	None				

Maintenance Activities

Plant Major Maintenance Activities for December 2014.

Unit 1 and 2

There was no major maintenance activity on Unit 1 and 2 during the month.

Combustion Turbine

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

Balance of Plant Outstanding Issues

There are no outstanding issues as of the date of this report.

Emissions Compliance Overview-Air/Water

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

Air Monitoring Deviations

Start Date	Start Time	End Date	End Time	Opacity Parameter	Cause
12/10	12:54	12/10	13:00	54%	Unit #2 – Thin bed coal due to an interruption in the coal supply to the boiler.
12/12	11:24	12/12	11:36	74%	Unit #2 – Capacity Testing and Issue with #2-3 ESP Field (Electrostatic Precipitator)
12/12	12:06	12/12	12:36	24%	Unit #2 – Capacity Testing and Issue with #2-3 ESP Field (Electrostatic Precipitator)
12/12	12:48	12/12	13:12	29%	Unit #2 – Capacity Testing and Issue with #2-3 ESP Field(Electrostatic Precipitator)

Water – NPDES Permit Deviations

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

Water – Groundwater

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

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 December.

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	3091.5	32169.5
Total Number of Standard Time (ST) Hours	2245	26660.5
Total Number of Overtime (OT) Hours	490.5	2795.8
Total Number of Double Time (DT) Hours	356	3039

MEMORANDUM

January 8, 2015

NB #3
1/14/15

To: James V. O'Toole, City Manager
Escanaba City Council
Electrical Advisory Committee

From: Mike Furmanski, Electrical Superintendent MF

SUBJ: Attachment Y submission

On December 12, 2014, the City submitted an Attachment Y to MISO asking for another year of suspension for the 2 steam units. On December 18, 2014, MISO informed the City that generating units are limited to 36 months of suspension during any 5 year period. Because we will hit the 36 month maximum in June, 2015, I believe we have 2 general options. These are: (1) operate the plant as a network generator and (2) ask MISO for permission to retire the plant.

If we choose option (1), the City would be responsible for all plant costs. These costs are estimated to be \$4.5M annually. Within that \$4.5M figure is \$700,000 for plant depreciation and \$100,000 for CT operations. The \$3.7M directly attributable to the steam plant is what we have been receiving from MISO through our SSR agreement. The \$3.7M attributable to the steam plant would be reduced somewhat by capacity sales and by energy sales. The profits from these sales are not expected to come close to covering the \$3.7M.

Additionally, not having the plant headed for a retirement would likely make it more appealing to a potential buyer.

If we choose option (2), there are 2 possible outcomes. The first outcome is that MISO allows the plant to be retired. There may be some costs associated with closing the plant down, but these would be one-time costs. Our annual costs going forward would be \$0. The second outcome is that MISO does not allow the plant to be retired. This is the more likely outcome, based on the fact that when our suspension request was studied, it was determined that the Holmes to Old Mead Road transmission line would have to be in service before the Escanaba plant could be suspended. This transmission line is not in service yet. It is expected to be in service in late 2016. If our retirement request is denied, we would negotiate a new SSR agreement with MISO.

Zimbra

mfurmanski@escanaba.org

Escanaba Units # 1 and 2

From : Neil Shah <NShah@misoenergy.org>

Thu, Dec 18, 2014 04:57 PM

Subject : Escanaba Units # 1 and 2**To :** Michael Furmanski <mfurmanski@escanaba.org>**Cc :** Jason Watters <JWatters@misoenergy.org>, Joe Reddoch <jreddoch@misoenergy.org>, Jeff Webb <JWebb@misoenergy.org>

Mr. Furmanski

On December 12, 2014, you submitted an Attachment Y suspension notice requesting 1-year extension for suspension of Escanaba units # 1 and 2 beyond June 15, 2015.

I would like to inform you that as per Section 38.2.7.n of the MISO Tariff, Unit suspensions are limited to a total of 36 months in a five year period inclusive of the period when the unit(s) is under an SSR agreement.

Section 38.2.7.n:

"A Market Participant owning or operating a Generation Resource or a SCU may request suspension pursuant to the provisions of this Section 38.7.2 for a maximum of 36 cumulative months during any five (5) year period. A Market Participant owning or operating a Generation Resource or a SCU that had been granted a suspension pursuant to an Attachment Y Notice for less than thirty-six (36) cumulative months, or that has been operating under an SSR Agreement for less than thirty-six (36) cumulative months, may request an extension to such time limits by submitting a new Attachment Y Notice twenty-six (26) weeks prior to the end of the originally granted period or the termination date specified in the SSR Agreement, provided that the combined period of the originally granted period, or the period of operation under an SSR Agreement, and the extension is not greater than thirty-six (36) months."

The City of Escanaba originally requested (in Dec 2011) to suspend operations of Escanaba units 1 & 2 from June 15, 2012 to June 15, 2015 (total 36 months). Hence, these units are no longer eligible to suspend operations beyond June 15, 2015.

Feel free to contact me should you have any questions regarding generation suspension and/or retirement.

Thanks,
Neil

MEMORANDUM

NB# 4
1/14/15

To: Jim O'Toole

From: Mike Furmanski MF

Date: 09JAN15

Re: transformer bid of December 16, 2014

The Electric Department requested bids for transformers of various sizes for our stock.

Invitations to bid were sent to 6 sources, with 5 suppliers submitting bids. All bidders were informed that the transformer bid would be evaluated for initial cost and operating cost.

The initial cost, plus the electrical evaluations over the projected life of the transformers ranks the bidders as follows (starting with the least cost):

BIDDER	TRANSFORMER MAKE
RESCO	Ermco
Power Line Supply	Howard
Central Maloney	Central Maloney
Border States Electric	Cooper
RESCO	Howard
Champion	GE
Power Line Supply	Cooper

After evaluating the bids, I recommend acceptance of the bid from RESCO of Middleton, WI for the Ermco transformers in the amount of \$53,284.00.

September 2013 Transformer Bid Evaluation

Bidder	Mfr	Unit Price (ea)	%Z	NLL	FLL	(6) 1Phase 25 KVA 120/240 Pad
Solomon-Corp						
Central Moloney	Central Moloney	1502	1.76	57	298	\$13,050.42
Power Line Supply #1	Howard (self evaluated losses)	1292	2.3	59	316	\$11,987.34
Power Line Supply #2	Cooper	1573	2.63	49	378	\$13,801.38
RESCO #1	Ermco	1333		50	278	\$11,661.96
RESCO #2	Howard (self evaluated losses)	1295				\$7,770.00
RESCO #3	Howard (non evaluated losses)	1290	2.3	66	321	\$12,240.00
Border States	Cooper	1428.75	2.63	49	378	\$12,935.88
Champion Charter	General Electric	1327	1.76	58	330	\$12,267.24

no load loss modifier per watt
 full load loss modifier per watt

5.43
 1.22

Unit Price (ea)	%Z	NLL	FLL	(3) 1Phase 100KVA 240/480 Pole	Shipping Lead Time, varies on size
\$1,953.00	1.95	174	865	\$11,859.36	10 wks
\$2,069.00	2.7	177	866	\$12,259.89	10 wks
\$2,784.00	2.74	191	811	\$14,431.65	16 wks
\$1,834.00		157	842	\$11,141.25	10 wks
\$2,074.00				\$6,222.00	10 wks
\$2,072.00	2.2	182	920	\$12,547.98	10 wks
\$2,475.25	2.74	191	811	\$13,505.40	12 wks
\$2,079.00	1.55	176	895	\$12,379.74	10 wks

total

\$105,988.23
 \$104,897.60
 \$112,398.80
 \$98,496.07
 \$56,811.00
 \$107,785.15
 \$107,370.50
 \$108,223.34

**Purchase
Price**

*still evaluated losses even though it says self evaluated on the quotation notes

\$58,843.00
\$56,682.00
\$64,003.00
\$53,284.00
\$56,811.00
\$57,051.00
\$58,974.70
\$59,497.00