

**Minutes of  
Shawano Municipal Utilities  
Regular Commission Meeting  
January 9, 2023**

Present: Hoeffs, Pescinski, Malueg, Keuschel and Milavitz

Also Present: General Manager Gomm, General Manager Advisor Knapp, Electrical Engineer Koepp, Financial Director Miller, Network Administrator Bisterfeldt and City Administrator Sheppard

**FINANCIAL**

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Motion by Milavitz, seconded by Hoeffs to approve the vouchers in the amount of \$2,024,681.52. Roll Call (Milavitz, Hoeffs, Pescinski, Malueg and Keuschel) = All Yes

**OFFICE**

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**Collections Report**

There were 223 Landlord notices mailed on November 29th.

There were 847 Disconnect notices mailed on November 29th to customers who had outstanding amounts due at month-end.

12/09/22	7 tag commercial doors
12/12/22	216 automated reminder phone calls
12/14/22	No commercial disconnections

**Rate Case Filing**

Public hearing was held on December 2<sup>nd</sup> for Rate Case.

**Certificate of Authority Filing**

Submitted response to incomplete determination letter on December 22nd. PSC incorrectly set up our docket as 5350-CU-103 (assuming Water was part of the filing). PSC corrected docket 5350-CE-109 (Electric).

**ELECTRICAL**

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**2023 Budget**

- Approval of yearly transformer purchases is later in the meeting under an agenda item.
- Approval to purchase the pad-mounted recloser for the Industrial Substation is later in the meeting under an agenda item.

**2022 Budget**

- The URD replacement project was started in October. We decided to replace the old single phase primary cables inside the fairgrounds. This project is completed.

**Primary Extension Projects 2021 and 2022**

- Swiderski Development – This project is completed. All meters have been installed.
- Balsam Court – This project is completed.

- N6857 Norton Road – This project is completed.
- Old Hospital Site on N Bartlett Street – The primary has been installed for the 7 houses planned to the South of W 4<sup>th</sup> Street. This portion of the project is completed and four of the houses already have their services installed and connected. The primary, secondary, transformer, and two services have been installed for the 5 houses planned between 3<sup>rd</sup> and 4<sup>th</sup> Street.

### Outages

<u>Location</u>	<u>Cause</u>	<u>Date</u>	<u>Est. # of Cust.</u>
1140 S Franklin Street	Bad Transformer	12-21-22	10

### Inspections

- Crews have not started doing inspecting so far in 2023. 2,635 points were inspected in 2022 or 27.46%. In 2021 2,414 inspections of 9,597 total point were completed or 25.15%. Our goal is to inspect 20% of the system a year. In prior years we have inspected 20.70%, 9.05%, 22.43%, 13.86%, 13.50% in 2016, 2017, 2018, 2019, and 2020 respectively.

### 2021 Budget

- 35 kV switch for East Shawano backup was received.

### 2020 Budget

- 35 kV recloser has arrived. This switch is planned to be installed at the Industrial Substation.

### 2022 Budget

- The OH-URD project was started on August. L&N Hardwoods was converted to the underground feed from Anderson Avenue on September 30<sup>th</sup>. There is still one single phase service to convert and change the feed. After that the line overhead line behind L&N and North States Wood Gates can be removed. This work will be completed in 2023 under a new WO #.
- The Wescott Substation work has been completed.
- The new jib has been installed on truck #237.
- Bids for the tracked backyard derrick/bucket were approved and the unit is on order. Estimated delivery is summer of 2023.
- SMU crews replaced 35 – 250 W HPS fixtures with 120 W LED fixtures. These were done on W Green Bay Street, CTH B, and Engel Drive.
- Pole relocations for the DPW street work has been completed.

### 2023 Budget

- Meters were placed on order for 2023 at the beginning of August. In late July, we were notified from the factory representative that the lead times had increased to 52 weeks for all electric meters.
- Bids were received for the 60' bucket truck and it was ordered in August.

### Outages

**SAIDI** - System Average Interruption Duration Index  
 Sum of all Customer Interruption Duration/Total # of Customers

**SAIFI - System Average Interruption Frequency Index**

Total # of Customers Interrupted/Total # of Customers

**CAIDI - Customer Average Interruption Duration Index**

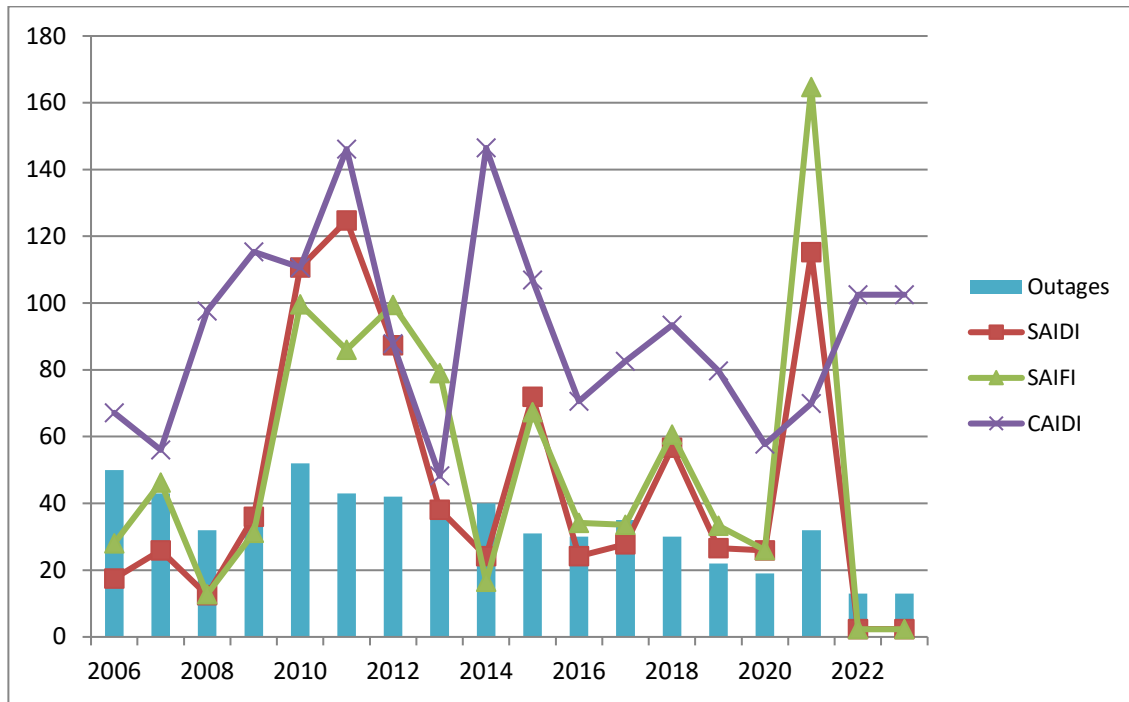
Sum of all Customer Interruption Duration/Total # of Customer Interruptions

Avg. monthly # of customer minutes/month – 246,240,000 minutes

Avg. yearly # of customer minutes/year – 2,995,920,000 minutes

Month	# of Outages	# of Customers Interrupted	Interruption Duration (Minutes)	SAIDI	SAIFI	CAIDI
Dec. 2022	1	10	1,350	0.233	0.002	135
Nov. 2022	0	0	0	0	0	0
Oct. 2022	0	0	0	0	0	0
Sep. 2022	2	2	165	0.028	0	82.5
Aug. 2022	0	0	0	0	0	0
Jul. 2022	3	29	1,230	0.212	0.004	53.478
Jun. 2022	3	79	8,835	1.523	0.014	111.835
May 2022	3	19	2,005	0.346	0.003	105.526
Apr. 2022	1	1	150	0.026	0	150
Mar. 2022	0	0	0	0	0	0
Feb. 2022	0	0	0	0	0	0
Jan. 2022	0	0	0	0	0	0
Dec. 2021	1	2,000	160,000	28.070	0.351	80
<b>Rolling 12</b>	13	134	13,735	2.368	0.023	102.5

Year	# of Outages	SAIDI	SAIFI	CAIDI
Rolling 12 Mo	13	2.368	0.023	102.500
2022	13	2.368	0.023	102.500
2021	32	115.211	1.647	69.944
2020	19	25.885	0.260	57.748
2019	22	26.559	0.333	79.718
2018	30	56.662	0.606	93.426
2017	35	27.710	0.336	82.521
2016	30	24.163	0.342	70.582
2015	31	71.932	0.673	106.884
2014	40	24.197	0.165	146.471
2013	36	38.101	0.790	48.243
2012	42	87.349	0.994	87.860
2011	43	124.719	0.860	146.148
2010	52	110.643	0.996	110.643
2009	38	36.012	0.312	115.352
2008	32	12.517	0.128	97.584
2007	43	25.906	0.462	56.064
2006	50	17.448	0.280	67.167



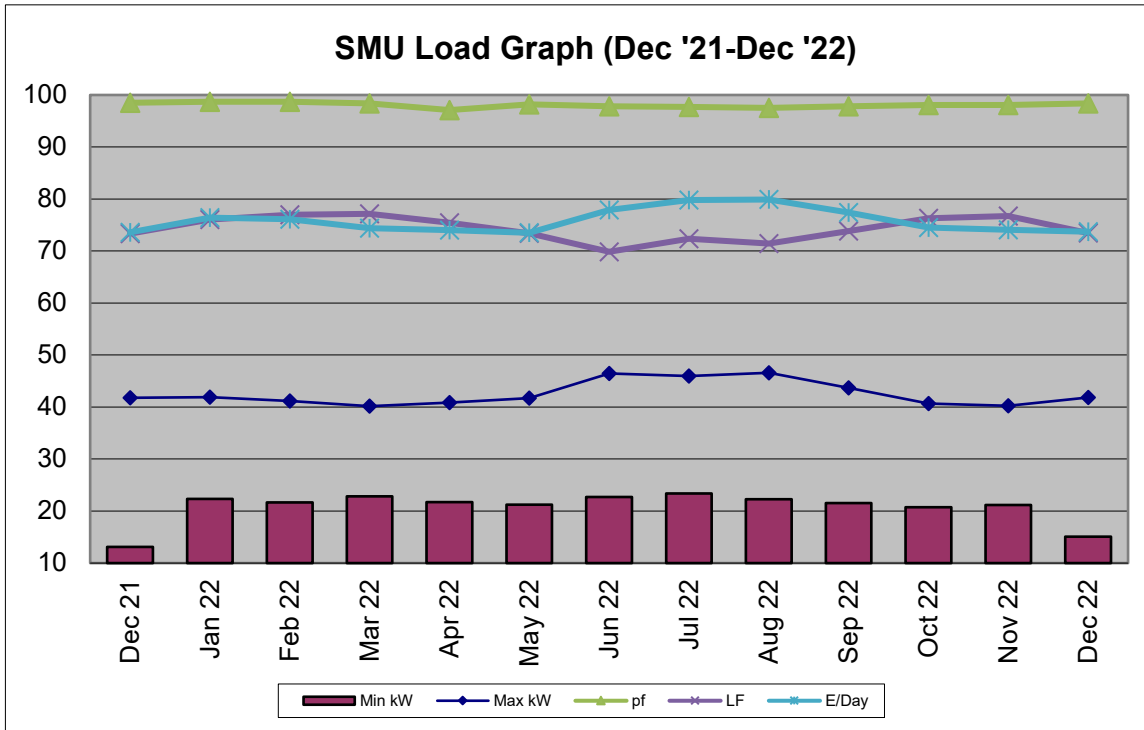
**Reliability Comparison - US Energy Information Administration's Website**

	SAIDI (Outage Minutes/Customer)	SAIFI (Customer Outages/Year)
WI Mun Avg (2016)	22.184	0.349
(2017)	12.964	0.223
(2018)	21.429	0.315
WI Avg (2016)	79.2	0.686
(2017)	78.8	0.625
(2018)	79.6	0.702
(2019)	93	0.755
(2020)	86.4	0.703
US Avg (2016)	113.1	1.062
(2017)	116.9	1.007
(2018)	117.2	1.028
(2019)	118.6	1.017
(2020)	119	1.037
SMU (2016)	24.163	0.342
(2017)	27.710	0.336
(2018)	56.662	0.606
(2019)	26.559	0.333
(2020)	25.885	0.260

**SMU System Load**

Month	Load Max.	Load Min.	Power Factor	Load Factor	Energy/Day
Dec. 2022	41.83	15.07	98.4	73.44	737
Nov. 2022	40.26	21.14	98.1	76.70	741
Oct. 2022	40.67	20.76	98.1	74.48	744
Sep. 2022	43.68	21.51	97.8	73.81	774
Aug. 2022	46.59	22.27	97.5	71.45	799
Jul. 2022	45.95	23.40	97.7	72.37	798
Jun. 2022	46.46	22.72	97.8	69.86	779

May 2022	41.75	21.24	98.2	73.39	735
Apr. 2022	40.87	21.74	97.1	75.46	740
Mar. 2022	40.17	22.86	98.4	77.15	744
Feb. 2022	41.19	21.66	98.7	76.99	761
Jan. 2022	41.88	22.33	98.7	76.03	764
Dec. 2021	41.81	13.08	98.5	73.32	736



## ADMINISTRATION

### Energy Markets

No bad news should be good news... and at this writing, nothing bad is happening in energy markets and natural gas is at its lowest price (\$4.01) since the Russian invasion of Ukraine last February. I've seen no detailed explanation as to why North American gas has dropped more than 30% in a month, and it's not just our energy that is getting less expensive. European natural gas is also now at pre-war prices having fallen nearly 85% from 2022 summer highs. Apparently, the EU stockpiled much more gas than they were letting on at the time, and much warmer than expected winter weather is depressing current demand and the expectation for tight supplies in the future. This is all good news for the global economy. Energy prices are a primary driver of inflation

Despite recent declines in gas prices, GLU continues to receive substantial fuel cost adjustments from its two long-term supply contracts. Those adjustments however are the result of fuel costs and energy prices in September and October. The GLU bill to Badger Power for December will include a \$313,000 PCAC charge: an increase of 14% over GLU's base rates, but even that is only the second highest adjustment in 2022. We have a couple months of high adjustments remaining but the recent drop in natural gas prices will start showing up in GLU energy bills early in the 2<sup>nd</sup> quarter. Maybe 2023 will be a Happy New Year for energy prices after all

## **SMU Facilities**

The Construction Manager agreement with Miron Construction is finally inked and officially in-place. Fees and financial terms are same as proposed and agreed earlier, but it took a couple of starts, stops and long pauses (on both our parts) to change and approve some of the language. The City Attorney had reviewed the original offered agreement and all of his material recommended changes were accepted. Highlights of the fees we will pay to Miron if the project moves forward: \$1,000 for Preconstruction Services design consulting and estimating; Construction Management - general conditions \$27,350 per month of active construction; Construction Managers' Fee @ 2.45% of Cost of Work; Insurance @ 0.65% of Cost of Work; Payment and Performance Bonds @ 1.0% of Cost of Work. For a \$10,000,000 (cost of work) project that takes 15 months to construct, the fees paid to Miron will total \$821,250.

Dimension IV has provided a draft agreement for Architectural, and Engineering (A&E) Services based on a face-to-face meeting held on December 14<sup>th</sup>. Proposed charges for all A&E services, including the Phase 1 design fees of approximately \$140,000, totals nearly \$750,000 or about 6.4% of construction related costs. Staff are reviewing the proposed agreement with the intent to offer it for approval at the next Commission meeting.

The fiber relocation project is nearly fully prepped with the pole moved and the new underground vault set. A used cabinet has been procured and painted and we are waiting for a final cost proposal from MCE to do the work. Based on an early December meeting, we expect that the final cost will be substantially less than the \$40,000 originally estimated.

There has been a bit of a snafu at the Public Service Commission regarding our application for a Certificate of Authority (CA) to construct the new Service Center Building. PS staff believed SMU still represented the water and sewer utility and rejected our application for not filing the proper paperwork.

## **Staffing**

Line Foreman Adam Carroll notified me in early December that he is now released from work restrictions for surgical repair of a shoulder injury in December 2021. And while not quite 100% yet, is feeling good about being able to get back into a bucket and the physical line work. As of December 26<sup>th</sup> Adam is back on the Standby schedule. It has been a difficult year of recovery, therapy and light duty for Adam. I believe it was the right thing for us to support him in that recovery and I look forward to his continued leadership of the line and meter/service team for many years.

Journeyman Lineworker David Ewald has also progressed to the Standby schedule beginning on December 19<sup>th</sup>. David began employment with us this last September and has quickly gained the confidence of his coworkers and supervisor. With David up to speed, we now have 5 of our 6 lineworkers in the Standby rotation, easing the burden for everyone. For much of 2022 we had just 3 men in the rotation.

Interviews for and selection of a Systems Administrator in the IT department were completed just prior to the holiday break. Danielle Andrews has accepted the position and is expected to start on Friday January 6<sup>th</sup>. Danielle comes to us with nearly 14 years of sysadmin experience at the Green Bay Ft Howard/GP paper company followed by 6 years in various IT sysadmin and user support positions.

The big news of course is that Bruce Gomm moved into the GM office and began his tenure on Tuesday January 3<sup>rd</sup>. As Bruce settles into the role, I look forward to working with him and providing whatever insight and assistance he finds helpful.

### **2022 Test Year Rate Case**

Initial Briefs for our case were filed on December 23<sup>rd</sup> (SMU's attached) and reply briefs are being prepared for filing on January 6<sup>th</sup>. I believe we and Little Rapids Corporation (and even CUB to some extent) make compelling arguments for fully eliminating the CP-4 subsidy and bringing all classes up to full cost of service recovery.

Again, the only issue is whether to "step-in" the rate increases to Cp-4 and delay the full decreases to Cp-3 and Cp-2 for at least another rate case cycle, or finish the job now with an 11% increase to Cp-4 and allocated decreases or smaller increases to the other rate classes. SMU staff and consultants, and witnesses representing Little Rapids Corporation, continue to argue for ending the subsidies now while Aarrowcast witnesses ask for continued "gradualism" to reduce "rate shock" on Aarrowcast.

PSC Staff will still need to prepare an issues list and decision matrix and the case is expected to be placed on a late January or very early February PSC agenda for a final decision. Regardless of the outcome, new tariff rates are likely to be approved for implementation as of March 1<sup>st</sup>.

### **BPMA**

At its December meeting, the BPMA Board of Directors approved the annual 2023 budget and tariff rates designed to provide for modest positive cash flow of approximately \$50,000. Badger's current cash position is adequate, and the Board is largely comfortable with a break-even budget and rate design in order to minimize 2023 rate impacts on our wholesale members. Base energy rates are increasing by 7.85% over 2022 base rates and fully pass thru GLU rate increases as tariffed, but there is a very real possibility that the 7.85% increase does not adequately "bake-in" 2022 cost increases and that 2023 BPMA bills may continue to pass thru large PCAC adjustments from GLU.

Hopefully the moderating gas prices mentioned earlier are sustained thru the year and large PCAC's will soon be a thing of the past.

This is likely my last report to you as a General Manager, it has been a rewarding 12 years for me and I hope you have found value in my service and the information I have shared in these reports.

### **AGENDA BILLS**

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Motion by Milavitz, seconded by Malueg to approve the Industrial Substation recloser purchase in the amount of \$30,630. Roll Call (Milavitz, Malueg, Pescinski, Hoeffs and Keuschel) = All Yes

Motion by Hoeffs, seconded by Malueg to approve the yearly transformer purchases in the amount of \$99,711. Roll Call (Hoeffs, Malueg, Milavitz, Pescinski and Keuschel) = All Yes.

Meeting adjourned at 5:18 p.m.

Respectfully submitted by,

Robert Koepp  
Secretary