

**MINUTES OF THE
MANITOWOC PUBLIC UTILITIES COMMISSION MEETING
TUESDAY, MAY 29, 2018**

The scheduled meeting of the Manitowoc Public Utilities Commission was called to order by President Hornung at 4:00 p.m. on Tuesday, May 29, 2018. In attendance were Commissioners Luckow, Seidl, and Sitkiewitz. Also present were Nilaksh Kothari – CEO & General Manager; and Attorney Andrew Steimle – Steimle Birschbach, LLC. Commissioners Allie, Diedrich, and Nickels were absent.

NON-STANDARD METER SERVICE TARIFF FILING – APPROVAL: The planning of a full deployment of electric AMI in 2018 and 2019 is in progress. Many utilities offer a ‘Non-Standard Meter Service Tariff’ which gives customers who do not wish to have an AMI meter installed in their home the option to continue to be serviced with a non-standard meter (non-AMI meter). The proposed filing of a ‘Non-Standard Meter Service Tariff’ was drafted for approval by PSCW to allow customers to retain their non-standard meter. Customers that elect this option will be required to pay the additional costs of sending a meter technician to their residence monthly to obtain a manual meter read. Those costs should not be subsidized by other ratepayers per PSCW. We have calculated this cost to be \$25.68 per month. A brief discussion ensued.

MOTION: A Motion was made by Commissioner Luckow and seconded by Commissioner Seidl to approve filing the tariff with PSCW. Motion carried unanimously.

ATC AMENDED AND RESTATED OPERATING AGREEMENT – APPROVAL: The revised operating agreement was presented for review. ATC was originally going to have a holding structure to facilitate the IOU’s desire to invest in merchant transmission projects. Following PSCW approval in 2016 it was decided by the IOU’s that for tax reasons that structure would not work and proposed a “Sister” structure where IOU’s will own 100% of the shares of a sister transmission company to invest outside the ATC footprint, while continuing to own 88% of ATCLLC. Attorney Richard Heinemann prepared a summary of the revisions including clarifications on definitions, restrictions and corporate manager activities; language additions and clean-up; and modifications to the amendment provisions regarding non-managing members’ requirement to approve any amendment to the corporate manager provision, and for the different impact on taxable versus tax-exempt members. ATC will like to file the revised agreement at PSCW in June 2018. Discussion ensued.

MOTION: A Motion was made by Commissioner Seidl and seconded by Commissioner Sitkiewitz to authorize the CEO & General Manager to execute the revised Operating Agreement. Motion carried unanimously.

APPA COMMENTS ON PROPOSED REPEAL OF THE CLEAN POWER PLAN (CPP): The APPA comments on the proposed repeal of the CPP were presented for review. Some highlights of the filing are as follows: CPP ignores state’s role under CAA; affordable and reliable electricity is threatened; EPA has the authority to repeal CPP; CPP is based on incorrect legal conclusions; EPA lacked a clear Statement of Authority from Congress; and CAA’s plain language requires a narrower interpretation of EPA’s authority. A brief discussion ensued.

MEUW LEGAL REPORT: The following highlights from the annual report of legal counsel prepared by Boardman & Clark Law Firm for the Municipal Electric Utilities of Wisconsin that were briefly discussed include: PSC Accounting Treatment of the Impacts Resulting from the Passage of the 2017 Tax Reform Bill H.R. 1 – Preliminary determination regarding refunds for IOU rate payers; Petition of WPL for a declaratory ruling regarding the right to serve Menard's Retail Store in Sun Prairie; Petition of Wisconsin Solar Energy Industries Association was denied to address the issue whether third-parties who finance distributed energy resource systems are "public utilities" within the meaning of Wis. Stat. § 196.01(5); and FERC issued an order that WEPCo have overcharged customers by \$23 million and should be limited to compensation for the actual costs of running the Presque Isle plants. \$23 million will be refunded to customers in the Upper Michigan area serviced by the Presque Isle plants. Discussion ensued on the territorial issue in Sun Prairie and how this may impact MPU.

RETAIL ELECTRIC RATES IN DEREGULATED AND REGULATED STATES: The analysis prepared by APPA shows that, in 1997, the states in the deregulated category had weighted average rates that were 2.3 cents per kWh above rates in the regulated states (8.1 vs. 5.8 cents per kWh). After 20 years, that gap has narrowed by one-tenth of a cent to 2.2 cents per kWh (11.8 vs. 9.6). Although the retail rate gap between regulated and deregulated states has narrowed in both percentage and nominal terms, the original promise of greatly reduced prices from deregulation has not materialized. Moreover, most of the gains achieved in deregulated states has been in the commercial and industrial sectors, as the majority of residential customers do not purchase from an alternative supplier. A brief discussion ensued.

GENERAL MANAGER'S REPORT: N. Kothari updated the Commission on the following: 50 of the 60 samples collected to-date are at or below lead exceedance level of 15 ppb; developing the needed information for the application checklist for PSC approval of loan replacement programs which would allow MPU to provide loans to customers to replace their lead water services beginning 2019 when DNR grant funds are unavailable; a meeting was held with Jagemann Stamping to review application of the NLMP tariff and economic development loan; the second Method 22 report required quarterly, of the wind fence at the pet coke storage pile was delivered to the EPA with no emissions; SMI and Orion ES have completed the Plan E watermain petition to extend the watermain to the Orion ES corporate office; the meeting with CBCWA is scheduled on June 29, 2018 to discuss the Agreement issues; Strategic Planning meeting is scheduled on June 6, 2018; City has approved MPU proceeding with the due diligence in regards to operations of the WWTF; the USAR is being served with non-potable water supply since March 30, 2018 due to the watermain break with has been provided with a deadline of May 31, 2018 to make a decision or temporary service will be terminated; Judy Mills of the DNR Legal Bureau agrees that MPU does not own the laterals and has no legal obligation to replace them; discussions are being held with PSCW about a potential electric rate decrease in 2019; and an update on the B9 bus duct was presented for review. Discussion ensued on the Waldo Boulevard construction project and the replacement of lead services that will be required to be replaced at the time of construction.

GREAT LAKES UTILITIES: The responses to the GLU power supply resources RFP were briefly discussed. GLU received 11 energy, 11 capacity and 7 renewable energy project proposals.

CBCWA: A letter was sent to CBCWA, noting the intent to add Sumalchlor-50 to the SMF plant. The anticipated chemical expense to add 2 ppm of ACH should be no more than \$45,000 per year, allocated between MPU and CBCWA based on pumped volume. Mr. Vaclavik has verbally communicated that this cost should not be CBCWA responsibility.

MINUTES: The Minutes from the Regular Session Meetings on May 7, 2018 were presented for approval.

MOTION: A Motion was made by Commissioner Sitkiewitz and seconded by Commissioner Luckow to approve the Regular Session Minutes from May 7, 2018. Motion carried unanimously.

APPROVAL OF CLAIMS: Claims List dated May 15, 2018; Claims List dated May 15, 2018; Claims List dated May 29, 2018; and Wire Transfers dated through May 23, 2018 were presented for approval.

FINANCIAL REPORTS FOR APRIL 2018: The Financial Reports for April 2018 were previously distributed to the Commission for review and discussion.

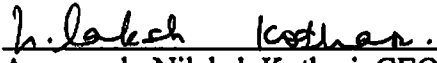
MOTION: A Motion was made by Commissioner Sitkiewitz and seconded by Commissioner Luckow to approve the Claims List dated May 15, 2018 check nos. 84095 through 84276 totaling \$777,309.55; Claims List dated May 29, 2018 check nos. 84277 through 84392 totaling \$1,683,514.70; Wire Transfers dated through March 23, 2018 totaling \$8,405,689.54 and to place the Financial Reports from April 2018 on file.

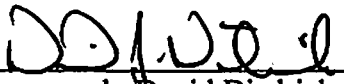
QUOTATIONS/BIDS: Three-phase, Pad-mount Transformers, 1000 kVa – \$34,554.00 – WEG Direct; Metal Wall Panel Installation at Power Plant - \$90,150.00 – Zeise Construction; Cross Connect Device Testing and General Plumbing Services - \$2,465.00 for 29 RP Valves Backflow Preventer Tests and \$80.00 per hour for plumbing services – Luisier Plumbing; Custer Street Combustion Turbine Control Upgrade - \$327,574.33 – Petrotech.

MOTION: A Motion was made by Commissioner Luckow and seconded by Commissioner Seidl to approve the presented quotations/bids. Motion carried unanimously.

NEXT MEETING: June 25, 2018 at 4:00 p.m.

ADJOURN: A Motion was made to adjourn the meeting by Commissioner Seidl and seconded by Commissioner Sitkiewitz. Meeting adjourned at 4:46 p.m.


Approved: Nilaksh Kothari, CEO & General Manager


Approved: David Diedrich, Secretary