



MLGW

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MLGW Committee Cost Savings & Projects Report

April 21, 2020

Operational

Operational Items	Metric	Baseline (as of Dec 2019)	2020 YTD Actual	2020 Target	Cumulative Five Year Actual	2024 Cumulative Target	% of Annual Target	% of Cumulative Target
Labor reductions	FTE's	0	29.5	20	29.5	375	147.5%	7.9%
Savings	Dollars in Thousands	\$0	\$2,830	\$1,600	\$2,830	\$91,700	176.9%	3.1%
Refill rate	% of requests to fill and filled	100%	45.1%	62.5%	45.1%	62.5%	72.1%	72.1%
Procurement	Contract approval timeline	220	145	215	145	215	67.4%	67.4%
Procurement	Inventory efficiency							
Procurement	Bids/RFP	2.33	2.5	3	2.5	3	83.3%	83.3%
Fleet Management	Fleet Reduction	0	49	200	49	300	24.5%	16.3%



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Way Forward Metrics Report



- Labor Reductions: MLGW is ahead of schedule for Labor/Position Reductions with 29.5 FTE.
- Procurement Inventory: Still working on development of an Inventory Turnover report to be used in establishing proper inventory levels. The expectation was to have this new report available by the end of April. Management is reviewing the draft report that has been developed for fitness of use.

HDR

HDR Study Items	Metric	Baseline (as of Dec 2019)	2020 YTD Actual	2020 Target	Cumulative Five Year Actual	2024 Cumulative Target	% of Annual Target	% of Cumulative Target
Electric Division								
Tree trimming	Miles trimmed	800	154	1373	154	6865	11.2%	2.2%
Wood poles replaced	# of Poles	300	101	500	101	2600	20.2%	3.9%
Distribution Automation deployment	# of units installed (designed/installed)	24	6	67	6	1100	9.0%	0.5%
Substation Breaker replacements	# of units installed	5	3	12	3	60	25.0%	5.0%
Substation Transformer replacements	# of units installed	2		4		20	0.0%	0.0%
Underground cable replacements	Feet of cable (designed/installed)	25,000	5,450	41,800	5,450	392,400	13.0%	1.4%
Gas Division								
Cast iron retrofit	Miles completed	1.5	0.72	2.5	0.72	7	28.8%	10.3%
Steel tap replacements	# of units R/P	57	0	147	0	2050	0.0%	0.0%
Gas Transmission & Extra HP Pipelines	Miles completed	0	0	0.55	0	5	0.0%	0.0%
Regulator Stations	# of Stations	1		3		12	0.0%	0.0%
Water Division								
Production Wells	# of new wells	0		3		15	0.0%	0.0%
Station rehabilitation	% progress	Development of Milestones in Progress						
Lead service line replacements/removals	# of services installed	363	323	1000	323	5000	32.3%	6.5%
Digital Process Control Systems	# of units installed	0		2		7	0.0%	0.0%



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Way Forward Metrics Report



Notes on select projects

Tree trimming: Slightly behind schedule due to weather, contractor availability; major issues going forward with pandemic restraints, looking at alternatives to get back on schedule; currently working with 45 crews and looking to ramp up (need to 55 to get on schedule).

Wood Poles: In process of obtaining bids on contracted work required. Bids are due back on 4/28.

Distribution Automation: 22 Devices have been released to construction; 18 more devices are active in Engineering for design.

Substation Breaker Replacements: 1589 is complete, 6655 is complete, 4181 breaker at Sub 24 is complete, 4257 bank breaker at Sub 4 (95% complete), 1151 breaker at Sub 21 (90% complete), 69663 breaker at Sub 69 (50% complete), 42207 breaker at Sub 42 (10% complete), 48345 breaker at Sub 48 (10% complete), 79351 breaker at Sub 79 (10% complete)

Substation Transformer Replacements: 4557 transformer at Sub 4 (95% complete), 1157 transformer at Sub 21 (90% complete), 4155 transformer at Sub 24 (15% complete)

Underground cable: Will see large increases in feet replaced once jobs are completed. Also working on new contract to achieve targets over the five-year period.

Gas Transmission Pipelines: All jobs in design. For 3/4 jobs we are in the process of purchasing 12" steel pipe. Goal is to have the pipe procurement recommendation at the 5/5 MLGW Board meeting and have PO issued in early June. On the 4th job - we are still waiting on an agreement between MLGW and the railroad (Covington Pike) in legal. This 4th job impacts two large industrial customers so we will need to work with their schedules and give them proper notice of the job once we have that agreement.

Gas Regulator Stations: All jobs still in design.

Water Production Wells: Slowly completing first well (weather permitting). Contract change order for more money was approved at the 4/15 board meeting.

Water Pumping Station Rehabilitation: Holistic station rehab project plan has been developed, forecasting need of 3 contractors, one each for evaluation, design and construction; RFP specs for evaluation have been submitted. Contract draft is in progress; awaiting a determination if a Supplier Diversity goal.

Water Digital Process Controls: Seven filters complete at Sheehan, moving to the pump building soon.

HDR (cont.)

HDR Study Items	Metric	Baseline (as of Dec 2019)	2020 YTD Actual	2020 Target	Cumulative Five Year Actual	2024 Cumulative Target	% of Annual Target	% of Cumulative Target
Electric Division								
Tree trimming	Dollars (in thousands)	\$13,377	\$1,749	\$18,548	\$1,749	\$98,474	9.4%	1.8%
Wood poles replaced	Dollars (in thousands)	\$1,500	\$442	\$3,000	\$442	\$15,000	14.7%	2.9%
Distribution Automation deployment	Dollars (in thousands)	\$2,100	\$222	\$6,000	\$222	\$130,000	3.7%	0.2%
Substation Breaker replacements	Dollars (in thousands)	\$1,129	\$603	\$2,600	\$603	\$15,700	23.2%	3.8%
Substation Transformer replacements	Dollars (in thousands)	\$2,803	\$1,126	\$8,500	\$1,126	\$39,000	13.2%	2.9%
Underground cable replacements	Dollars (in thousands)	\$2,386	\$195	\$6,800	\$195	\$54,000	2.9%	0.4%
Gas Division								
Cast iron retrofit	Dollars (in thousands)	\$4,013	\$454	\$4,000	\$454	\$7,000	11.4%	6.5%
Steel tap replacements	Dollars (in thousands)	\$74	\$0	\$400	\$0	\$17,000	0.0%	0.0%
Gas Transmission & Extra HP Pipelines	Dollars (in thousands)	\$117	\$0	\$2,500	\$0	\$21,018	0.0%	0.0%
Regulator Stations	Dollars (in thousands)	\$154	\$5	\$1,000	\$5	\$5,400	0.5%	0.1%
Water Division								
Production Wells	Dollars (in thousands)	\$0	\$545	\$4,323	\$545	\$28,603	12.6%	1.9%
Station rehabilitation	Dollars (in thousands)	\$0	\$51	\$1,650	\$51	\$59,350	3.1%	0.1%
Lead service line replacements	Dollars (in thousands)	\$496	\$134	\$2,500	\$134	\$12,500	5.4%	1.1%
Digital Process Control Systems	Dollars (in thousands)	\$0	\$37	\$950	\$37	\$4,755	3.9%	0.8%



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Notes on select projects

Actual 2020 YTD Dollars exclude overhead burdening cost which will be added as months are closed.



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Questions?