

PETERSBURG MUNICIPAL POWER & LIGHT

MEMORANDUM

TO: Mayor and Borough Assembly
FROM: Stephan Harbour, Utility Director
DATE: July 27th, 2026
SUBJECT: Sole-Source Purchase of Eaton Advanced Metering Infrastructure Equipment
ACTION: Approve Resolution #2026-22 and authorize purchase in the amount of \$372,035.62

Recommendation

Approve the attached resolution authorizing the sole-source purchase of Eaton Advanced Metering Infrastructure equipment under quotation No. 24359312 for \$372,035.62. The purchase would be funded with up to \$258,233 in Department of Energy grant funds passed through the Petersburg Indian Association and \$113,802.62 from the Power & Light Capital Fund, account number 763.

Project Background

Petersburg Municipal Power & Light began installing Advanced Metering Infrastructure meters in 2021, initially focusing on the harbor system and then expanding installations throughout the electric distribution system as annual budgets allowed. Approximately 1,020 Eaton AMI meters are now in service.

The Petersburg Indian Association received funding through the U.S. Department of Energy Grid Resilience Formula Grant program. DOE has reviewed and approved the Petersburg Municipal Power & Light project, titled "Advanced Metering Infrastructure (AMI) Deployment," as Subaward Project ID GD436-001. The approved project cost is \$389,005, with a federal share of \$258,233 and a required match of \$130,772.

The purpose of the project is to complete the Borough-wide AMI deployment by purchasing the remaining meters, relays, gateway equipment, and related components. PMPL employees will perform the meter installations and system deployment using in-house labor and equipment.

Equipment Purchase

Quantity	Equipment	Unit Price	Extended Price
1,200	Residential AMI meters	\$249.00	\$298,800.00
20	AMI network relays	\$893.00	\$17,860.00
1	Gateway 801 collector	\$2,592.00	\$2,592.00
45	Commercial AMI meters	\$705.00	\$31,725.00
	Product subtotal		\$350,977.00
	Freight, 6%		\$21,058.62
	Total purchase		\$372,035.62

The quotation is dated January 28, 2026, and is valid through August 15, 2026. Quoted lead times range from approximately 8 to 16 weeks after receipt of order and completion of required meter profiles.

Sole-Source Justification

The requested purchase is not a brand preference or a convenience purchase. It is an expansion of an installed and operating utility system. PMPL currently uses Eaton meters, relays, gateway equipment, firmware, and Eaton Yukon software as one integrated AMI platform.

The Eaton meters communicate through a radio-frequency mesh network. Each meter can transmit data directly to a collector or through neighboring Eaton meters and relays. The system then transfers the data into Eaton's proprietary Yukon software, where PMPL can read meters, monitor communications, identify outages, receive notifications, and manage the meter network.

Meters and communications equipment from another manufacturer would not join the existing Eaton mesh network or operate through the existing proprietary software. Selecting another manufacturer would require PMPL to replace or duplicate the approximately 1,020 Eaton meters already deployed, purchase a second software platform and communications network, develop new interfaces and operating procedures, maintain separate inventories and training programs, and potentially operate two incompatible meter systems for many years.

Those additional costs would be substantially greater than completing the existing Eaton system and would undermine the purpose of the grant-funded project. Eaton is therefore the single practical supplier capable of providing equipment that is fully compatible with the Borough's existing AMI infrastructure. The procurement qualifies as a single-supplier exception under Petersburg Borough Code Section 4.04.040(C).

Need for Meter Replacement and Revenue Protection

A significant portion of the meters remaining in service are older, non-digital electromechanical meters. These meters are aging, have moving internal components, and become less accurate as they wear. Field experience has shown that many older meters under-register customer usage not over-register it.

When a meter under-registers, the utility still incurs the full cost of purchasing or generating the electricity delivered to the customer, but it does not bill for all of the energy used. The resulting revenue loss does not disappear. It must ultimately be recovered through the utility's overall rate structure, reserves, or future rate increases, which shifts costs to other customers and reduces rate equity.

Replacing the remaining older meters with modern AMI meters will improve measurement accuracy, reduce unbilled energy, support fair and consistent billing, and protect utility revenue. Better revenue recovery helps reduce pressure for future rate increases and ensures customers are charged more accurately for the electricity they actually use.

Operational and Resiliency Benefits

- **Automatic and more frequent meter reads, reducing manual reading time and estimated bills.**
- **Faster identification of outages, including the location and number of affected meters.**
- **Improved outage response and restoration verification without waiting for customer calls.**
- **Better voltage and usage information for system planning, load analysis, and troubleshooting.**
- **Improved billing accuracy and earlier identification of stopped, failing, or tampered meters.**
- **A complete and consistent AMI platform across residential, commercial, and harbor services.**

Funding

Funding Source	Amount
DOE grant funds through Petersburg Indian Association	\$258,233.00
Power & Light Capital Fund No. 763	\$113,802.62
Total Eaton equipment purchase	\$372,035.62

The DOE-approved project budget totals \$389,005, including a \$130,772 match. After applying the full \$258,233 federal share to the Eaton purchase, \$113,802.62 of Borough match is required for this

purchase. The remaining \$16,969.38 of the approved match may be used for other eligible project expenses, subject to the final subaward agreement, approved budget, and Finance Department accounting.

Requested Assembly Action

Approve the attached resolution, authorize the sole-source procurement from Eaton in an amount not to exceed \$372,035.62, and authorize the Borough Manager to execute the necessary purchase and grant documents.