



## MEETING AGENDA – SEPTEMBER 26, 2017

COMMUNITY ROOM  
4000 EAST RIVER ROAD NE  
ROCHESTER, MN 55906

4:00 PM

### Call to Order

1. **Recognition: Mutual Aid Volunteers**
2. **Approval of Agenda**
3. **Approval of Minutes**

1. Public Utility Board - Regular Meeting - Aug 29, 2017 4:00 PM

4. **Approval of Accounts Payable**

1. a/p board listing

### NEW BUSINESS

### Open Comment Period

*(This agenda section is for the purpose of allowing citizens to address the Utility Board. Comments are limited to 4 minutes, total comment period limited to 15 minutes. Any speakers not having the opportunity to be heard will be the first to present at the next Board meeting.)*

5. **Consideration Of Bids**

6. **Regular Agenda**

1. Amendment to Joint Pricing Zone Agreement  
Resolution: Amendment to Joint Pricing Zone Agreement
2. Utility Relocation and Release of Easements Agreement  
Resolution: Utility Relocation and Release of Easements Agreement

7. **Informational**

1. Draft Compliance Policy
2. Proposed Rate Change Discussion

8. **Board Liaison Reports**

1. Index of Board Policies

9. **General Managers Report**

10. **Division Reports & Metrics**

11. **Other Business**

12. **Adjourn**

*The agenda and board packet for Utility Board meetings are available on-line at [www.rpu.org](http://www.rpu.org) and <http://rochestercitymn.igmp2.com/Citizens/Default.aspx>*



## MEETING MINUTES – AUGUST 29, 2017

RPU SERVICE CENTER  
4000 EAST RIVER ROAD NE  
BOARD ROOM  
ROCHESTER, MN 55906

4:00 PM

### Call to Order

| Attendee Name          | Title           | Status  | Arrived |
|------------------------|-----------------|---------|---------|
| Mark Browning          | Board President | Present |         |
| Tim Haskin             | Board Member    | Present |         |
| Melissa Graner Johnson | Board Member    | Present |         |
| Brian Morgan           | Board Member    | Present |         |
| Michael Wojcik         | Board Member    | Absent  |         |

### 1. Approval of Agenda

- Motion to:** approve the agenda as presented

|                  |   |
|------------------|---|
| <b>RESULT:</b>   | <b>ADOPTED [UNANIMOUS]</b>                                      |
| <b>MOVER:</b>    | Melissa Graner Johnson, Board Member                            |
| <b>SECONDER:</b> | Brian Morgan, Board Member                                      |
| <b>AYES:</b>     | Mark Browning, Tim Haskin, Melissa Graner Johnson, Brian Morgan |

### 2. Approval of Minutes

- Public Utility Board - Regular Meeting - Jul 25, 2017 4:00 PM
- Motion to:** to approve the Minutes of July 25, 2017 as presented

*President Browning noted a typo on page seven, paragraph two, third word: the typo will be stricken from the record, and should read "also".*

|                  |   |
|------------------|---|
| <b>RESULT:</b>   | <b>ADOPTED [UNANIMOUS]</b>                                      |
| <b>MOVER:</b>    | Melissa Graner Johnson, Board Member                            |
| <b>SECONDER:</b> | Tim Haskin, Board Member  |
| <b>AYES:</b>     | Mark Browning, Tim Haskin, Melissa Graner Johnson, Brian Morgan |

### 3. Approval of Accounts Payable

- A/P Board Listing
- Motion to:** approve the A/P listing as presented

*Board Member Melissa Graner Johnson asked which project line item number 36, a release of contract retention to Elcor Construction Inc, referred to? Staff replied that it is for the Douglas Trail Substation. Ms. Johnson also recused herself from voting on line item number 470.*

*Board Member Brian Morgan asked what is included in line item number 44, a charge to CenturyLink for monthly telecommunications. Director of Corporate Services Peter Hogan replied that the majority is for telecommunications and for four wire lines into the SCADA system. Mr. Morgan also inquired about line item number 87, a charge for CISCO IP*

*phone, payable to EPlus Technology Inc, which staff clarified is for the maintenance of an existing system, not the purchase of a new system.*

*Board Member Tim Haskin asked about conserve and save rebates listed to individual names. Marketing Director Patty Hanson stated that these rebates are for solar installations.*

|                  |   |
|------------------|---|
| <b>RESULT:</b>   | <b>ADOPTED [UNANIMOUS]</b>                                      |
| <b>MOVER:</b>    | Tim Haskin, Board Member  |
| <b>SECONDER:</b> | Melissa Graner Johnson, Board Member                            |
| <b>AYES:</b>     | Mark Browning, Tim Haskin, Melissa Graner Johnson, Brian Morgan |

## NEW BUSINESS

### Open Comment Period

*(This agenda section is for the purpose of allowing citizens to address the Utility Board. Comments are limited to 4 minutes, total comment period limited to 15 minutes. Any speakers not having the opportunity to be heard will be the first to present at the next Board meeting.)*

President Browning opened the meeting for public comment. Two people came forward to speak.

Tom Williamson, of Rochester, said he has been trying to promote RPU's SOLARCHOICE program, and was here to ask the RPU Board and senior staff that are eligible, to participate, because people are not getting the message. It's an environmental investment, Mr. Williamson said, that needs to be promoted strongly. He asked for staff to promote SOLARCHOICE wherever they go, and to thoroughly get behind the Energy Action Plan. Mr. Williamson also said he's inquired but not received a response about a gas blow at the West Side Energy Station. Mr. Williamson said it's significant because it means that thousands of cubic feet of methane were released during pipe cleaning at the station. In addition, Mr. Williamson shared a concern over blue LED street lights, and asked that the city look into any ill effects they might have on the environment before converting to these types of lights.

Rick Morris spoke on behalf of Ivan Idso (both of Rochester). Mr. Idso sent an email to the RPU Board members on August 28, 2017, said Mr. Morris, asking them to place a high priority on energy conservation. Mr. Idso also asked the Board to explore tiered rates, and to look at a program for low income customers in California called the CARE program. His email challenges the assumptions used to determine the fixed charges and the impacts on conservation. He also cited a 2015 study indicating that Rochester residents are willing to pay more for conservation.

## 4. Consideration Of Bids

1. Service Center Stock Yard Expansion Project (2017-25)

*Facilities Project Manager Patricia Bremer presented a request to the Board to approve a contract with Alvin E. Benike Inc., for new concrete paving to expand the warehouse yard at the RPU service center. The new area in the stock yard will provide additional storage space for materials and equipment that will be displaced when the service center is renovated in 2018. RPU received five bids for the project, which were opened on August 22, 2017, and evaluated by staff.*

*Alvin E. Benike was the low bidder, with an estimated cost of \$367,076.00. Work will include new concrete, grading, erosion control and storm water management, and is expected to be completed by November 30, 2017.*

*President Browning questioned whether the project is within the 2017 utility budget. Ms. Bremer replied that the project was planned for and budgeted in the 2017 capital budget.*

|                  |   |
|------------------|---|
| <b>RESULT:</b>   | <b>COUNCIL APPROVAL [UNANIMOUS]</b>                             |
| <b>MOVER:</b>    | Melissa Graner Johnson, Board Member                            |
| <b>SECONDER:</b> | Brian Morgan, Board Member                                      |
| <b>AYES:</b>     | Mark Browning, Tim Haskin, Melissa Graner Johnson, Brian Morgan |

Resolution: Service Center Stock Yard Expansion Project (2017-25)

*BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve an agreement with Alvin E. Benike, Inc. and authorize the Mayor and the City Clerk to execute the agreement for:*

*Service Center Stock Yard Expansion Project (2017-25)*

*The amount of the agreement to be THREE HUNDRED SIXTY SEVEN THOUSAND, SEVENTY SIX AND 00/100 DOLLARS (\$367,076.00) and Alvin E. Benike, Inc. being lowest responsible bidder.*

*Passed by the Public Utility Board of the City of Rochester, Minnesota, this 29th day of August, 2017.*

## 5. Regular Agenda

### 1. 2017 Electric Service Rules and Regulations Revisions

*The 2017 Electric Services Rules and Regulations were approved by the RPU Board on June 27, 2017. Since then, staff has reviewed the revised rules, and is now recommending additional revisions that will strengthen its original intent. Senior Electrical Engineer Brian Kelly, along with engineering staff, brought the revised language to the Board for approval.*

*Language was revised in three areas: to expand the definition of a service upgrade; to ensure that during a service upgrade, an existing meter socket gets replaced with a new self-contained bypass lever; and to require re-inspection of wiring by a licensed electrical contractor after service has been disconnected for three months or more.*

*Mr. Kelly said that these revisions more clearly define the purpose of the policy and mitigate safety risks to the utility and its customers.*

|                  |   |
|------------------|---|
| <b>RESULT:</b>   | <b>COUNCIL APPROVAL [UNANIMOUS]</b>                             |
| <b>MOVER:</b>    | Brian Morgan, Board Member                                      |
| <b>SECONDER:</b> | Melissa Graner Johnson, Board Member                            |
| <b>AYES:</b>     | Mark Browning, Tim Haskin, Melissa Graner Johnson, Brian Morgan |

Resolution: 2017 Electric Service Rules and Regulations Revisions

*BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve the proposed revisions to the:*

### *2017 Electric Service Rules and Regulations*

*Passed by the Public Utility Board of the City of Rochester, Minnesota, this 29th day of August, 2017.*

#### 2. Fiber Optic Install and Joint Use Agreement

*Senior Electrical Engineer Steven Cook said that RPU was approached by Olmsted County to design and install a fiber optic communications system between Highway 63 South and 48th Street SE, to the Olmsted County Public Works campus. In exchange for RPU's engineering and project management services, the county will allow RPU the use of an empty conduit for its future use to provide communication to RPU Water Tower #103, located east of the Public Works campus main buildings. The county will reimburse RPU for the materials and external contractor costs associated with the installation project. A joint use agreement between the county and RPU was presented for approval, pending any final changes approved by the City Attorney and RPU General Manager.*

|                  |   |
|------------------|---|
| <b>RESULT:</b>   | <b>COUNCIL APPROVAL [UNANIMOUS]</b>                             |
| <b>MOVER:</b>    | Brian Morgan, Board Member                                      |
| <b>SECONDER:</b> | Melissa Graner Johnson, Board Member                            |
| <b>AYES:</b>     | Mark Browning, Tim Haskin, Melissa Graner Johnson, Brian Morgan |

Resolution: Fiber Optic Install and Joint Use Agreement with Olmsted County

*BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve an agreement with Olmsted County and authorize the Mayor and City Clerk execute the agreement for the installation of a segment of a fiberoptic communication system subject to any final technical changes approved by the City Attorney and RPU General Manager.*

*Passed by the Public Utility Board of the City of Rochester, Minnesota, this 29th day of August, 2017.*

#### 3. Minnesota Municipal Utilities Association Authorized Delegates

*General Manager Mark Kotschevar presented a request to the Board to approve the authorization of delegates to the Minnesota Municipal Utilities Association (MMUA). The MMUA by-laws state that RPU shall select*

*representatives, a regular member and additional delegates in rank order, who will have the right to cast a single vote on matters coming before the membership at business meetings. As a regular member, Mr. Kotschevar delegated himself as the authorized representative, along with Steven Nyhus, director of corporate affairs, and Peter Hogan, director of corporate services, as alternate delegates.*

|                  |   |
|------------------|---|
| <b>RESULT:</b>   | <b>COUNCIL APPROVAL [UNANIMOUS]</b>                             |
| <b>MOVER:</b>    | Tim Haskin, Board Member  |
| <b>SECONDER:</b> | Brian Morgan, Board Member                                      |
| <b>AYES:</b>     | Mark Browning, Tim Haskin, Melissa Graner Johnson, Brian Morgan |

Resolution: Minnesota Municipal Utilities Association Delegate Appointment Form

*BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve the attached Minnesota Municipal Utilities Association Delegate Appointment Form listing Mark Kotschevar as RPU's authorized delegated representative along with Steven Nyhus and Peter Hogan as alternates.*

*Passed by the Public Utility Board of the City of Rochester, Minnesota, this 29th day of August, 2017.*

4. Approval of 2018 Utility Board Meeting Dates

*General Manager Mark Kotschevar presented the list of 2018 RPU Board meeting dates to the Board for approval. Utility Board meetings are regularly scheduled on the last Tuesday of the month at 4:00 p.m. at the RPU Service Center, and special meetings are scheduled as needed.*

*Mr. Kotschevar said that due to a conflict with the American Public Power Association (APPA) Legislative Rally event, the board meeting for February 2018 has been scheduled to February 20, 2018. Two other proposed dates were changed to align them with the last Tuesday of the month; October 23 was changed to October 30, and July 24 was changed to July 31. The December meeting is scheduled for December 18, 2018, to allow time off for the December 25 holiday.*

*The following meeting dates were approved:*

*January 30*

*February 20*

*March 27*

*April 24*

*May 22*

*June 26*

*July 31*



*August 28*

*September 25*

*October 30*

*November 13*

*November 27*

*December 18*

Resolution: Approval of 2018 Utility Board Meeting Dates

*BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve the*

### *2018 Utility Board Meeting Dates*

*Passed by the Public Utility Board of the City of Rochester, Minnesota, this 29th day of August, 2017.*

## **6. Informational**

### **1. Electric Cost of Service Study**

*Mark Beauchamp, of Utility Financial Solutions, LLC, continued the discussion regarding a proposed two year rate design based on results from the electric cost of service study he conducted for the utility. This was the second part of a four-part series of informational agenda items presented to the Board. Last month, Mr. Beauchamp shared financial projections from the study indicating that smaller inflationary-based increases over the next two years would be appropriate to align with the cost of service, based on the utility's projected operating and capital expenses. Increases of 1.5% in 2018 and 1.9% in 2019 have been proposed, and Mr. Beauchamp stated this would amount to an increase of about \$1.40 per month in 2018, and \$1.80 per month in 2019 for the average customer.*

*In explaining cost of service, Mr. Beauchamp said that many electric utility customers may not understand why they are being charged a customer charge on their bill, and he used the analogy of a grocery store. While customers are not charged to walk into a grocery store, electric utility customers are charged a fee because the service is brought directly into their homes via wiring and meter, the meter must be read, they are billed for their individual usage, and customer service is provided should they need it. The current proposed increases will build the cash reserves needed to provide for the replacement of aging infrastructure and avoid larger rate increases down the road.*

*Additionally, Mr. Beauchamp spoke on electric vehicle rates used by other utilities, should RPU decide to pursue electric car charging services in the future. The largest factors RPU would need to determine are if electric vehicles would be metered separately from the main service, and whether to employ a*

time of use rate structure. The majority of other utilities across the country use separate metering and time of use rates, he said.

General Manager Mark Kotschevar stated that if the Board was in agreement with the proposed rate increases and rationale behind them, it could authorize a thirty-day notice in the newspaper of record to allow for public comment and provide time for people to provide their input at future Board meetings. The rate discussion will continue at the Board's September 26 and October 24, 2017 meetings, with a final vote taken at the November 14, 2017 special budget meeting. All of the meetings will be open for public comment. If approved, the rate increases will be forwarded to the Rochester City Council for approval.

Mr. Kotschevar added that customers can easily offset the rate increases on their bill by making energy efficiencies in their homes, such as replacing two incandescent light bulbs with two LED bulbs. He said that small changes to conserve energy are encouraged and can make an impact on the customer bill.

Mr. Kotschevar will have an article regarding customer rates in the September edition of RPU's magazine *Plugged In*.

The cost of service presentation will be posted on the RPU website for public access.

2. **Motion to:** authorize staff to advertise in the newspaper of record the proposed electric rate increases based on the cost of service study

|                  |   |
|------------------|---|
| <b>RESULT:</b>   | <b>ADOPTED [UNANIMOUS]</b>                                      |
| <b>MOVER:</b>    | Tim Haskin, Board Member  |
| <b>SECONDER:</b> | Melissa Graner Johnson, Board Member                            |
| <b>AYES:</b>     | Mark Browning, Tim Haskin, Melissa Graner Johnson, Brian Morgan |

3. Westside Energy Station Project Status Report

Director of Power Resources Wally Schlink presented an updated status report on construction at the Westside Energy Station. He showed a video taken by a drone at the construction site to give an overview of the progress that has been made.

Some upcoming major milestones include the build out of the electrical control room in early September, the installation of underground utilities on October 17, HVAC, mechanical and piping installation on November 23, electrical and instrumentation work on October 23, the build out of the administration building on December 4, and final sitework slated for December 19. The site has a guaranteed commercial operation date of May 1, 2018. Mr. Schlink said the project is right on schedule.

Safety continues to be a main priority during construction. Mr. Schlink noted that there has only been one recordable injury to date, with 57,495 man-hours



*completed. Boldt Construction is participating in a voluntary OSHA consulting program at the site, he said.*

*To date, the project is projected to be \$5 million below the original budget, said Mr. Schlink.*

*President Browning took a tour of the project last week, and asked when the public will be able to see it. Mr. Schlink stated that after completion, the utility will host a staff and Board open house, followed by a public open house.*

## **7. Board Liaison Reports**

### **1. Index of Board Policies**

*The committees of the Board have been working on revisions to several Board policies. General Manager Mark Kotschevar said that the Policy Committee is currently working on the language changes that will be presented to the City Charter committee in order to revise the timing of the election of officers as stated in the Board Organization policy. Assistant City Attorney Dave Goslee has requested Mr. Kotschevar to write a memo detailing the request to change Board elections from the January meeting to the May meeting. After the request has been approved by the Charter committee, it will require Rochester City Council approval, and then will require a 90-day waiting period as stipulated by the Charter. The next Board policy in line for revision is the Compliance policy, which will be presented to the Board for review at the September meeting, followed by the Acquisition and Disposal of Real Property policy.*

## **8. General Managers Report**

General Manager Mark Kotschevar invited all Board members to the Southern Minnesota Municipal Power Association (SMMPA) annual meeting on October 12-13, 2017, in Bloomington, Minnesota.

Kim Norton has scheduled a meeting for August 30, 2017, to organize an agenda for a visit from the Danish Ministry group to the City of Rochester on September 14-15, 2017. An informational meeting regarding the Danish technical model and business structure for its district energy heating program will be held at City Hall on September 14, and a breakfast will be held at the RPU Service Center on September 15.

## **9. Division Reports & Metrics**

The Board reviewed the utility's Division Reports and Metrics for August 2017. Board Member Brian Morgan asked about an OSHA recordable injury that was reported in the last month. According to safety records, the employee experienced knee pain while cleaning up at the Silver Lake Plant.

## **10. Other Business**

## **11. Adjourn**

*The agenda and board packet for Utility Board meetings are available on-line at [www.rpu.org](http://www.rpu.org) and <http://rochestercitymn.igmp2.com/Citizens/Default.aspx>*

Submitted by:

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**Regular Meeting****Tuesday, August 29, 2017****4:00 PM**

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Secretary

Approved by the Board

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Board President

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Date

Minutes Acceptance: Minutes of Aug 29, 2017 4:00 PM (Approval of Minutes)

## ACCOUNTS PAYABLE

Meeting Date: 9/26/2017

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**SUBJECT:** a/p board listing

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**PREPARED BY:** Terri Engle

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Please approve

**ROCHESTER PUBLIC UTILITIES**  
**A/P Board Listing By Dollar Range**  
For 08/15/2017 To 09/12/2017  
**Consolidated & Summarized Below 1,000**

**Greater than 50,000 :**

|                               |  |               |
|-------------------------------|--|---------------|
| WESTSIDE ENERGY PARTNERS      | Westside Energy Station Eng Procurement Contract         | 10,912,174.65 |
| SOUTHERN MN MUNICIPAL POWER A | August SMMPA Bill  | 8,648,344.10  |
| MN DEPT OF REVENUE            | July Sales and Use Tax                                   | 798,043.15    |
| MN DEPT OF REVENUE            | Actual June Sales/Use Tax less June's prepaid of 420,000 | 252,295.33    |
| RSP ARCHITECTS LTD.           | A/E Service CSC Expansion Project                        | 154,560.00    |
| WESTSIDE ENERGY PARTNERS      | AP Contract Retentn                                      | 153,140.23    |
| A & A ELECT & UNDERGROUND CON | Directional Boring and Related Services                  | 91,075.00     |
| BENIKE CONSTRUCTION (P)       | AP Contract Retentn                                      | 77,133.62     |
| ASPLUNDH TREE EXPERT CO INC ( | 301B Line Clearance~                                     | 74,108.19     |
| ORACLE AMERICA INC            | 2017 Home Energy Reports                                 | 62,700.00     |
| MN DEPT OF HEALTH             | Community Water Supplu Fee July-Sept 2017                | 61,304.00     |
| BENIKE CONSTRUCTION (P)       | Douglas Trail Substation Construction                    | 60,573.26     |

**Price Range Total:**

21,345,451.53

**5,000 to 50,000 :**

|                               |   |           |
|-------------------------------|---|-----------|
| BILLTRUST dba                 | 16-17 CC/Billing/Mailing/IVR Services                   | 49,125.26 |
| MAYO FOUNDATION               | Lighting-CIP Conserve & Save Rebates                    | 46,514.55 |
| N HARRIS COMPUTER CORP        | Cayenta Implementation Services                         | 42,500.00 |
| UTILITY FINANCIAL SOLUTIONS L | Electric Cost of Service Study                          | 37,153.75 |
| BERGERSON CASWELL INC         | Repair of damaged pump unit at Well #38                 | 36,310.00 |
| BORDER STATES ELECTRIC SUPPLY | 240-Meter, FM2S CL200 240V 2WAY W/Disconnect            | 35,910.00 |
| ULTEIG ENGINEERS INC          | Douglas Trail Substation Design EPIC                    | 35,620.15 |
| XYLO TECHNOLOGIES INC         | 2017 IT Helpdesk Support                                | 34,883.50 |
| MN DEPT OF COMMERCE           | Q2 FY 2018 Indirect Assessment                          | 28,035.74 |
| MASTEC NORTH AMERICA INC      | Boring for 10th St NE conversion 3567                   | 26,091.93 |
| WORKS COMPUTING INC           | 2-CommVault server hardware                             | 25,772.84 |
| PEOPLES ENERGY COOPERATIVE (P | August Compensable                                      | 25,163.57 |
| ITRON INC                     | ltron Maintenance, 1Sept2017 - 31Aug2018                | 24,544.23 |
| U S ALLIANCE GROUP            | August Credit Card Processing Fees                      | 23,423.84 |
| WIESER PRECAST STEPS INC (P)  | 4-Pulling vaults w/Xypex                                | 23,004.84 |
| KNUTSON CONSTRUCTION SERVICES | AP Contract Retentn                                     | 22,844.85 |
| THE ENERGY AUTHORITY INC      | August TEA Fee  | 22,220.72 |
| BERGERSON CASWELL INC         | Sand removal from the open hole below casing            | 22,025.00 |
| BLUESPIRE STRATEGIC MARKETING | 2016 - 2019 RPU Plugged In Contract                     | 20,780.00 |
| PW POWER SYSTEMS INC          | 2017 Field Services for GT2~                            | 19,623.05 |
| 1AF, LIMITED PARTNERSHIP      | Washer, refrig, dishwasher, High Eff toliet & LED light | 18,665.00 |
| DAKOTA SUPPLY GROUP           | Fixtures-CIP Conserve & Save Rebates                    | 18,449.76 |
| DAKOTA SUPPLY GROUP           | 22,800 ft-Conduit, HDPE, 2.00, Empty                    | 18,339.75 |
| N HARRIS COMPUTER CORP        | 60-Luminaire, 108W LED, PC 120-277V, Gray               | 17,884.21 |
| RECREATION CENTER             | Travel for Cayenta Implementation Serv                  | 17,582.05 |
| WINKELS ELECTRIC INC          | Lighting-CIP Conserve & Save Rebates                    | 16,000.00 |
| MINNESOTA CHILDRENS MUSEUM    | Service Modifications 10 St NE                          | 15,750.00 |
| HUNT ELECTRIC CORP            | Partnership Agreement Jan- Sept 2017                    | 15,320.80 |
| USIC LOCATING SERVICES INC    | Project Electrician for WES                             | 14,747.80 |
| VISION COMPANIES LLC (P)      | 2017 Locating Services                                  | 14,737.50 |
| COMPUTER TASK GROUP INC       | Strategy Development and Leadership journey 100 & 200   | 13,680.00 |
| MID AMERICA MANAGEMENT CORP   | Project Coordinator for Cayenta Project                 | 13,193.00 |
| CENTURYLINK                   | Lighting-CIP Conserve & Save Rebates                    | 12,891.84 |
| ELLINGSON COMPANIES           | 2017 Monthly Telecommunications                         | 12,320.00 |
| MN DEPT OF REVENUE            | Water main installation-Fox Point Ln SW Ph 2            | 11,944.72 |
| FERGUSON WATERWORKS           | July Sales and Use Tax                                  | 11,709.00 |
| LAMINATED WOOD SYSTEMS INC (P | 3-Metrotech 9800 locator                                | 11,313.00 |
| MN DEPT OF REVENUE            | 3-Wood pole, 52' H6                                     | 11,134.33 |

Attachment: AP Board 09 2017 (7883 : a/p board listing)

**ROCHESTER PUBLIC UTILITIES**  
**A/P Board Listing By Dollar Range**  
For 08/15/2017 To 09/12/2017  
**Consolidated & Summarized Below 1,000**

|     |                                |  |              |
|-----|--------------------------------|--|--------------|
| 58  | EXPRESS SERVICES INC           | 2017 Seasonal staff grounds                              | 10,678.33    |
| 59  | STUART C IRBY CO INC           | 2-Trans, PM, 3ph, 75kVA, 13.8/8, 208/120                 | 10,202.00    |
| 60  | SOLID WASTE OLMSTED COUNTY     | Electricity Purchased by RPU                             | 10,191.24    |
| 61  | LAMINATED WOOD SYSTEMS INC (P  | 1-Wood pole, 58.5' H17, Structure 16                     | 10,181.00    |
| 62  | PITNEY BOWES 10041747 RESERVE  | Pre-Paid Postage   | 10,000.00    |
| 63  | CHS ROCHESTER                  | August Fuel  | 9,435.63     |
| 64  | STEVE BENNING ELECTRIC         | Part bill new trans switch Wellhouse #13                 | 9,379.00     |
| 65  | WELLS FARGO BANK ACCT ANALYSI  | 2017 Banking Services                                    | 9,220.12     |
| 66  | CPMI INC                       | Building Expansion project                               | 9,170.00     |
| 67  | PUBLIC WORKS DEPT OLMSTED COU  | Lake Zumbro-Barr Engineering Inv                         | 8,873.10     |
| 68  | VIKING ELECTRIC SUPPLY INC     | 2500 ft-Conduit, HDPE, 4.00, Empty, SDR 13.5             | 8,676.48     |
| 69  | BOWMAN TOOL                    | Lighting-CIP Conserve & Save Rebates                     | 8,575.66     |
| 70  | ARNOLDS SUPPLY & KLEENIT CO (  | 2017 Monthly Cleaning Services                           | 8,314.88     |
| 71  | BADGER METER INC (P)           | 48-HRE Badger M-35 100W Itron ERT Integral               | 7,910.40     |
| 72  | STUART C IRBY CO INC           | 3-Dynamometer, 5k lbs                                    | 7,875.00     |
| 73  | FORBROOK LANDSCAPING SERVICES  | 2017 Landscaping services (Electric)                     | 7,861.28     |
| 74  | SPECTRUM REACH                 | Communtiy Solar Ad                                       | 7,837.00     |
| 75  | ALL SYSTEMS INSTALLATION dba   | Douglas Trail camera install                             | 7,604.00     |
| 76  | TRIPWIRE INC                   | NERC CIP Audit Consulting                                | 7,500.00     |
| 77  | LAMINATED WOOD SYSTEMS INC (P  | 1-Wood pole, 54' H10, Structure 20                       | 6,820.00     |
| 78  | WORKS COMPUTING INC            | 10-CommVault hardware disk                               | 6,770.64     |
| 79  | KIMLEY HORN AND ASSOCIATES IN  | Service Center stockyard expansion                       | 6,330.56     |
| 80  | STUART C IRBY CO INC           | 5-Trans, PM, 1ph, 15kVA, 13.8/8, 240/120                 | 6,155.00     |
| 81  | NALCO COMPANY                  | 18-DI Vessels, Anion, CC                                 | 6,059.81     |
| 82  | STUART C IRBY CO INC           | 28-Rubber gloves, bell cuff, 14", size 10                | 6,056.40     |
| 83  | POSITRON INC (P)               | 1-Single 8-card CCC Shelf Backboard                      | 6,011.00     |
| 84  | EPLUS TECHNOLOGY INC           | Professional Services WES Installation                   | 5,906.85     |
| 85  | GAGE EAST APARTMENTS           | Lighting & Cooling Equip -CIP Conserve & Save Rebates    | 5,876.00     |
| 86  | OLMSTED COUNTY                 | Lighting-CIP Conserve & Save Rebates                     | 5,820.00     |
| 87  | BELL LUMBER & POLE COMPANY     | 3-Pole, 55ft, WRC, CL H1                                 | 5,760.00     |
| 88  | ULTEIG ENGINEERS INC           | Q9 and RQ11 analysis                                     | 5,700.00     |
| 89  | EPLUS TECHNOLOGY INC           | Informacast license                                      | 5,658.09     |
| 90  | PW POWER SYSTEMS INC           | 110-Filter, Prefilter                                    | 5,574.82     |
| 91  | SHI INTERNATIONAL CORP (P)     | Good For Enterprise Support Extension                    | 5,559.41     |
| 92  | 1ST AVE FLATS, LIMITED PARTNE  | Lighting-CIP Conserve & Save Rebates                     | 5,536.59     |
| 93  | EPLUS TECHNOLOGY INC           | Firewall (ASA5525-X)                                     | 5,251.68     |
| 94  | D P C INDUSTRIES INC           | 2017 Carus 8500 Aqua Mag F35                             | 5,226.80     |
| 95  | CHS ROCHESTER                  | August Fuel  | 5,152.59     |
| 96  |                                |  |              |
| 97  |                                | <b>Price Range Total:</b>                                | 1,147,921.94 |
| 98  |                                |  |              |
| 99  | <b><u>1,000 to 5,000 :</u></b> |  |              |
| 100 |                                |  |              |
| 101 | BENCHMARK ELECTRONICS INC      | Lighting-CIP Conserve & Save Rebates                     | 4,953.00     |
| 102 | J HARLEN CO INC                | 1-Hydraulic pole jacks                                   | 4,950.00     |
| 103 | AMETEK POWER INSTRUMENTS       | 1-Meter, FM9S JEMSTAR 2 - NO PQ3 Option -                | 4,911.98     |
| 104 | BADGER METER INC (P)           | 120-Meter, Bare 5/8x3/4" Badger Disc                     | 4,696.80     |
| 105 | SHRED IT USA JV LLC            | Documentation and media destruction                      | 4,654.80     |
| 106 | BARR ENGINEERING COMPANY (P)   | Water Sustainability Study Phase 3B                      | 4,594.14     |
| 107 | MIDCONTINENT ISO INC           | August MISO Billing                                      | 4,559.48     |
| 108 | BURNS & MCDONNELL INC (P)      | Engineering Services for WES Interconnec                 | 4,516.31     |
| 109 | HAWK & SON'S INC               | labor & equipment to unload & set poles                  | 4,415.00     |
| 110 | AFFILIATED GROUP INC           | 2017 Collections/Delinquent Services                     | 4,402.50     |
| 111 | CENTRAL MINNESOTA SENIOR HOUS  | LED Bulbs and Light Fixtures-CIP Conserve & Save Rebates | 4,342.93     |
| 112 | FORBROOK LANDSCAPING SERVICES  | Q2 Restoration   | 4,305.25     |
| 113 | GENERATOR AND MOTOR SRVS OF P  | Eng Srvs Generator Performance NERC                      | 4,250.00     |
| 114 | KNUTSON CONSTRUCTION SERVICES  | Slabs and Foundations WES~                               | 4,250.00     |

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**ROCHESTER PUBLIC UTILITIES**  
**A/P Board Listing By Dollar Range**  
For 08/15/2017 To 09/12/2017  
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|     |                               |  |          |
|-----|-------------------------------|--|----------|
| 115 | BOLTON AND MENK (P)           | 2017 misc engineering services               | 4,080.00 |
| 116 | WORKS COMPUTING INC           | VDI Pilot (workstatement mgmt) Assessment    | 4,050.00 |
| 117 | D P C INDUSTRIES INC          | 2017 Chlorine, 150 lb Cyl                    | 4,011.38 |
| 118 | BELL LUMBER & POLE COMPANY    | 2-Pole, 65ft, WRC, CL3                       | 3,912.00 |
| 119 | IDEXX DISTRIBUTION CORP       | 4-Colilert, 100ml                            | 3,810.40 |
| 120 | JOANN STORES INC- #259        | Lighting-CIP Conserve & Save Rebates         | 3,773.75 |
| 121 | TELEDYNE MONITOR LABS INC     | 2017 RegPerfect Maint Agreement- CCCT        | 3,724.59 |
| 122 | UNITED RENTALS INC            | Forklift, 10K                                | 3,703.25 |
| 123 | SPECTRUM REACH                | Communtiy Solar Ad 7/31-8/27 2017            | 3,651.00 |
| 124 | MEDORA CORPORATION (P)        | GS-12 mixer swap out                         | 3,600.00 |
| 125 | D P C INDUSTRIES INC          | 2017 Hydrofluorosilicic Acid - Delivered     | 3,590.66 |
| 126 | BENTLEY SYSTEMS INC           | 2017-2018 WaterCAD Software Maintenance      | 3,575.00 |
| 127 | WORKS COMPUTING INC           | 4-CommVault hardware disk                    | 3,548.68 |
| 128 | PAYMENT REMITTANCE CENTER     | 3/8' anti-twist rope                         | 3,475.56 |
| 129 | TWIN CITY SECURITY INC        | 2017 Security Services                       | 3,469.13 |
| 130 | EXPRESS SERVICES INC          | 2017 Temp Staff Marketing (2)                | 3,414.28 |
| 131 | S L CONTRACTING INC           | Repair curb due to water main repl           | 3,122.00 |
| 132 | GRAYBAR ELECTRIC COMPANY INC  | Anchor Bolt, 1.00" x 40.00", Streetlight     | 3,092.11 |
| 133 | WESCO DISTRIBUTION INC        | Switch, Air, In-Line, 15kV,Brndy,477,NLB     | 3,078.00 |
| 134 | SERENITY COTOURE SALON        | Lighting-CIP Conserve & Save Rebates         | 2,963.85 |
| 135 | SOLARWINDS INC                | 2018 Network Performance Renewal             | 2,931.20 |
| 136 | LOURDES HIGH SCHOOL           | Lighting-CIP Conserve & Save Rebates         | 2,922.75 |
| 137 | BORDER STATES ELECTRIC SUPPLY | 120-Elbow, 15kV, 200A, LB,1/0 Sol,175-220Mil | 2,886.00 |
| 138 | METRO SALES INC               | 17-22 Multifunction Devices~                 | 2,825.82 |
| 139 | EPLUS TECHNOLOGY INC          | CISCO ISR 4331 UC BUNDLE, PVD4M4-32, UC L    | 2,825.00 |
| 140 | CDW GOVERNMENT INC            | APC Netshelter SV 42U rack                   | 2,789.08 |
| 141 | BOLTON AND MENK (P)           | Westside Energy Inspection/Staking Svcs      | 2,771.75 |
| 142 | STUART C IRBY CO INC          | Rubber gloves, 14", size 10                  | 2,763.60 |
| 143 | PITNEY BOWES GLOBAL FIN SVCS  | Inserter and Mailing System Lease            | 2,759.65 |
| 144 | WIDSETH SMITH NOTLING & ASSOC | Additional survey work                       | 2,715.00 |
| 145 | WORKS COMPUTING INC           | CommVault server maintenance (3 years)       | 2,714.40 |
| 146 | UTILITY FINANCIAL SOLUTIONS L | Rate Consultant Fees-Industrial Standby      | 2,581.25 |
| 147 | MOTOROLA INC                  | Radio, Vehicle, APX 1500 Pkg Chester         | 2,567.25 |
| 148 | MOTOROLA INC                  | Radio, Vehicle, APX 1500 Pkg IBM             | 2,567.25 |
| 149 | MOTOROLA INC                  | Radio, Vehicle, APX 1500 Pkg Cascade Creek   | 2,567.25 |
| 150 | MOTOROLA INC                  | Radio, Vehicle, APX 1500 Pkg WES             | 2,567.25 |
| 151 | MOTOROLA INC                  | Radio, Vehicle, APX 1500 Pkg Silver Lake     | 2,567.25 |
| 152 | BORDER STATES ELECTRIC SUPPLY | 4-Pole repair kit                            | 2,453.92 |
| 153 | VIKING ELECTRIC SUPPLY INC    | 3600 ft-Wire, AL, 600V, #2-#4 ACSR NEU Tri   | 2,404.69 |
| 154 | WESCO DISTRIBUTION INC        | Fuse Holder, Straight Line, Breakaway        | 2,386.50 |
| 155 | STUART C IRBY CO INC          | Rubber mittens, bell cuff, 14", size 10      | 2,381.00 |
| 156 | UTILITY FINANCIAL SOLUTIONS L | Travel Expenses                              | 2,347.70 |
| 157 | ONLINE INFORMATION SERVICES I | 2017 Utility Exchange Report                 | 2,318.08 |
| 158 | UNITED RENTALS INC            | Boom 60'-64', telescopic                     | 2,317.99 |
| 159 | MERIT CONTRACTING INC (P)     | Well House Roof Asset Program 17-20          | 2,251.00 |
| 160 | ULTEIG ENGINEERS INC          | Q4 line analysis                             | 2,250.00 |
| 161 | MERIT CONTRACTING INC (P)     | SLP Roof Asset Program 17-20                 | 2,248.00 |
| 162 | ULTEIG ENGINEERS INC          | 2017-2018 Engineering Svcs                   | 2,152.50 |
| 163 | SYSTEM OPERATIONS SUCCESS INT | 51 online bundle courses                     | 2,100.00 |
| 164 | VERTEX US HOLDINGS INC        | Travel for Data Migration Services           | 2,068.80 |
| 165 | CITY OF ROCHESTER             | W/C  | 2,059.48 |
| 166 | PW POWER SYSTEMS INC          | Pressure Transducer                          | 2,046.38 |
| 167 | WESCO DISTRIBUTION INC        | CT, Bar Type, 600/5 600V High Accuracy       | 1,979.40 |
| 168 | BADGER METER INC (P)          | HRE Badger M-70 100W Itron ERT Integral      | 1,977.60 |
| 169 | FIRST CLASS DOG TRAINING LLC  | Dog Bite Prevention Training                 | 1,977.26 |
| 170 | EATON/CANNON TECHNOLOGIES INC | Cap Control, Pole Mt w/ethernet, 7pin        | 1,969.17 |
| 171 | USA BLUE BOOK DBA             | Hydrant backflow preventer, 2"               | 1,964.85 |
| 172 | DELL MARKETING LP             | Monitor, 30"                                 | 1,931.98 |

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|     |                               |   |          |
|-----|-------------------------------|---|----------|
| 173 | BAIER GERALD                  | 2017 Sweeping Services Jan-December             | 1,923.75 |
| 174 | MASTEC NORTH AMERICA INC      | Job # USS-1212-171056 - Joint Trench            | 1,905.40 |
| 175 | NALCO COMPANY                 | Nalco, N356                                     | 1,847.78 |
| 176 | DAVIES PRINTING COMPANY INC   | 20,000 "Cold Weather" Brochures                 | 1,780.91 |
| 177 | EPLUS TECHNOLOGY INC          | Maintenance                                     | 1,776.80 |
| 178 | STUART C IRBY CO INC          | Rubber gloves, bell cuff, 14", size 9.5         | 1,730.40 |
| 179 | MERIT CONTRACTING INC (P)     | SLP Off Site Roof Asset Program 17-20           | 1,675.00 |
| 180 | SEEME PRODUCTIONS LLC         | Commercial                                      | 1,620.00 |
| 181 | RESCO                         | Cutout Door, 50A ELF, 15KV                      | 1,609.08 |
| 182 | BOWMAN SAFE AND LOCK SHOP     | Customer Refunds 300000695131                   | 1,580.30 |
| 183 | WESCO DISTRIBUTION INC        | Conduit, HDPE, 2.00 in, Sch 40 UL Listed        | 1,580.00 |
| 184 | STUART C IRBY CO INC          | Pedestal Cover, Box Style, FG                   | 1,560.00 |
| 185 | S L CONTRACTING INC           | Drive approach due to main break                | 1,560.00 |
| 186 | PRIMROSE SCHOOL OF ROCHESTER  | Lighting-CIP Conserve & Save Rebates            | 1,529.66 |
| 187 | PUGLEASA COMPANY INC          | Semi-Annual Inspection                          | 1,500.00 |
| 188 | BANKS JOSHUA C                | Douglas Trail video                             | 1,500.00 |
| 189 | PRO IMAGE PROMOTIONS AND APPA | Hi-vis shirts Water Dept                        | 1,500.00 |
| 190 | STUART C IRBY CO INC          | Animal Guard, 2.50"-3.50" (Guthie Guard)        | 1,495.00 |
| 191 | MERIT CONTRACTING INC (P)     | Substation Roof Asset Program 17-20             | 1,483.00 |
| 192 | PW POWER SYSTEMS INC          | Plug, Igniter-Gas Turbine                       | 1,466.54 |
| 193 | POMPS TIRE SERVICE INC        | Tires-parts                                     | 1,456.71 |
| 194 | AMETEK POWER INSTRUMENTS      | JEMREAD meter retrieval software license        | 1,434.00 |
| 195 | INTERSTATE MOTOR TRUCKS INC   | engine light is on - Labor                      | 1,421.96 |
| 196 | PAYMENT REMITTANCE CENTER     | Travel, SNYhus, APPA,Registration               | 1,395.00 |
| 197 | PW POWER SYSTEMS INC          | Heater, Generator                               | 1,391.53 |
| 198 | STUART C IRBY CO INC          | Pedestal Base, Secondary, FG, w/o Cover         | 1,380.00 |
| 199 | PAYMENT REMITTANCE CENTER     | 5-Registration for 17 Summer Conference         | 1,375.00 |
| 200 | POSITRON INC (P)              | 4-wire AC Data Plug-in Card                     | 1,366.00 |
| 201 | TELVENT USA LLC               | 2017 ArcFM Viewer                               | 1,335.02 |
| 202 | DELL MARKETING LP             | Precision workstation 5810                      | 1,314.15 |
| 203 | BARR ENGINEERING COMPANY (P)  | General Groundwater Services                    | 1,314.00 |
| 204 | STUART C IRBY CO INC          | Rubber gloves, bell cuff, 14", size 9           | 1,297.80 |
| 205 | GOPHER STATE ONE CALL         | Gopher State one call locate service - Electric | 1,285.20 |
| 206 | GOPHER STATE ONE CALL         | Gopher State one call locate service - Water    | 1,285.20 |
| 207 | CITY OF ROCHESTER             | W/C Fees for July 2017                          | 1,282.00 |
| 208 | CDW GOVERNMENT INC            | Rack power distribution unit                    | 1,258.46 |
| 209 | IHEART MEDIA dba              | Solar Choice Ad                                 | 1,256.00 |
| 210 | STUART C IRBY CO INC          | Remote for Radio                                | 1,245.00 |
| 211 | RESCO                         | Junction, LB, 200A, 4 Pos, w/Strap              | 1,209.30 |
| 212 | JIM WHITING NURSERY/GARDEN CT | Tree trimming                                   | 1,202.29 |
| 213 | WESCO DISTRIBUTION INC        | Conn, Fire-On Stirrup, 336.4, ACSR              | 1,200.00 |
| 214 | K A A L TV LLC                | 7/31/17 through 8/14/2017 Advertising Sp        | 1,200.00 |
| 215 | STUART C IRBY CO INC          | Rubber gloves, 14", size 9.5                    | 1,184.40 |
| 216 | G A ERNST & ASSOCIATES INC    | NEC Energy Challenge audits                     | 1,160.00 |
| 217 | POSITRON INC (P)              | Dual POTS Plug-in Card                          | 1,155.00 |
| 218 | EPLUS TECHNOLOGY INC          | UC phone 7821                                   | 1,152.64 |
| 219 | EPLUS TECHNOLOGY INC          | 2014-2017 Total Care Support                    | 1,135.00 |
| 220 | ROCHESTER ARMORED CAR CO INC  | 2017 Pick Up Services                           | 1,104.40 |
| 221 | LINE X OF ROCHESTER           | Lighting-CIP Conserve & Save Rebates            | 1,098.00 |
| 222 | VIKING ELECTRIC SUPPLY INC    | Conduit, PVC Sch 40, 3.00                       | 1,080.38 |
| 223 | SOMA CONSTRUCTION INC         | Class 5 & storage for August                    | 1,077.41 |
| 224 | PAYMENT REMITTANCE CENTER     | Travel, Factory Tour-3, Hotel                   | 1,070.40 |
| 225 | FERGUSON WATERWORKS           | 4" induction clamp                              | 1,005.00 |

301,106.75

**0 to 1,000 :**

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|     |                               |                              |           |
|-----|-------------------------------|------------------------------|-----------|
| 231 | REBATES                       | Summarized transactions: 197 | 40,725.43 |
| 232 | EXPRESS SERVICES INC          | Summarized transactions: 35  | 24,553.88 |
| 233 | PAYMENT REMITTANCE CENTER     | Summarized transactions: 51  | 13,737.31 |
| 234 | BORDER STATES ELECTRIC SUPPLY | Summarized transactions: 34  | 9,639.22  |
| 235 | Customer Refunds (CIS)        | Summarized transactions: 64  | 7,725.84  |
| 236 | STUART C IRBY CO INC          | Summarized transactions: 38  | 7,027.78  |
| 237 | EPLUS TECHNOLOGY INC          | Summarized transactions: 20  | 6,549.78  |
| 238 | VIKING ELECTRIC SUPPLY INC    | Summarized transactions: 44  | 3,887.36  |
| 239 | WESCO DISTRIBUTION INC        | Summarized transactions: 21  | 3,886.54  |
| 240 | CINTAS CORP                   | Summarized transactions: 75  | 3,540.21  |
| 241 | MN PIPE & EQUIPMENT           | Summarized transactions: 12  | 3,457.07  |
| 242 | A & A ELECT & UNDERGROUND CON | Summarized transactions: 5   | 3,422.50  |
| 243 | POSITRON INC (P)              | Summarized transactions: 9   | 2,666.54  |
| 244 | ARNOLDS SUPPLY & KLEENIT CO ( | Summarized transactions: 10  | 2,595.78  |
| 245 | BARR ENGINEERING COMPANY (P)  | Summarized transactions: 7   | 2,576.82  |
| 246 | SUPERIOR COMPANIES OF MINNESO | Summarized transactions: 4   | 2,530.33  |
| 247 | PW POWER SYSTEMS INC          | Summarized transactions: 22  | 2,421.12  |
| 248 | GRAINGER INC                  | Summarized transactions: 21  | 2,414.30  |
| 249 | U S A SAFETY SUPPLY           | Summarized transactions: 14  | 2,313.71  |
| 250 | LAMINATED WOOD SYSTEMS INC (P | Summarized transactions: 3   | 1,946.59  |
| 251 | ZEE MEDICAL SERVICE INC (P)   | Summarized transactions: 9   | 1,889.97  |
| 252 | CRESCENT ELECTRIC SUPPLY CO   | Summarized transactions: 24  | 1,798.54  |
| 253 | EMEDCO INC                    | Summarized transactions: 8   | 1,602.81  |
| 254 | CLEMENTS CHEVROLET CADILLAC S | Summarized transactions: 5   | 1,513.44  |
| 255 | DAVIES PRINTING COMPANY INC   | Summarized transactions: 5   | 1,358.69  |
| 256 | ROOT RIVER HARDWOODS INC      | Summarized transactions: 4   | 1,325.26  |
| 257 | MCMASTER CARR SUPPLY COMPANY  | Summarized transactions: 26  | 1,314.55  |
| 258 | FLUKE ELECTRONICS INC         | Summarized transactions: 5   | 1,263.00  |
| 259 | ROCH PLUMBING & HEATING CO IN | Summarized transactions: 3   | 1,256.03  |
| 260 | INNOVATIVE OFFICE SOLUTIONS L | Summarized transactions: 16  | 1,242.77  |
| 261 | INTERSTATE MOTOR TRUCKS INC   | Summarized transactions: 4   | 1,133.86  |
| 262 | CLAREY'S SAFETY EQUIPMENT dba | Summarized transactions: 9   | 1,131.49  |
| 263 | GRAYBAR ELECTRIC COMPANY INC  | Summarized transactions: 10  | 1,117.02  |
| 264 | ALL SYSTEMS INSTALLATION dba  | Summarized transactions: 9   | 1,111.18  |
| 265 | VEIT DISPOSAL SYSTEMS INC     | Summarized transactions: 3   | 1,055.00  |
| 266 | REBATES                       | Summarized transactions: 26  | 1,050.00  |
| 267 | STEVE BENNING ELECTRIC        | Summarized transactions: 5   | 1,044.00  |
| 268 | WORKS COMPUTING INC           | Summarized transactions: 6   | 1,004.97  |
| 269 | S L CONTRACTING INC           | Summarized transactions: 2   | 1,000.00  |
| 270 | ADVANCE AUTO PARTS            | Summarized transactions: 27  | 982.17    |
| 271 | PAYMENT REMITTANCE CENTER     | Summarized transactions: 2   | 980.00    |
| 272 | AUTHORIZE.NET                 | Summarized transactions: 1   | 968.30    |
| 273 | OPEN ACCESS TECHNOLOGY        | Summarized transactions: 1   | 933.23    |
| 274 | CITY OF ROCHESTER             | Summarized transactions: 7   | 913.24    |
| 275 | MINNESOTA CHILDRENS MUSEUM    | Summarized transactions: 1   | 900.00    |
| 276 | FIRST CLASS PLUMBING & HEATIN | Summarized transactions: 3   | 891.25    |
| 277 | BOLTON AND MENK (P)           | Summarized transactions: 1   | 888.50    |
| 278 | SANDERS GREG                  | Summarized transactions: 3   | 879.26    |
| 279 | ACTON MOBILE dba              | Summarized transactions: 2   | 869.00    |
| 280 | RESCO                         | Summarized transactions: 5   | 855.30    |
| 281 | J HARLEN CO INC               | Summarized transactions: 3   | 850.11    |
| 282 | SEFCOR INC                    | Summarized transactions: 2   | 842.14    |
| 283 | JACKSON SIDNEY                | Summarized transactions: 3   | 828.54    |
| 284 | JETTER CLEAN INC              | Summarized transactions: 3   | 825.00    |
| 285 | MERIT CONTRACTING INC (P)     | Summarized transactions: 1   | 814.00    |
| 286 | REINDERS INC                  | Summarized transactions: 6   | 808.77    |
| 287 | G A ERNST & ASSOCIATES INC    | Summarized transactions: 4   | 784.84    |
| 288 | SOLARWINDS INC                | Summarized transactions: 1   | 783.18    |

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|     |                               |                             |        |
|-----|-------------------------------|-----------------------------|--------|
| 289 | SCHLINK WALTER                | Summarized transactions: 7  | 757.18 |
| 290 | AMAZON.COM                    | Summarized transactions: 15 | 751.41 |
| 291 | CENTURYLINK                   | Summarized transactions: 3  | 748.96 |
| 292 | HALO BRANDED SOLUTIONS        | Summarized transactions: 2  | 720.71 |
| 293 | FASTENAL COMPANY              | Summarized transactions: 24 | 673.87 |
| 294 | STORAGE BATTERY SYSTEMS       | Summarized transactions: 2  | 657.28 |
| 295 | LAWSON PRODUCTS INC (P)       | Summarized transactions: 8  | 655.43 |
| 296 | HACH COMPANY                  | Summarized transactions: 2  | 649.51 |
| 297 | NETWORK SERVICES COMPANY      | Summarized transactions: 3  | 633.82 |
| 298 | IDEXX DISTRIBUTION CORP       | Summarized transactions: 2  | 613.99 |
| 299 | FORBROOK LANDSCAPING SERVICES | Summarized transactions: 1  | 608.54 |
| 300 | WUMS APDA                     | Summarized transactions: 2  | 600.00 |
| 301 | A T & T                       | Summarized transactions: 1  | 589.45 |
| 302 | BURNDY LLC                    | Summarized transactions: 4  | 587.82 |
| 303 | J & W INSTRUMENTS INC (P)     | Summarized transactions: 2  | 579.73 |
| 304 | ROCH AREA BUILDERS INC        | Summarized transactions: 2  | 575.00 |
| 305 | HUBBELL POWER SYSTEMS         | Summarized transactions: 2  | 564.21 |
| 306 | METRO SALES INC               | Summarized transactions: 1  | 551.12 |
| 307 | WRIGHTS SMALL ENGINE SERVICE  | Summarized transactions: 6  | 548.34 |
| 308 | T E C INDUSTRIAL INC          | Summarized transactions: 3  | 542.92 |
| 309 | EO JOHNSON CO INC             | Summarized transactions: 2  | 542.64 |
| 310 | RDO EQUIPMENT COMPANY         | Summarized transactions: 2  | 536.91 |
| 311 | BANKS JOSHUA C                | Summarized transactions: 1  | 534.38 |
| 312 | POMPS TIRE SERVICE INC        | Summarized transactions: 5  | 518.10 |
| 313 | MN DEPT OF REVENUE            | Summarized transactions: 4  | 511.13 |
| 314 | ON SITE SANITATION INC        | Summarized transactions: 1  | 508.76 |
| 315 | ALMETEK INDUSTRIES INC        | Summarized transactions: 67 | 500.45 |
| 316 | GOODIN COMPANY                | Summarized transactions: 2  | 495.19 |
| 317 | IHEART MEDIA dba              | Summarized transactions: 1  | 495.00 |
| 318 | CINTAS CORP                   | Summarized transactions: 3  | 492.81 |
| 319 | CULLIGAN OF ROCHESTER INC     | Summarized transactions: 8  | 458.91 |
| 320 | TONNA MECHANICAL INC          | Summarized transactions: 1  | 456.86 |
| 321 | ALTEC INDUSTRIES INC          | Summarized transactions: 2  | 452.71 |
| 322 | MUELLER ANTHONY               | Summarized transactions: 1  | 427.50 |
| 323 | R D O - POWERPLAN OIB         | Summarized transactions: 1  | 407.66 |
| 324 | BADGER METER INC (P)          | Summarized transactions: 6  | 400.19 |
| 325 | CITY OF ROCHESTER             | Summarized transactions: 2  | 372.89 |
| 326 | MN PIPE & EQUIPMENT           | Summarized transactions: 2  | 370.94 |
| 327 | UNITED RENTALS INC            | Summarized transactions: 3  | 367.47 |
| 328 | PEOPLES ENERGY COOPERATIVE    | Summarized transactions: 2  | 360.45 |
| 329 | DELL MARKETING LP             | Summarized transactions: 3  | 355.99 |
| 330 | JOHNSTONE SUPPLY              | Summarized transactions: 3  | 346.80 |
| 331 | KEEPRS INC                    | Summarized transactions: 3  | 341.09 |
| 332 | HUGHEY AND PHILLIPS LLC       | Summarized transactions: 3  | 339.67 |
| 333 | FEDEX FREIGHT INC             | Summarized transactions: 1  | 334.82 |
| 334 | DAKOTA SUPPLY GROUP           | Summarized transactions: 6  | 330.45 |
| 335 | CENTURYLINK                   | Summarized transactions: 1  | 325.95 |
| 336 | BLACKBURN MANUFACTURING CO    | Summarized transactions: 3  | 321.38 |
| 337 | RONCO ENGINEERING SALES INC   | Summarized transactions: 3  | 303.95 |
| 338 | MISSISSIPPI WELDERS SUPPLY CO | Summarized transactions: 9  | 303.06 |
| 339 | GARCIA GRAPHICS INC           | Summarized transactions: 4  | 300.00 |
| 340 | ZEP SALES & SERVICE           | Summarized transactions: 2  | 297.65 |
| 341 | GOODIN COMPANY                | Summarized transactions: 3  | 279.10 |
| 342 | CDW GOVERNMENT INC            | Summarized transactions: 2  | 278.27 |
| 343 | DAVE SYVERSON TRUCK CENTER IN | Summarized transactions: 2  | 272.63 |
| 344 | ADVANTAGE DIST LLC (P)        | Summarized transactions: 3  | 270.81 |
| 345 | MENARDS ROCHESTER NORTH       | Summarized transactions: 7  | 268.68 |
| 346 | CARRIER BLAKE                 | Summarized transactions: 1  | 268.00 |

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|     |                               |                            |        |
|-----|-------------------------------|----------------------------|--------|
| 347 | QUEST ENGINEERING INC         | Summarized transactions: 3 | 265.83 |
| 348 | KAUTZ TRAILER SALES dba       | Summarized transactions: 3 | 254.09 |
| 349 | TEREX UTILITIES INC           | Summarized transactions: 5 | 252.49 |
| 350 | AUTOMATIONDIRECT.COM          | Summarized transactions: 2 | 252.00 |
| 351 | NYHUS STEVE                   | Summarized transactions: 2 | 250.28 |
| 352 | PEOPLES ENERGY COOPERATIVE    | Summarized transactions: 1 | 245.29 |
| 353 | TOTAL RESTAURANT SUPPLY       | Summarized transactions: 2 | 236.91 |
| 354 | AFFILIATED GROUP INC          | Summarized transactions: 2 | 216.86 |
| 355 | RONCO ENGINEERING SALES INC   | Summarized transactions: 2 | 213.06 |
| 356 | MINNESOTA ENERGY RESOURCES CO | Summarized transactions: 3 | 212.30 |
| 357 | EATON/CANNON TECHNOLOGIES INC | Summarized transactions: 1 | 208.67 |
| 358 | SPECTRUM REACH                | Summarized transactions: 1 | 200.00 |
| 359 | AWWA RESEARCH FOUNDATION      | Summarized transactions: 1 | 196.00 |
| 360 | MSC INDUSTRIAL SUPPLY CO INC  | Summarized transactions: 3 | 190.58 |
| 361 | NAPA AUTO PARTS (P)           | Summarized transactions: 6 | 188.84 |
| 362 | STURGIS JOHN                  | Summarized transactions: 2 | 187.50 |
| 363 | DAKOTA SUPPLY GROUP           | Summarized transactions: 2 | 187.26 |
| 364 | BENNETT PETER                 | Summarized transactions: 2 | 169.50 |
| 365 | HACH COMPANY                  | Summarized transactions: 3 | 168.85 |
| 366 | AMETEK POWER INSTRUMENTS      | Summarized transactions: 3 | 167.33 |
| 367 | SCHWEITZER ENGINEERING LAB IN | Summarized transactions: 8 | 167.15 |
| 368 | TOP PERFORMANCE SALES         | Summarized transactions: 1 | 164.67 |
| 369 | QUANDT JARED                  | Summarized transactions: 1 | 162.18 |
| 370 | KOTSCHERVAR MARK              | Summarized transactions: 2 | 161.47 |
| 371 | TMS JOHNSON INC               | Summarized transactions: 1 | 160.00 |
| 372 | ZIEGLER INC                   | Summarized transactions: 1 | 155.24 |
| 373 | ALTERNATIVE TECHNOLOGIES INC  | Summarized transactions: 1 | 150.00 |
| 374 | MN DEPT OF HEALTH - ENVIRO HE | Summarized transactions: 1 | 150.00 |
| 375 | SECURITY IMAGING CORP         | Summarized transactions: 3 | 149.91 |
| 376 | SMS SYSTEMS MAINTENANCE SERVI | Summarized transactions: 1 | 149.63 |
| 377 | TRUCKIN' AMERICA              | Summarized transactions: 2 | 149.31 |
| 378 | TRUCK UTILITIES INC           | Summarized transactions: 4 | 137.78 |
| 379 | FEDEX SHIPPING                | Summarized transactions: 8 | 137.58 |
| 380 | CORPORATE WEB SERVICES INC    | Summarized transactions: 1 | 135.00 |
| 381 | VANCO SERVICES LLC            | Summarized transactions: 1 | 121.28 |
| 382 | GILLUND ENTERPRISES           | Summarized transactions: 2 | 115.51 |
| 383 | BLACKBURN MANUFACTURING CO    | Summarized transactions: 2 | 114.28 |
| 384 | NORTHERN / BLUETARP FINANCIAL | Summarized transactions: 1 | 106.55 |
| 385 | MENARDS ROCHESTER NORTH       | Summarized transactions: 4 | 105.89 |
| 386 | SARGENTS LANDSCAPE NURSERY IN | Summarized transactions: 1 | 101.98 |
| 387 | CRESCENT ELECTRIC SUPPLY CO   | Summarized transactions: 3 | 101.09 |
| 388 | POWER PROCESS EQUIPMENT INC ( | Summarized transactions: 2 | 100.86 |
| 389 | SWAGELOK MN INC (P)           | Summarized transactions: 3 | 99.50  |
| 390 | VERIZON WIRELESS              | Summarized transactions: 1 | 95.28  |
| 391 | MENARDS ROCHESTER SOUTH       | Summarized transactions: 3 | 92.03  |
| 392 | AIR ENGINEERING & SUPPLY CO I | Summarized transactions: 2 | 90.41  |
| 393 | HATHAWAY TREE SERVICE INC     | Summarized transactions: 1 | 90.00  |
| 394 | FAST PHONE REPAIR LLC         | Summarized transactions: 1 | 90.00  |
| 395 | LORTON DATA INC               | Summarized transactions: 1 | 88.24  |
| 396 | USA BLUE BOOK DBA             | Summarized transactions: 1 | 87.41  |
| 397 | C & N UPHOLSTERY              | Summarized transactions: 1 | 85.00  |
| 398 | SLEEPY EYE TELEPHONE CO       | Summarized transactions: 1 | 84.76  |
| 399 | OSWEILER TODD                 | Summarized transactions: 1 | 80.25  |
| 400 | BUSCH SYSTEMS INTERNATIONAL I | Summarized transactions: 2 | 78.56  |
| 401 | RADWELL INTL INC              | Summarized transactions: 2 | 78.02  |
| 402 | NORTHERN / BLUETARP FINANCIAL | Summarized transactions: 1 | 77.98  |
| 403 | BAUER BUILT INC (P)           | Summarized transactions: 4 | 74.88  |
| 404 | VIKING ELECTRIC SUPPLY INC    | Summarized transactions: 2 | 74.03  |

Attachment: AP Board 09 2017 (7883 : a/p board listing)

**ROCHESTER PUBLIC UTILITIES**  
**A/P Board Listing By Dollar Range**  
For 08/15/2017 To 09/12/2017  
**Consolidated & Summarized Below 1,000**

|     |                               |                            |               |
|-----|-------------------------------|----------------------------|---------------|
| 405 | POST BULLETIN CO              | Summarized transactions: 1 | 73.44         |
| 406 | MCMASTER CARR SUPPLY COMPANY  | Summarized transactions: 2 | 72.62         |
| 407 | THOMAS TOOL & SUPPLY INC      | Summarized transactions: 1 | 65.74         |
| 408 | LANGUAGE LINE SERVICES INC    | Summarized transactions: 1 | 60.54         |
| 409 | TOKAY SOFTWARE                | Summarized transactions: 1 | 60.00         |
| 410 | ENVIRONMENTAL RESOURCES OLMST | Summarized transactions: 1 | 49.60         |
| 411 | CENTRAL FINANCE OLMSTED COUNT | Summarized transactions: 1 | 36.75         |
| 412 | BROCK WHITE COMPANY LLC       | Summarized transactions: 1 | 32.55         |
| 413 | ARROW ACE HARDWARE-ST PETER   | Summarized transactions: 1 | 30.47         |
| 414 | NORTH AMERICAN ELECTRIC RELIA | Summarized transactions: 2 | 25.43         |
| 415 | FASTENAL COMPANY              | Summarized transactions: 1 | 23.62         |
| 416 | RICHARDSON DONN               | Summarized transactions: 1 | 23.00         |
| 417 | MINNESOTA ENERGY RESOURCES CO | Summarized transactions: 1 | 22.79         |
| 418 | BOWMANS SAFE & LOCK SHOP LTD  | Summarized transactions: 1 | 21.16         |
| 419 | HILGRAEVE INC                 | Summarized transactions: 1 | 20.00         |
| 420 | D P C INDUSTRIES INC          | Summarized transactions: 1 | 19.65         |
| 421 | SHERWIN WILLIAMS CO           | Summarized transactions: 1 | 16.61         |
| 422 | CHS ROCHESTER                 | Summarized transactions: 1 | 8.02          |
| 423 |                               |                            |               |
| 424 |                               | <b>Price Range Total:</b>  | 225,075.40    |
| 425 |                               |                            |               |
| 426 |                               | <b>Grand Total:</b>        | 23,019,555.62 |

Attachment: AP Board 09 2017 (7883 : a/p board listing)

## FOR BOARD ACTION

Agenda Item # (ID # 7875)

Meeting Date: 9/26/2017

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**SUBJECT: Amendment to Joint Pricing Zone Agreement**

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**PREPARED BY: Mark Kotschevar**

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**ITEM DESCRIPTION:**

As part of our FERC settlement with SMMPA, the City, acting through the RPU Board, entered into a joint pricing zone (JPZ) agreement with the Agency for the distribution of transmission revenues from MISO. The Board originally approved this agreement in March of 2016. In reviewing the various revenue schedules MISO remits back to transmission owners, we discovered RPU would be eligible for revenue from an additional schedule titled Schedule 1. These revenues are for scheduling, system control, and dispatch services that are performed by our system operations section. These revenues were not contemplated in the original joint pricing zone agreement, and we have worked with SMMPA to amend the JPZ to include RPU's share of those revenues. The amendment includes a back payment from December 2014, the date RPU became a transmission owning member in MISO, and monthly payments going forward. The end date and amount for the back payment are left blank, as those will be determined based on the timing of final approvals of the amended JPZ agreement. Assuming approval within a month, the back payment is estimated to be approximately \$30,000, with additional continuing revenue of approximately \$1,000 per month. Attached is a redline version of the amended JPZ agreement for your review. The City Attorney has reviewed this agreement, along with our outside FERC counsel.

**UTILITY BOARD ACTION REQUESTED:**

Staff requests the Utility Board approve, and recommend City Council approval, of the attached amended Joint Pricing Zone Agreement in substantially the form provided, with minor non-material changes and the final back payment amount and date to be approved by the General Manager and City Attorney.



Attachment 2 to the Settlement Agreement

JOINT PRICING ZONE REVENUE ALLOCATION AGREEMENT

between

SOUTHERN MINNESOTA MUNICIPAL POWER AGENCY

and

CITY OF ROCHESTER, MINNESOTA, BY AND THROUGH THE ROCHESTER  
PUBLIC UTILITIES BOARD

~~April-September 2016~~2017

Attachment: SPIEGEL#276725v2 - Zone 20 JPZ Agreement amended to include Schedule 1 revenue distribution (2) (7875 : Amendment to Joint

## JOINT PRICING ZONE REVENUE ALLOCATION AGREEMENT

This Joint Pricing Zone Revenue Allocation Agreement ("Agreement") is made and entered into as of the \_\_\_\_ day of April, 2016, by and between Southern Minnesota Municipal Power Agency ("SMMPA"), a municipal corporation and political subdivision of the state of Minnesota, and the City of Rochester, a Minnesota municipal corporation acting by and through the Rochester Public Utilities Board ("RPU"), and any successors thereof, which are referred to herein collectively as "Parties" and singularly as "Party," with respect to the allocation of revenues that the Midcontinent Independent System Operator, Inc. ("MISO") distributes to the SMMPA pricing zone (a zone that includes facilities of SMMPA and RPU and loads of SMMPA, GRE and RPU, hereinafter referred to as "SMMPA Joint Pricing Zone") and certain additional payments to be made to RPU.

### WITNESSETH:

WHEREAS, SMMPA became a MISO Transmission Owner in the SMMPA Zone on April 1, 2006 and since that time has taken transmission service under the MISO Open Access Transmission, Energy and Operating Reserve Markets Tariff ("Tariff"); and

WHEREAS, RPU became a MISO Transmission Owner on December 1, 2014; and

WHEREAS, MISO collects Intra-Zonal and Inter-Zonal Revenues for a pricing zone and remits those revenues to a single Transmission Owner regardless of the number of Transmission Owners within that pricing zone; and

WHEREAS, MISO bills and collects revenues for MISO Network Integration Transmission Service ("NITS") provided to network customers in each MISO transmission pricing zone excluding, among other things, load served under the bundled load exemption; and

WHEREAS, pursuant to the bundled load exemption MISO does not bill and does not collect revenues for the MISO network transmission service provided to SMMPA in the SMMPA Joint Pricing Zone, which includes RPU's load up to the Contract Rate of Delivery ("RPU CROD") as defined in the Power Sales Contract ("PSC") between SMMPA and RPU; and

WHEREAS, MISO distributes all Intra-Zonal Revenues and Inter-Zonal Revenues allocable to the SMMPA Joint Pricing Zone to SMMPA; and

WHEREAS, the charges billed by SMMPA and paid by RPU pursuant to the PSC include costs of transmission service for the RPU CROD; and

WHEREAS, RPU currently takes NITS under the MISO Tariff for its load in excess of the RPU CROD, which is included in the SMMPA Joint Pricing Zone; and

WHEREAS, in conjunction with and as part of the Settlement Agreement entered into by RPU and SMMPA in Docket Nos. ER14-2154 and ER15-277, the Parties wish to enter into this Agreement to address the allocation of MISO transmission service revenues between SMMPA and RPU, and certain additional payments to be made to RPU, as provided for herein.

NOW, THEREFORE, in consideration of the mutual covenants set forth herein, the sufficiency of which is hereby acknowledged, the Parties hereto agree as follows:

## ARTICLE I

### DEFINITIONS

Capitalized terms used in this Agreement without other definitions will have the meanings set forth below or, if not set forth below, as defined in the Tariff:

**Agreement:** This Joint Pricing Zone Revenue Allocation Agreement, including any attachments hereto, or amendments thereof.

**Annual Transmission Revenue Requirement ("ATRR"):** The net transmission revenue requirement for each Party as reflected in that Party's Attachment O.

**ATRR Allocator:** The percentage representing the *pro rata* share of each Party's Zone 20 ATRR relative to the Zonal Revenue Requirement, expressed to two decimal places (e.g. 12.34%) and computed annually (and recalculated whenever there is a change to a Party's ATRR).

**Attachment O:** Attachment O to the Tariff applicable to each Party.

**Facilities Value:** The gross book value of the Zonal Transmission Facilities owned by each Party, as reflected in that Party's Attachment O.

**FERC or Commission:** The Federal Energy Regulatory Commission or its successor.

**Gross Book Value ("GBV") Allocator:** The percentage representing the *pro rata* share of each Party's Facilities Value relative to the Total Facilities Value (in terms of gross book value), expressed to two decimal places (e.g., 12.34%) and computed at least annually (and recalculated whenever a Party's Attachment O is updated).

**Inter-Zonal MISO Adjustments:** Credit or debit adjustments to Inter-Zonal Revenues made by MISO after such revenues have been distributed to SMMPA.

**Inter-Zonal Revenues:** Revenues received by SMMPA from MISO, which were collected by MISO under Tariff Schedules 7 and 8 from point-to-point transmission service customers for transactions into, out of, or outside of the SMMPA Joint Pricing Zone, and distributed to SMMPA for the SMMPA Joint Pricing Zone.

**Intra-Zonal MISO Adjustments:** Credit or debit adjustments to Intra-Zonal Revenues made by MISO after such revenues have been distributed to SMMPA.

**Intra-Zonal Revenues:** Revenues received by SMMPA from MISO, which were collected by MISO under Tariff Schedule 9 from network integrated transmission service customers within the SMMPA Joint Pricing Zone, and distributed to SMMPA for the SMMPA Joint Pricing Zone, and revenues received by SMMPA from MISO, which were collected by MISO under Tariff Schedules 7 and 8 from point-to-point transmission service customers for transactions within the SMMPA Joint Pricing Zone, and distributed to SMMPA for the SMMPA Joint Pricing Zone.

**MISO:** The Midcontinent Independent System Operator, or its successor.

**Monthly Revenue Share:** The revenues to which each Party is entitled, which includes its share of Inter-Zonal Revenues and its share of Intra-Zonal Revenues, as calculated on a monthly basis pursuant to Section 3.3.

**Parties:** The signatories to this Agreement.

**PSC:** The Power Sales Contract between SMMPA and RPU dated April 1, 1981.

**RPU CROD:** RPU's load up to the Contract Rate of Delivery ("CROD") as defined in the Power Sales Contract ("PSC") between SMMPA and RPU.

**Schedule 1 Allocator:** The percentage representing the *pro rata* share of that Party's Zone 20 Schedule 1 costs (as reflected on its Attachment O) relative to the total

Zone 20 Schedule 1 costs, expressed to two decimal places (e.g. 12.34%) and computed at least annually (and recalculated whenever there is a change to a Party's Schedule 1 costs as reflected on its Attachment O).

**Settlement Agreement:** The April 2016 settlement agreement entered into by RPU and SMMPA in Docket Nos. ER14-2154 and ER15-277.

**SMMPA Joint Pricing Zone:** Zone 20 of the Tariff, or its successor designation.

**SMMPA's Bundled Load:** The load of SMMPA members, including the RPU CROD, served under their Power Sales Contracts with SMMPA.

**Tariff:** The Open Access Transmission, Energy and Operating Reserve Markets Tariff for the Midcontinent Independent System Operator, Inc. on file with the Commission as MISO FERC Electric Tariff, Fifth Revised Volume No. 1, or any successor tariff.

**Total Facilities Value:** The sum of the Parties' Facilities Values.

**Transmission Owner:** A signatory to the Transmission Owners' Agreement that meets the criteria for the term "Owner" set forth therein and that has received approval from the MISO Board of Directors.

**Transmission Owners' Agreement:** Agreement of Transmission Facilities Owners to Organize the Midwest Independent Transmission System Operator, Inc., a Delaware Non-Stock Corporation, on file with the FERC as MISO FERC Electric Tariff, Third Revised Rate Schedule No. 1, or any successor agreement.

**Zonal Revenue Requirement:** The sum of the Parties' Zone 20 ATRRs.

**Zonal Transmission Facilities:** Facilities that are classified as transmission pursuant to the Tariff and whose revenue requirements are allocated to Zone 20, as reflected in a Party's Attachment O. The Parties acknowledge that the revenue requirements associated with RPU's investment in the Hampton-to-North Rochester 345 kV line may not be allocated to Zone 20 except through resolution of the Hampton Reserved Issues as defined in the Settlement Agreement.

**Zone 20 ATRR:** For each Party, the portion of its ATRR that is allocated to Zone 20 for its Zonal Transmission Facilities, as reflected in that Party's Attachment O.

## ARTICLE II

### RELATIONSHIPS BETWEEN MISO AND THE PARTIES

**2.1 Relationship between MISO and the Parties.** As the Tariff administrator and independent operator of a regional transmission system that includes the Zonal Transmission Facilities, MISO distributes Inter-Zonal Revenues and Intra-Zonal Revenues to SMMPA. As designee to receive such revenues allocated to the SMMPA Joint Pricing Zone, SMMPA shall distribute such revenues pursuant to this Agreement.

**2.2 Relationship between the Parties.** This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon a Party. SMMPA will bill, allocate and distribute all amounts due to, or owed by, the Parties under this Agreement.

## ARTICLE III

### REVENUE DISTRIBUTION METHOD

**3.1 Annual Calculations.** On an annual basis, or as otherwise necessary to reflect changes to a Party's Attachment O or the calculation of its ATRR thereunder, the Parties will update their respective Attachment O templates. SMMPA will use the Attachment O information to calculate the following:

(a) **Total Facilities Value; GBV Allocator.** To determine the Total Facilities Value, SMMPA will calculate the sum of the Parties' Facilities Values. SMMPA will then determine a GBV Allocator for each Party based on the *pro rata* share of that Party's Facilities Value relative to the Total Facilities Value.

(b) **Zonal Revenue Requirement; ATRR Allocator.** To determine the Zonal Revenue Requirement, SMMPA will calculate the sum of the Parties' Zone 20 ATRRs. SMMPA will then determine an ATRR Allocator for each Party based on the *pro rata* share of that Party's Zone 20 ATRR relative to the Zonal Revenue Requirement.

(c) **Schedule 1 Allocator.** SMMPA will determine a Schedule 1 Allocator for each Party based on the *pro rata* share of that Party's Zone 20 Schedule 1 costs relative to the total Zone 20 Schedule 1 costs.



**3.2 Distribution of Annual Calculations.** The computations detailed in Section 3.1 above will be calculated annually and recalculated any time there is a change in a Party's Attachment O or the calculation of its ATRR or Schedule 1 costs thereunder. SMMPA will provide this calculation to RPU within thirty (30) days of a change in the Attachment O data and calculations posted by MISO. Each Party shall provide timely notification to the other of any such changes that occur outside of the normal Attachment O annual update and true-up processes.

**3.3 Monthly Calculations.** The following computations will be made on a monthly basis, effective as of December 1, 2014:

(a) **Monthly Revenue Shares.** To calculate the Monthly Revenue Share for each Party, SMMPA will determine the sum of the following six (6) ~~four (4)~~ numbers:

(i) the product of the Inter-Zonal Revenues for the preceding month and that Party's GBV Allocator in effect for the preceding month;

(ii) the product of the Intra-Zonal Revenues for the preceding month and that Party's ATRR Allocator in effect for the preceding month;

(iii) the Party's allocated share of any Inter-Zonal MISO Adjustments in the preceding month, as calculated pursuant to Section 3.3(b) below; ~~and~~

(iv) the Party's allocated share of any Intra-Zonal MISO Adjustments in the preceding month, as calculated pursuant to Section 3.3(c) below;

(v) the product of that Party's GBV Allocator in effect for the preceding month and the total Schedule 1 revenues SMMPA received from MISO for that month in connection with service provided by MISO under Tariff Schedules 7 and 8 from point-to-point transmission service customers for transactions into, out of, or outside of the SMMPA Joint Pricing Zone; and

(vi) the product of that Party's Schedule 1 Allocator in effect for the preceding month and the total Schedule 1 revenues SMMPA received from MISO for that month in connection with service provided by MISO under Tariff Schedule 9 from network service customers within the SMMPA Joint Pricing Zone.

(b) **Inter-Zonal MISO Adjustments.** Inter-Zonal MISO Adjustments are applicable only to revenues that were distributed to SMMPA and shared by the

Parties pursuant to this Agreement. The GBV Allocators in effect when the revenues that require the Inter-Zonal MISO Adjustment were originally shared shall be used to allocate the Inter-Zonal MISO Adjustment. Each month, SMMPA shall review the Inter-Zonal MISO Adjustments and allocate the Inter-Zonal MISO Adjustments. Inter-Zonal MISO Adjustments may be either positive or negative.

(c) **Intra-Zonal MISO Adjustments.** Intra-Zonal MISO Adjustments are applicable only to revenues that were distributed to SMMPA and shared by the Parties pursuant to this Agreement. The ATRR Allocators in effect when the revenues that require the Intra-Zonal MISO Adjustment were originally shared shall be used to allocate the Intra-Zonal MISO Adjustment. Each month, SMMPA shall review the Intra-Zonal MISO Adjustments and allocate the Intra-Zonal MISO Adjustments. Intra-Zonal MISO Adjustments may be either positive or negative.

### Monthly Revenue Shares

$$\begin{aligned}
 \text{SMMPA Revenue Share} = & \text{SMMPA GBV Allocator} \times \text{Inter-Zonal Revenues} \\
 & + \\
 & \text{SMMPA ATRR Allocator} \times \text{Intra-Zonal Revenues} \\
 & + \\
 & \text{SMMPA share of Inter-Zonal MISO Adjustments} \\
 & + \\
 & \text{SMMPA share of Intra-Zonal MISO Adjustments} \\
 & \pm \\
 & \text{SMMPA GBV Allocator} \times \text{Inter-Zonal Schedule 1} \\
 & \text{Revenues} \\
 & \pm \\
 & \text{SMMPA Schedule 1 Allocator} \times \text{Intra-Zonal Schedule} \\
 & \text{1 Revenues}
 \end{aligned}$$

$$\begin{aligned}
 \text{RPU Revenue Share} = & \text{RPU GBV Allocator} \times \text{Inter-Zonal Revenues} \\
 & + \\
 & \text{RPU ATRR Allocator} \times \text{Intra-Zonal Revenues} \\
 & + \\
 & \text{RPU share of Inter-Zonal MISO Adjustments} \\
 & + \\
 & \text{RPU share of Intra-Zonal MISO Adjustments} \\
 & \pm \\
 & \text{RPU GBV Allocator} \times \text{Inter-Zonal Schedule 1} \\
 & \text{Revenues} \\
 & \pm \\
 & \text{RPU Schedule 1 Allocator} \times \text{Intra-Zonal Schedule 1} \\
 & \text{Revenues}
 \end{aligned}$$

**3.4 Additional Payment Amount.** In addition to the revenue sharing provided for in Section 3.3, and pursuant to the Settlement Agreement, SMMPA shall make a monthly payment of \$64,583.33 to RPU, effective as of the month after the CAPX 2020 North Rochester to Chester 161 kV line is placed in service and continuing through March 31, 2030.

**3.5 Initial (Catch-Up) Payments.** The initial payment by SMMPA to RPU for the period prior to the commencement of monthly ATRR payments pursuant to Section 3.6 shall be calculated and paid in accordance with Attachment B hereto. The initial payment calculated and paid with regard to amounts due pursuant to Section 3.3 shall include simple interest at a rate of 0.5%. No interest shall be paid with respect to any catch-up payment associated with Section 3.4. The initial payment for Schedule 1 revenues shall be \$ \_\_\_\_\_, covering the period beginning December 2014 through and including [ \_\_\_\_\_ ] 2017.

**3.6 Monthly Payments.** The following payments will be made on a monthly basis, starting as of the first month following the filing of the Settlement Agreement:

- (a) By SMMPA to RPU: If the sum of RPU's Monthly Revenue Share and the additional payment amount provided for in Section 3.4 is a positive number, then SMMPA will pay such amount to RPU.
- (b) By RPU to SMMPA: If the sum of RPU's Monthly Revenue Share and the additional payment amount provided for in Section 3.4 is a negative number, then RPU will pay such amount to SMMPA.

Payments shall be made by the twenty-fifth day of each month by wire transfer, automated clearing house, or other mutually agreeable payment method.

**3.7 Provision of Information.** SMMPA will provide RPU with the calculations provided for herein, based on then-available data (including MISO monthly transmission revenue and transmission cost files), for the preceding month, including the calculations for Monthly Revenue Shares for each Party, as well as Inter-Zonal Revenues and Intra-Zonal Revenues for the SMMPA Joint Pricing Zone. If after receiving from MISO any Inter-Zonal MISO Adjustments and/or Intra-Zonal MISO Adjustments, SMMPA will provide a line item on the following month's calculations identifying such.

**3.8 Data and Records Requirements.** SMMPA will maintain records substantiating all revenues that it allocates, distributes, or receives under this Agreement. RPU will maintain records substantiating all information provided to SMMPA and documenting

all amounts that it pays or receives under this Agreement. The records maintained by the Parties pursuant to this Section 3.8 shall be subject to the audit requirements of Section 8.9.

**3.9 Billing Errors.** The Parties shall be obligated to disclose to each other any known, identified, or potential billing error(s) within 10 business days of the potential error being identified. The Parties agree that any such billing error, once validated, shall be settled retroactively, without interest, to the start of the error or 12 calendar months from the date SMMPA is notified (or notifies RPU) in writing of the error, whichever is shorter.

## ARTICLE IV

### TERM AND WITHDRAWAL

**4.1 Effective Date.** Subject to FERC approval of the Settlement Agreement, the distribution of MISO revenues will be effective as provided for in Section 3.3 of this Agreement, and the additional monthly payments will be effective as provided for in Section 3.4 of this Agreement. Notwithstanding the foregoing, SMMPA's initial payment to RPU for sums due prior to the commencement of monthly payments under Section 3.6 shall be made in accordance with Section 3.5 and Attachment B.

**4.2 Termination.** This Agreement will remain in effect through March 31, 2030, subject to earlier termination as expressly permitted herein. The Parties' obligations under this Agreement shall continue after termination of the Agreement until final billings and payments are completed.

**4.3 Withdrawal from MISO.** Upon one year's prior written notice to the other Party, a Party may withdraw from this Agreement if such Party is withdrawing from MISO. Up to and after its withdrawal from MISO, the withdrawing Party will be entitled to receive, or obligated to pay, revenues in accordance with Article III for the period up to its withdrawal. All of the withdrawing Party's other rights and obligations hereunder will terminate upon withdrawal from MISO, subject to financial settlement for the period ending on the date of termination. Nothing in this Agreement will be construed

as affecting the rights of a Party hereto to: (i) unilaterally seek to withdraw from MISO; or (ii) challenge such withdrawal from MISO by any other Party.

**4.4 Material Changes to MISO Tariff.** In the event that the Commission approves a change to the MISO Tariff that has a material impact on the revenue-sharing provisions in Article III of this Agreement, the Parties shall negotiate in good faith to amend this Agreement. In the event the Parties are unable to reach agreement, either Party may initiate dispute resolution of that issue. In any such dispute, the Party seeking to change the JPZ Agreement shall bear the burden to demonstrate that the Commission-approved MISO Tariff change has a material impact on the revenue-sharing provisions of this Agreement and that due to the Tariff change, the revenue-sharing provisions in Article III of the JPZ Agreement no longer operate as intended and have become unjust and unreasonable. In addition, absent agreement by the Parties in resolving any such dispute, the tribunal shall preserve the principles for revenue sharing as between SMMPA and RPU as set forth in this Agreement to the extent reasonably possible, unless such principles are fundamentally inconsistent with the changes to the MISO Tariff giving rise to the dispute. The principles for revenue sharing referenced in the immediately preceding sentence are: (i) the payments specified in Section 3.4 above and (ii) the omission of any imputed recognition of SMMPA's Bundled Load. Further, in the event the Commission-approved MISO Tariff change requires SMMPA to make Schedule 9 (or similar) payments to MISO for all or any portion of SMMPA's Bundled Load in Zone 20, the tribunal shall preserve the above-stated revenue-sharing principles by also requiring the exclusion of any revenues received by SMMPA from MISO associated with SMMPA's payments to MISO under Schedule 9 (or similar) from the revenues to be shared with RPU pursuant to Article III of the JPZ Agreement. Subject to the restrictions set forth in this paragraph, the applicable standard of review for such changes shall be the ordinary just and reasonable standard of review and not the "public interest" standard of review commonly referred to as the "*Mobile Sierra*" standard of review (as described in Section 8.8).

**4.5 New Zone 20 TOs.** In the event that the Commission, through an initial or final order, accepts or approves an application made by a transmission owner ("New TO"), or by MISO on behalf of the New TO, to include all or a portion of the New TO's transmission revenue requirement in Zone 20, the Parties agree as follows.

- (a) Subject to Sections 4.5(b) and (c), each Party reserves all its respective rights under the Federal Power Act, the MISO Tariff, and any other applicable laws, tariffs or agreements with respect to any and all issues pertaining to the proposed inclusion of the New TO's transmission costs in Zone 20 and the allocation of, or sharing of revenues related to, such transmission costs.



(b) If this Joint Pricing Zone Agreement is modified or replaced (through negotiations or litigation) to allocate a portion of the Zone 20 revenues to the New TO, each of the Parties shall be obligated to pay its pro rata share of any revenue distributions required to be made to the New TO for the entire period starting with the effective date of the revenue-sharing provisions applicable to the New TO, and accordingly each Party shall refund any previous revenue distributions it received (or retained) hereunder that were inconsistent with such new revenue-sharing provisions.

(c) Absent agreement by the Parties, any modifications to this Joint Pricing Zone Agreement or replacement agreement providing for revenue distribution to the New TO shall not: (1) provide for imputed recognition of SMMPA's Bundled Load, (2) entitle either SMMPA or RPU to decrease or increase the payments specified in Section 3.4 above, or (3) entitle the New TO to receive any portion of the payments specified in Section 3.4 above. Any proposal that is not consistent with the foregoing sentence shall be subject to (i) the "public interest" standard of review commonly referred to as the "*Mobile Sierra*" standard of review (as described in Section 8.8) if made by one of the Parties hereto, or (ii) the most stringent standard permitted by law if made by any entity other than one of the Parties, including the Commission acting *sua sponte*.

(d) SMMPA shall not voluntarily enter into a Joint Pricing Zone Agreement or other revenue sharing arrangement in Zone 20 with a New TO that is also a member of SMMPA which in total treats such member more favorably than RPU under this Joint Pricing Zone Agreement.

## ARTICLE V

### OTHER TARIFF SCHEDULES AND CHARGES

**5.1 Revenues Collected Pursuant to Other Tariff Schedules.** Unless specifically addressed by this Agreement, revenues collected by MISO pursuant to Tariff Schedules that are in effect at the time of execution of this Agreement, but are not explicitly referenced in this Agreement, will not be distributed under this Agreement. In the event that the Commission approves new Schedules to the Tariff that generate revenues to be paid by MISO to SMMPA for distribution among MISO Transmission Owners in the SMMPA Joint Pricing Zone, the Parties will negotiate in good faith to establish an equitable methodology for allocation of revenues collected thereunder, applying the principles established in Section 3.3.

**5.2 Revenues Collected for Wholesale Distribution Service on Distribution Facilities.** Any revenues received by SMMPA for Wholesale Distribution Service, as defined in the Tariff, provided by RPU in the SMMPA Joint Pricing Zone shall be remitted by SMMPA to RPU. Revenues received by SMMPA for Wholesale Distribution Service, as defined in the Tariff, provided by SMMPA in the SMMPA Joint Pricing Zone shall be retained by SMMPA and not be subject to distribution to RPU.

## ARTICLE VI

### AMENDMENT

**6.1 Amendment.** This Agreement may be amended only by a written instrument duly executed by the Parties. No modification to any of the provisions herein will be binding on either of the Parties unless approved in writing by both of the Parties.

## ARTICLE VII

### DISPUTE RESOLUTION

**7.1 Dispute Resolution Process.** Any dispute or controversy relating to this Agreement shall be referred to one or more designated representative(s) of each Party for resolution on an informal basis as promptly as practicable. A Party may initiate this process by providing written notice of the dispute to the other Party. In the event that the Parties are unable to resolve the dispute within sixty (60) days, either Party may pursue any rights available at law or in equity, or before any court or regulatory authority that the Party believes has jurisdiction to resolve the dispute. Neither party will oppose FERC as a forum for resolution of disputes hereunder. The Parties irrevocably waive the right to a jury trial in any action.

**7.2 Reimbursement.** Any amounts owed by a Party upon the resolution of a dispute shall be paid, without interest, within ten (10) days following resolution of that dispute unless otherwise agreed by the Parties.

## ARTICLE VIII

### MISCELLANEOUS PROVISIONS

**8.1 Descriptive Headings.** The descriptive headings in this Agreement have been inserted for convenience of reference and shall not affect the construction of this Agreement.

**8.2 Governing Law.** This Agreement shall be interpreted and enforced according to the laws of the State of Minnesota, except to the extent preempted by the laws of the United States of America.

**8.3 Successors and Assigns.** This Agreement shall inure to the benefit of, and be binding upon, the Parties' successors and assigns.

**8.4 Delivery of Notices.** Notices required under this Agreement shall be in writing, and shall be sent by certified mail/return receipt requested, overnight courier, or other reliable and verifiable means. Any notice required under this Agreement will be deemed to have been given either: i) upon delivery, if sent by certified mail/return receipt requested or overnight courier; or ii) upon confirmation, if given by other reliable means. The addresses to which notices are to be delivered are set forth in Attachment A, which may be revised by the Parties through notice without requiring formal amendment.

**8.5 Entire Agreement.** This Agreement, including any attachments hereto, constitutes the entire agreement between the Parties with respect to the subject matter of this Agreement, and its interpretation shall not be affected by previous or contemporary oral or written representations made by a Party unless such representations are contained in this Agreement.

**8.6 Counterparts.** This Agreement may be executed in counterparts, all of which will constitute one agreement and will have the same force and effect as an original instrument.

**8.7 FERC Acceptance.** This Agreement is subject to FERC's acceptance, without material modification, of the Settlement Agreement. In the event that FERC disapproves or refuses to accept the settlement, including this Joint Pricing Zone Agreement, in whole or in part, this Agreement will be deemed never to have become effective, except for the Parties' binding commitment in such event to make all payments necessary to reverse their interim implementation of this Agreement and restore the Parties to the positions they would have been in absent such implementation.

**8.8 Future FERC Proceedings.** This Agreement is exclusively between SMMPA and RPU, each of which is a municipal entity that is not subject to the Commission's general

ratemaking jurisdiction. This Joint Pricing Zone Agreement is being submitted as part of the Settlement Agreement without regard to whether this Joint Pricing Zone Agreement is itself a contract subject to the Commission's ratemaking review and authority. However, no Settling Party will oppose FERC as a forum for resolution of disputes under this Agreement. Without waiving or prejudicing their respective rights or positions, ~~the Parties~~ aAgree that mutually agreed-upon changes to this Agreement need not be submitted to the Commission unless the Commission imposes such a requirement as an express condition of accepting or approving the Settlement Agreement.

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The standard of review for any proposed changes to the terms of this Joint Pricing Zone Agreement unilaterally sought by either Party shall be the "public interest" standard of review commonly referred to as the "*Mobile Sierra*" standard of review. See *United Gas Pipe Line Co. v. Mobile Gas Services Corp.*, 350 U.S. 332 (1956), *Federal Power Commission v. Sierra Pacific Power Co.*, 350 U.S. 348 (1956), and *Morgan Stanley Capital Group Inc. v. Pub. Util. Dist. No. 1*, 554 U.S. 527 (2008). The standard of review for any modifications to this Joint Pricing Zone Agreement proposed by any non-Party, including any modifications resulting from the Commission acting *sua sponte*, will be the most stringent standard permitted by law.

Notwithstanding the foregoing general provision for the public interest standard of review, the following shall be subject to the ordinary ("just and reasonable") standard of review under FPA Section 205 or the ordinary burden of proof under FPA Section 206, as applicable:

- (a) Modifications to this Joint Pricing Zone Agreement that are mutually agreed to by SMMPA, RPU, and any additional parties to this agreement (if the Commission requires, as a condition of approval of the Settlement Agreement, filing of changes to the Joint Pricing Zone Agreement).
- (b) Modifications to this Joint Pricing Zone Agreement to reflect the resolution of the Hampton Reserved Issues (consistent with Section 4.2 of the Settlement Agreement).

Further, notwithstanding the foregoing general provision for the public interest standard of review set forth above, the standard of review applicable under Section 4.4 or Section 4.5 of this Joint Pricing Zone Agreement shall be as set forth in the respective section.

**8.9 Audits.** The Parties will maintain and retain for six (6) years the books and records needed to substantiate the calculations performed pursuant to Article III, and

all data substantiating allocation of revenues or costs under this Agreement, unless applicable record retention requirements establish a retention requirement longer than 6 years for a Party; if so, the applicable retention requirements shall apply. A Party may conduct, at its own expense, audits of the other Party's books and records that relate to this Agreement. Such audits will be conducted at reasonable, mutually agreed-upon times, and the Parties will cooperate in good faith to effectuate such audits.

**8.10 Limitations.** Nothing contained herein shall be construed to create an association, joint venture, trust, or partnership. Each Party will remain liable for its share of charges or assessments incurred under the Tariff or Transmission Owners' Agreement, including congestion costs, lost revenue charges, exit fees and comparable costs.

IN WITNESS THEREOF, the Parties, by their duly authorized representatives, have hereunder executed this Agreement.

**SOUTHERN MINNESOTA MUNICIPAL POWER AGENCY**

A Minnesota Municipal Corporation

By: \_\_\_\_\_

David P. Geschwind,  
Executive Director and Chief Executive Officer

Date: \_\_\_\_\_

**CITY OF ROCHESTER**

By: \_\_\_\_\_

Ardell Brede, Mayor

Attest: \_\_\_\_\_

~~Aaron Reeves~~ Anissa Hollingshead, City Clerk

Approved

As to Form: \_\_\_\_\_  
Terry Adkins, City Attorney

**ROCHESTER PUBLIC UTILITIES**

By: \_\_\_\_\_  
Mark Kotschevar, General Manager

Date: \_\_\_\_\_



## ATTACHMENT A

## Addresses for Delivery of Notices and Billings

**Notices:**Southern Minnesota Municipal Power Agency:

Richard Hettwer, Manager of Power Delivery  
500 First Avenue SW  
Rochester, MN 55902  
[rj.hettwer@smmpa.org](mailto:rj.hettwer@smmpa.org)  
Direct: (507) 292-6451

Rochester Public Utilities:

Mark Kotschevar, General Manager  
4000 East River Rd, NE  
Rochester, MN 55906  
[mkotschevar@RPU.org](mailto:mkotschevar@RPU.org)  
Direct: (507) 280-1601

**Billings and Payments:**Southern Minnesota Municipal Power Agency:

Attn: Accounts payable  
500 First Avenue SW  
Rochester, MN 55902  
[kellyg@smmpa.org](mailto:kellyg@smmpa.org)

Rochester Public Utilities:

Attn: Accounts Receivable/Payable

4000 East River Rd, NE  
Rochester, MN 55906  
BBlom@RPU.org



## RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve the

Amendment to the Joint Pricing Zone Agreement

with minor non-material changes and the amount and end date for the back payment approved by the City Attorney and General Manager and that the Common Council authorize the Mayor and City Clerk to execute the amended agreement.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 26th day of September, 2017.

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President

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Secretary

## FOR BOARD ACTION

Agenda Item # (ID # 7786)

Meeting Date: 9/26/2017

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**SUBJECT: Utility Relocation and Release of Easements Agreement**

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**PREPARED BY: Ryan Moore**

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**ITEM DESCRIPTION:**

Olmsted County has initiated a roadway improvement project along CSAH 33 from 37th Street to 48th Street. As part of the project, RPU was required to move transmission poles and install some additional conduit for future electrical capacity. Since RPU had some easements along CSAH 33, RPU will be paid the difference between the relocation costs (\$238,117.14) and conduit installation (\$73,000) totaling \$165,117.14.

Olmsted County has requested RPU to release the existing easements. In exchange for our release, RPU will receive future protection of our infrastructure investment in the form of a Utility Permit. The proposed agreement states Olmsted County will reimburse RPU for any future relocation costs initiated by Olmsted County within a period of 25 years expiring December 31, 2042.

Following approval of this same agreement last November, the County asked for a modification to the length of time they would be responsible for reimbursement of future relocation costs from a term of indefinitely to 25 years.

The City Attorney has reviewed the agreement.

**UTILITY BOARD ACTION REQUESTED:**

Approve a resolution to authorize the Mayor and City Clerk to execute the Utility Relocation and Release of Easements Agreement in addition to authorizing the General Manager and City Attorney to approve any final technical changes to the Agreement.

SAP 055-622-050 (CSAH 22 & 33)  
 Utility Owner: Rochester Public Utilities  
 OC Agreement Number: 2016633003  
 RPU Agreement Number: 17-70-E

### **UTILITY RELOCATION AGREEMENT AND CONTRACT FOR RELEASE OF EASEMENTS**

This Agreement Number 2016633003 is between the County of Olmsted, a political subdivision of the State of Minnesota, ("County"), and the City of Rochester, a Minnesota municipal corporation, acting by and through its Utility Board ("Utility Owner"). This Agreement describes how the parties will mitigate the effects of a County construction project on the Utility Owner.

#### **RECITALS**

The County has let a contract to construct SAP 055-622-050/055-633-003 (Project) on CSAH 22/CSAH 33. The Project includes Grading, Concrete & Bituminous Paving, Curb & Gutter, Storm Sewer, Bridge 55593, and Path Construction.

The Utility Owner owns and operates a 161 kv Transmission Line and related equipment (Existing Facilities) on private property where the Utility Owner has property rights of a utility easement from the fee landowners on existing utility easements recorded as documents 398681 Rodney C. Morse, 410841 William E. & Jean M. Kammer, 410842 Edward N. & Gertrude B. Mahon and Hawthorn Hill Associates, ("Existing Easements") which are attached as **EXHIBIT A, A1 & A2** to this Agreement. The Existing Easements are on land that the County has purchased in fee title to facilitate the Project ("New Property"). The Existing Facilities are within the limits of the Project adjacent to the west right of way line of CSAH 33 (Broadway Avenue North) and the north right of way line of CR 124 (48<sup>th</sup> Street NE)

The Project required the Utility Owner to relocate its Existing Facilities from the Existing Easements and the County desires that the Utility Owner release the rights which it possesses in the Existing Easements through execution of the Releases, see **Exhibit B, B1 and B2**, attached to this Agreement. The Utility Owner has requested reimbursement for the relocation of its Facilities from the Existing Easements to the New Property.

In exchange for Utility Owners' Release of the Existing Easements, the County allowed Utility Owner to relocate its transmission line and related Facilities within the CSAH 33 and CR 124 road right of way by issuance of a Utility Permit. The Utility Permit will be issued at no charge to the Utility and shall provide that any future relocation of the Facilities initiated by the County within a period of 25 years expiring December 31, 2042 shall be at the County's cost and expense.

The County installed conduit on Bridge 55593 for Utility Owner's future use. Utility Owner will reimburse County for this expense through an offset on the compensation to be paid Utility Owner by County.

**AGREEMENT****I. Term/Termination**

- A. *Effective Date:* This Agreement is effective on the date all signatures from Utility Owner and County are entered herein.
- B. *Expiration Date:* This Agreement will expire when the following conditions are met:
  - 1. County has paid Utility Owner the payment addressed in Section V below;
  - 2. County has issued Utility Owner a Utility Permit consistent with the terms of this Agreement; and
  - 3. County has recorded Utility Owner's Release of Existing Easement document.

**II. Utility Owner's Duties**

- A. *Relocation:* The Utility Owner has submitted a copy of the relocation plan and completed its relocation work to the County's satisfaction.

**III. Utility Owner's Ongoing Maintenance Requirements**

- A. Once the County has issued the Utility Permit for Utility Owner's Facilities the Utility Owner must maintain the New Facilities at its own expense.

**IV. Property Rights**

- A. The Utility Owner's Releases must release its right, title and interest in the Existing Easements. In exchange County shall provide Utility Owner a Utility Permit that shall provide that any relocation of Utility Owner's Facilities within the New Property required by the County within a period of 25 years expiring December 31, 2042 shall be at the County's sole cost and expense.
- B. The County shall be responsible for recording the Easement Releases and providing Utility Owner with a copy of the recorded documents.

**V. Payment**

- A. *Payment*
  - 1. **Exhibit C**, attached to this Agreement, is a statement of the lump sum cost of the Utility Owner's relocation work and the total amount the County is required to pay.
  - 2. **Exhibit D**, attached to this Agreement, is the contract cost of the installation of a conduit for future use by Utility Owner on Bridge 55593 under County Project SAP 055-622-050. Utility Owner has agreed to pay the lump sum of \$73,000 for the conduit installation.
  - 3. The County will pay the Utility Owner the balance of the conduit installation and utility relocation costs, which is  $\$238,117.14 - \$73,000.00 = \$165,117.14$  upon receiving the Releases executed by authorized officials of the Utility Owner.

- B. *Payment for Easements:* The County shall not pay Utility Owner for the Release of the Existing Easements as it will be providing a Utility Permit under which it will reimburse Utility Owner for any relocation costs incurred by Utility Owner for relocations initiated by the County within a period of 25 years expiring December 31, 2042.

#### VI. Indemnification/Insurance

- A. The Utility Owner will indemnify, save, and hold the County and all of its agents and employees harmless of and from any and all claims, demands, actions, or causes of action of any nature or character arising out of or in connection with any negligent act, error or omission of the Utility Owner or its agents or employees under this Agreement.
- B. The Utility Owner does not waive any defense or immunity of third parties. The Utility Owner, in defending any action on behalf of the County, will be entitled to assert every defense or immunity that the County could assert in its own behalf.
- C. The Utility Owner certifies that its workers' compensation insurance coverage complies with Minnesota Statutes, section 176.181, subdivision 2. The Utility Owner's employees and agents are not considered County employees. The County is not responsible for any claims asserted by the Utility Owner's employees, agents, subcontractors, or any third parties under the Minnesota Workers' Compensation Act.

#### VII. Nondiscrimination

- A. The Utility Owner will comply with the United States Department of Transportation's nondiscrimination regulations. These regulations are in the current version of the Code of Federal Regulations, title 49, part 21. The Utility Owner must incorporate these regulations by reference in all contracts.
- B. Minnesota Statutes, section 181.59 and any applicable local ordinances pertaining to civil rights and nondiscrimination are also considered part of this Agreement.

#### VIII. Governing Terms

- A. *Data Practices:* All parties must comply with the Minnesota Government Data Practices Act (Minnesota Statutes, chapter 13) as it applies to any data that a party to this Agreement receives, collects, stores, or disseminates under it. The Act provides civil liability for failure to comply with its requirements.
- B. *Applicable Law:* Minnesota law governs the validity, interpretation, and enforcement of this Agreement. Venue for all legal proceedings arising out of this Agreement, or its breach, must be in Olmsted County District Court, Minnesota.
- C. *Waiver:* If the County fails to enforce any provision of this Agreement, that failure does not waive the provision or the County's right to subsequently enforce it.

- D. *Merger:* This Agreement contains all negotiations and agreements between the County and the Utility Owner. No prior understanding regarding this Agreement, whether written or oral may be used to bind either party.
- E. *Assignment:* The Utility Owner may neither assign nor transfer any rights or obligations under this Agreement without the County's consent and a fully executed assignment agreement. To be valid, the assignment agreement must be signed and approved by the same parties who signed and approved this Agreement, or their successors in office.
- F. *Amendments:* Any amendment to this Agreement must be in writing. An amendment will not be effective until the same parties who signed and approved this Agreement, or their successors in office, sign and approve the amendment.
- G. *Incorporation of Exhibits:* All exhibits attached to this Agreement are incorporated into this Agreement.

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed as of this\_\_\_\_\_.

#### **CITY OF ROCHESTER**

By: \_\_\_\_\_  
Ardell Brede, Mayor

By: \_\_\_\_\_  
Anissa Hollingshead, Clerk

Approved  
Form: \_\_\_\_\_  
Dave Goslee, Deputy City Attorney

#### **ROCHESTER PUBLIC UTILITIES**

By: \_\_\_\_\_  
Mark Kotschevar, General Manager

#### **COUNTY OF OLMSTED**

By: \_\_\_\_\_  
Ken Brown, Chairperson

By: \_\_\_\_\_  
Heidi Welsch, Clerk/Deputy Administrator

Drafted by:  
Dale Prestegard  
Olmsted County Public Works  
1188 50<sup>th</sup> Street SE  
Rochester, MN 55904



# EXHIBIT A

## Existing Easement 398681

### EASEMENT

FILE NO. 6

KNOW ALL MEN BY THESE PRESENTS, That the undersigned, hereinafter called "Grantor", in consideration of the sum of One Dollar (\$1.00) and other good and valuable consideration to Grantor in hand paid does hereby grant unto the City of Rochester, Minnesota, a municipal corporation, with offices at Rochester, Minnesota, hereinafter called "Utility", its successors and assigns, a perpetual right-of-way easement with the right, privilege and authority to construct, reconstruct, operate, maintain and remove lines for the transmission of electric energy, including necessary poles, wires, guys, stubs and other fixtures, over, across, and upon the following described real estate owned by us and located in the County of Olmsted, State of Minnesota, to wit:

Commencing on the Eastwest Quarter line on the West side of the existing Highway No. 63 Right-of-Way line, thence Northerly along the West Highway Right-of-Way line a distance of approximately 28 feet to point of beginning of anchor tract herein described, thence Westerly a distance of 70 feet, thence Northerly parallel to Highway Right-of-Way a distance of 30 feet, thence Easterly to the West Highway Right-of-Way line a distance of 70 feet, thence Southerly along the West Highway Right-of-Way a distance of 30 feet to the point of beginning; in the East one-half (E 1/2) of the Northwest Quarter (NW 1/4), Section Thirteen (13), Township One Hundred Seven (107N), Range Fourteen (14W), excepting all that part thereof which lies East of Trunk Highway No. 63 as now established, also excepting therefrom that part of the SE 1/4 of said NW 1/4, Section 13, described as follows: Commencing at the SE corner of said NW 1/4 of said Section and running thence West along the South line thereof a distance of 335 feet for a place of beginning, thence West along the said South line a distance of 195 feet, thence North at a right angle to said South line a distance of 147 feet, thence East parallel with said South line a distance of 195 feet, thence South a distance of 147 feet to place of beginning.

Together with the right, privilege and authority to trim or cut down any trees within \_\_\_\_\_ feet of the center line of said transmission line; and also the right to enter upon the above described premises at any and all times for the purpose above set forth. This shall include the right of the Utility to control or prohibit, the placing or erection of buildings or objects, temporary or permanent, closer than \_\_\_\_\_ feet of the transmission line.

The Utility, its successors and assigns, will pay for all damages to real estate (except the cutting and trimming of trees as herein authorized), tiling, fences, crops, and livestock caused by the construction, operation and maintenance of said transmission line.

The payment for the rights herein granted is based on an initial installation not to exceed NO poles and 4 anchors. Any additional poles and anchors required in the original construction shall be paid for in accordance with payment schedule which is by this reference made a part thereof. Additional poles or anchors required in the future will require additional payment at a price to be agreed upon at that time.

IN WITNESS WHEREOF, We have hereunto set our hands and seals this 15 day of JUNE, 1977.

WITNESSES:

STATE OF MINNESOTA }  
COUNTY OF OLMSTED } ss. \_\_\_\_\_ (SEAL)

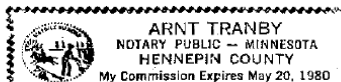
On this 15 day of JUNE, 1977, before me, a notary public within and for the County of HENNEPIN State of MINNESOTA personally appeared,

RODNEY C. MORSE

to me known to be the person described in and who executed the foregoing instrument and acknowledged that he executed the same as HIS free and voluntary act and deed.

My Commission Expires \_\_\_\_\_

NOTARY PUBLIC



Rodney C. Morse

THIS INSTRUMENT WAS DRAFTED  
BY ULTEIG ENGINEERS INC. OF  
MINNEAPOLIS, MINNESOTA

Attachment: 17-70-E CSAH 22 CSAH 33 Relocation and Release Agreement (7786 : Utility Relocation and Release of Easements Agreement)

# EXHIBIT A1

## Existing Easement 410841

### EASEMENT

FILE NO. 8

KNOW ALL MEN BY THESE PRESENTS, That the undersigned, hereinafter called "Grantor", in consideration of the sum of One Dollar (\$1.00) and other good and valuable consideration to Grantor in hand paid does hereby grant unto the City of Rochester, Minnesota, a municipal corporation, with offices at Rochester, Minnesota, hereinafter called "Utility", its successors and assigns, a perpetual right-of-way easement with the right, privilege and authority to construct, reconstruct, operate, maintain and remove lines for the transmission of electric energy, including necessary poles, wires, guys, stubs and other fixtures, over, across, and upon the following described real estate owned by us and located in the County of Olmsted, State of Minnesota, to wit:

The South 65 feet of the following described property:

That part of the Southwest Quarter (SW1/4) of the Northeast Quarter (NE1/4) of Section 13, Township 107, North of Range 14 West in Olmsted County, Minnesota, described as follows: Commencing at the Southwest corner of said Northeast Quarter (NE1/4) and running thence East along the South line thereof a distance of 674.35 feet for a place of beginning, running thence North at a right angle to said South line a distance of 180 feet, thence East parallel with said South line a distance of 242 feet, thence South a distance of 180 feet to the South line thereof, thence West a distance of 242 feet to the place of beginning, less County Road right of way.

The grant herein contained shall also include the right of grantee to permit the attachments of crossarms and wires of others to the structures of said transmission line.

Together with the right, privilege and authority to trim or cut down any trees within 18 feet of the center line of said transmission line; and also the right to enter upon the above described premises at any and all times for the purpose above set forth. This shall include the right of the Utility to control or prohibit, the placing or erection of buildings or objects, temporary or permanent, closer than 18 feet of the transmission line.

The Utility, its successors and assigns, will pay for all damages to real estate (except the cutting and trimming of trees as herein authorized), tiling, fences, crops, and livestock caused by the construction, operation and maintenance of said transmission line.

The payment for the rights herein granted is based on an initial installation not to exceed 0 poles and 0 anchors. Any additional poles and anchors required in the original construction shall be paid for in accordance with payment schedule which is by this reference made a part thereof. Additional poles or anchors required in the future will require additional payment at a price to be agreed upon at that time.

IN WITNESS WHEREOF, We have hereunto set our hands and seals this 5th day of December, 1978.

WITNESSES:

William E. Kammer (SEAL)

Jean M. Kammer (SEAL)

(SEAL)

STATE OF MinnesotaCOUNTY OF Olmsted

} ss.

On this 5th day of December, 1978, before me, a notary public within and for the

County of Olmsted State of Minnesota personally appeared,

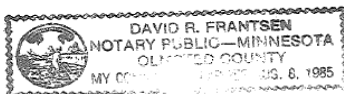
William E. Kammer and Jean M. Kammer (husband and wife)

to me known to be the person s described in and who executed the foregoing instrument and acknowledged that he executed the same as his free and voluntary act and deed.

My Commission Expires August 8, 1985

David R. Frantsen  
NOTARY PUBLIC

William E. & Jean M. Kammer



# EXHIBIT A2

## Existing Easement 410842

(Fee Owner) Edward N. Mahon and wife, Gertrude B.  
(Contract Buyer) Hawthorn Hill Associates

### EASEMENT

FILE NO. 7

KNOW ALL MEN BY THESE PRESENTS, That the undersigned, hereinafter called "Grantor", in consideration of the sum of One Dollar (\$1.00) and other good and valuable consideration to Grantor in hand paid does hereby grant unto the City of Rochester, Minnesota, a municipal corporation, with offices at Rochester, Minnesota, hereinafter called "Utility", its successors and assigns, a perpetual right-of-way easement with the right, privilege and authority to construct, reconstruct, operate, maintain and remove lines for the transmission of electric energy, including necessary poles, wires, guys, stubs and other fixtures, over, across, and upon the following described real estate owned by us and located in the County of Olmsted, State of Minnesota, to wit:

The South 65 feet of the following described property:

The S1/2 of the NE1/4 of Section 13, Township 107N, Range 14W, except that part of the Southwest Quarter (SW1/4) of the Northeast Quarter (NE1/4) of Section 13, Township 107, North of Range 14 West in Olmsted County, Minnesota, described as follows: Commencing at the Southwest corner of said Northeast Quarter (NE1/4) and running thence East along the South line thereof a distance of 674.35 feet for a place of beginning, running thence North at a right angle to said South line a distance of 180 feet, thence East parallel with said South line a distance of 242 feet, thence South a distance of 180 feet to the South line thereof, thence West a distance of 242 feet to the place of beginning. Also less County Road right of way.

Also, the South 65 feet of the S 1/2 of the NW1/4 of Section 18, Township 107N, Range 13, except the West 990 feet, also less County Road right of way.

The grant herein contained shall also include the right to grantee to permit the attachments of crossarms and wires of others to the structures of said transmission line.

Together with the right, privilege and authority to trim or cut down any trees within 18 feet of the center line of said transmission line; and also the right to enter upon the above described premises at any and all times for the purpose above set forth. This shall include the right of the Utility to control or prohibit, the placing or erection of buildings or objects, temporary or permanent, closer than 18 feet of the transmission line.

The Utility, its successors and assigns, will pay for all damages to real estate (except the cutting and trimming of trees as herein authorized), tiling, fences, crops, and livestock caused by the construction, operation and maintenance of said transmission line.

The payment for the rights herein granted is based on an initial installation not to exceed 0 poles and 0 anchors. Any additional poles and anchors required in the original construction shall be paid for in accordance with payment schedule which is by this reference made a part thereof. Additional poles or anchors required in the future will require additional payment at a price to be agreed upon at that time.

IN WITNESS WHEREOF, We have hereunto set our hands and seals this 15 day of December, 1978

WITNESSES:

STATE OF Minnesota

COUNTY OF Olmsted

On this 15 day of December, 1978, before me, a notary public within and for the County of Olmsted State of Minnesota personally appeared, Edward N. Mahon, Gertrude B. Mahon, Hawthorn Hill Assoc. by Oneil Taylor Gule, Hawthorn Hill Assoc. by Richard Ferguson, Hawthorn Hill Assoc. by Theodore Anderson.

to me known to be the person described in and who executed the foregoing instrument and acknowledged that he executed the same as free and voluntary act and deed.

My Commission Expires Feb 19, 1983

STATE OF ILLINOIS )  
COUNTY OF COOK ) SS.

On this 26th day of December, 1978, before me, a notary public within and for the county of Cook, State of Illinois, personally appeared Theodore W. Anderson to me known to be the person described in and who executed the foregoing instrument and acknowledged that he executed the same as his free and voluntary act and deed.

NOTARY PUBLIC  
GEORGE SCHLITZ  
NOTARY PUBLIC - MINNESOTA  
OLMSTED COUNTY

My Commission Expires: 9/17/81

**EXHIBIT B****MINNESOTA RELEASE OF EASEMENT**

WHEREAS **CITY OF ROCHESTER**, a Minnesota municipal corporation acting by and through its Utility Board (hereinafter referred to as ("City")) as the holder of the easement rights which were granted in an easement dated June 15, 1977 by instrument recorded in the Recorder's Office of Olmsted County, Minnesota on March 16, 1978 as Document No. 398681 (hereinafter referred to as the "Easement"), the legal description of the Easement is described in said document as follows:

Commencing on the Eastwest Quarter line on the West side of the existing Highway No. 63 Right-of-Way line, thence Northerly along the West Highway Right-of-Way line a distance of approximately 28 feet to point of beginning of anchor tract herein described, thence Westerly a distance of 70 feet, thence Northerly parallel to Highway Right-of-Way a distance of 30 feet, thence Easterly to the West Highway Right-of-Way line a distance of 70 feet, thence Southerly along the West Highway Right-of-Way a distance of 30 feet to the point of beginning; in the East one-half (E 1/2) of the Northwest Quarter (NW 1/4), Section Thirteen (13), Township One Hundred Seven (107N), Range Fourteen (14W), excepting all that part thereof which lies East of Trunk Highway No. 63 as now established, also excepting therefrom that part of the SE 1/4 of said NW 1/4, Section 13, described as follows: Commencing at the SE corner of said NW 1/4 of said Section and running thence West along the South line thereof a distance of 335 feet for a place of beginning, thence West along the said South line a distance of 195 feet, thence North at a right angle to said South line a distance of 147 feet, thence East parallel with said South line a distance of 195 feet, thence South a distance of 147 feet to place of beginning.

WHEREAS, **City** has been requested to release all of its right, title and interest in the Easement.

NOW THEREFORE, for and in consideration of the payment to relocate utilities, the agreement of the parties hereunder and other good and valuable consideration, the receipt of which is hereby acknowledged, **City** hereby releases all of its interests in the above described Easement and the Easement is hereby terminated.

In accepting this Release of Easement, County of Olmsted, Minnesota, a political subdivision of the State of Minnesota (hereinafter referred to as "Grantee") acknowledges that **City** is hereby forever released of all obligations and duties under said Easement and must remove any of its facilities currently located in the Easement and any and all improvements to the easement property.



THIS Release of Easement shall inure to the benefit of and be binding upon the parties hereto, their respective grantees, successors and assigns.

IN WITNESS WHEREOF, **City** has signed or caused this instrument to be signed this \_\_\_\_\_, 2017.

**CITY OF ROCHESTER**

By: \_\_\_\_\_  
Ardell Brede, Mayor

By: \_\_\_\_\_  
Anissa Hollingshead, City Clerk

Approved  
Form: \_\_\_\_\_  
Dave Goslee, Deputy City Attorney

**ROCHESTER PUBLIC UTILITIES**

By: \_\_\_\_\_  
Mark Kotschevar, General Manager

Drafted by:  
Dale Prestegard  
Olmsted County Public Works  
1188 50<sup>th</sup> Street SE  
Rochester, MN 55904

**EXHIBIT B1****MINNESOTA RELEASE OF EASEMENT**

WHEREAS, **CITY OF ROCHESTER**, a Minnesota municipal corporation acting by and through its Utility Board (hereinafter referred to as ("City")) as the holder of the easement rights which were granted in an easement dated December 5, 1978 by instrument recorded in the Recorder's Office of Olmsted County, Minnesota on January 31, 1979 as Document No. 410841 (hereinafter referred to as the "Easement"), the legal description of the Easement is described in said document as follows:

The South 65 feet of the following described property:

That part of the Southwest Quarter (SW1/4) of the Northeast Quarter (NE1/4) of Section 13, Township 107, North of Range 14 West in Olmsted County, Minnesota, described as follows: Commencing at the Southwest corner of said Northeast Quarter (NE1/4) and running thence East along the South line thereof a distance of 674.35 feet for a place of beginning, running thence North at a right angle to said South line a distance of 180 feet, thence East parallel with said South line a distance of 242 feet, thence South a distance of 180 feet to the South line thereof, thence West a distance of 242 feet to the place of beginning, less County Road right of way.

WHEREAS, **City** has been requested to release all of its right, title and interest in the Easement.

NOW THEREFORE, for and in consideration of the payment to relocate utilities, the agreement of the parties hereunder and other good and valuable consideration, the receipt of which is hereby acknowledged, **City** hereby releases all of its interests in the above described Easement and the Easement is hereby terminated.

In accepting this Release of Easement, County of Olmsted, Minnesota, a political subdivision of the State of Minnesota (hereinafter referred to as "Grantee") acknowledges that **City** is hereby forever released of all obligations and duties under said Easement and must remove any of its facilities currently located in the Easement and any and all improvements to the easement property.

THIS Release of Easement shall inure to the benefit of and be binding upon the parties hereto, their respective grantees, successors and assigns.

IN WITNESS WHEREOF, City has signed or caused this instrument to be signed this \_\_\_\_\_, 2017.

### **CITY OF ROCHESTER**

By: \_\_\_\_\_  
Ardell Brede, Mayor

By: \_\_\_\_\_  
Anissa Hollingshead, City Clerk

Approved  
Form: \_\_\_\_\_  
Dave Goslee, Deputy City Attorney

### **ROCHESTER PUBLIC UTILITIES**

By: \_\_\_\_\_  
Mark Kotschevar, General Manager

Drafted by:  
Dale Prestegard  
Olmsted County Public Works  
1188 50<sup>th</sup> Street SE  
Rochester, MN 55904



**EXHIBIT B2****MINNESOTA RELEASE OF EASEMENT**

WHEREAS, **CITY OF ROCHESTER**, a Minnesota municipal corporation acting by and through its Utility Board (hereinafter referred to as ("RPU")) as the holder of the easement rights which were granted in an easement dated December 15, 1978 by instrument recorded in the Recorder's Office of Olmsted County, Minnesota on January 31, 1979 as Document No. 410842 (hereinafter referred to as the "Easement"), the legal description of the Easement is described in said document as follows:

The South 65 feet of the following described property:

The S1/2 of the NE1/4 of Section 13, Township 107N, Range 14W, except that part of the Southwest Quarter (SW1/4) of the Northeast Quarter (NE1/4) of Section 13, Township 107, North of Range 14 West in Olmsted County, Minnesota, described as follows: Commencing at the Southwest corner of said Northeast Quarter (NE1/4) and running thence East along the South line thereof a distance of 674.35 feet for a place of beginning, running thence North at a right angle to said South line a distance of 180 feet, thence East parallel with said South line a distance of 242 feet, thence South a distance of 180 feet to the South line thereof, thence West a distance of 242 feet to the place of beginning. Also less County Road right of way.

Also, the South 65 feet of the S 1/2 of the NW1/4 of Section 18, Township 107N, Range 13, except the West 990 feet, also less County Road right of way.

WHEREAS, **City** has been requested to release all of its right, title and interest in the Easement.

NOW THEREFORE, for and in consideration of the payment to relocate utilities, the agreement of the parties hereunder and other good and valuable consideration, the receipt of which is hereby acknowledged, **City** hereby releases all of its interests in the above described Easement and the Easement is hereby terminated.

In accepting this Release of Easement, County of Olmsted, Minnesota, a political subdivision of the State of Minnesota (hereinafter referred to as "Grantee") acknowledges that **City** is hereby forever released of all obligations and duties under said Easement and must remove any of its facilities currently located in the Easement and any and all improvements to

the easement property.

THIS Release of Easement shall inure to the benefit of and be binding upon the parties hereto, their respective grantees, successors and assigns.

IN WITNESS WHEREOF, City has signed or caused this instrument to be signed this \_\_\_\_\_, 2017.

# **CITY OF ROCHESTER**

By: \_\_\_\_\_  
Ardell Brede, Mayor

By: \_\_\_\_\_  
Anissa Hollingshead, City Clerk

Approved  
Form: \_\_\_\_\_  
Dave Goslee, Deputy City Attorney

# **ROCHESTER PUBLIC UTILITIES**

By: \_\_\_\_\_  
Mark Kotschevar, General Manager

Drafted by:  
Dale Prestegard  
Olmsted County Public Works  
1188 50<sup>th</sup> Street SE  
Rochester, MN 55904

# EXHIBIT C

## LUMP SUM UTILITY RELOCATION COST

### Pole Cost

|        |              |
|--------|--------------|
| Q6025  | \$ 26,532.27 |
| Q6026  | \$ 29,311.53 |
| Q6036A | \$ 22,812.77 |
| Q6037  | \$ 22,008.76 |
| Q6038  | \$ 25,688.25 |
| Q6039  | \$ 26,016.69 |
| Q6040  | \$ 26,076.50 |
| Q6041  | \$ 25,004.31 |
| Q6042  | \$ 34,666.06 |

**TOTAL \$238,117.14**

| Item No. | Description                 | Easement Document | Structure Cost | Structure with Loading | Foundation/Set Cost | Pole Framing Material Costs | Pole Framing Labor | Wire Footage | Wire Material Costs | Wire Labor Costs | Total         |
|----------|-----------------------------|-------------------|----------------|------------------------|---------------------|-----------------------------|--------------------|--------------|---------------------|------------------|---------------|
| Q6025    | 105 ft. H-6                 | 398427            | \$8,239.00     | \$ 8,424.18            | \$ 1,200.00         | \$ 2,624.72                 | \$ 4,967.40        | 330          | \$ 2,583.97         | \$ 6,732.00      | \$ 26,532.27  |
| Q6026    | 100 ft. H-5                 | 398427            | \$10,707.00    | \$ 10,921.14           | \$ 1,200.00         | \$ 2,624.72                 | \$ 4,967.40        | 340          | \$ 2,662.27         | \$ 6,936.00      | \$ 29,311.53  |
| Q6027    | 95 ft. H-2                  | 398427            | \$6,614.00     | \$ 6,746.28            | \$ 1,200.00         | \$ 2,624.72                 | \$ 4,967.40        | 350          | \$ 2,740.57         | \$ 7,140.00      | \$ 25,418.97  |
| Q6028    | 95 ft. H-2                  | 398427            | \$6,474.00     | \$ 6,603.48            | \$ 1,200.00         | \$ 2,624.72                 | \$ 4,967.40        | 230          | \$ 1,800.95         | \$ 4,692.00      | \$ 21,888.55  |
| Q6029    | 90 ft. H-2                  |                   | \$8,382.00     | \$ 8,518.84            | \$ 1,200.00         | \$ 2,624.72                 | \$ 4,967.40        | 461          | \$ 3,609.72         | \$ 9,404.40      | \$ 28,326.09  |
| Q6030    | 95 ft. H-5                  |                   | \$7,256.00     | \$ 7,401.12            | \$ 1,200.00         | \$ 2,624.72                 | \$ 4,967.40        | 340          | \$ 2,662.27         | \$ 6,936.00      | \$ 25,791.51  |
| Q6031    | 90 ft. H-6                  | 398679            | \$6,713.00     | \$ 6,847.26            | \$ 1,200.00         | \$ 2,624.72                 | \$ 4,967.40        | 340          | \$ 2,662.27         | \$ 6,936.00      | \$ 25,237.65  |
| Q6032    | 90 ft. H-2                  | 398679            | \$5,553.00     | \$ 5,664.06            | \$ 1,200.00         | \$ 2,624.72                 | \$ 4,967.40        | 350          | \$ 2,740.57         | \$ 7,140.00      | \$ 24,336.75  |
| Q6032A   | 95 ft. H-6                  | 398679            | \$7,986.00     | \$ 8,145.72            | \$ 1,200.00         | \$ 2,624.72                 | \$ 4,967.40        | 195          | \$ 1,526.89         | \$ 3,978.00      | \$ 22,442.73  |
| Q6033    | 90 ft. H-4                  | 398680            | \$6,119.00     | \$ 6,241.38            | \$ 1,200.00         | \$ 2,624.72                 | \$ 4,967.40        | 155          | \$ 1,213.68         | \$ 3,162.00      | \$ 19,409.18  |
| Q6034    | 95 ft. H-5                  |                   | \$7,336.00     | \$ 7,482.72            | \$ 1,200.00         | \$ 2,624.72                 | \$ 4,967.40        | 360          | \$ 2,818.87         | \$ 7,344.00      | \$ 26,437.72  |
| Q6034A   | 90 ft. H-6                  |                   | \$10,796.00    | \$ 11,013.96           | \$ 1,200.00         | \$ 2,624.72                 | \$ 4,967.40        | 160          | \$ 1,252.83         | \$ 3,264.00      | \$ 24,322.92  |
| Q6035    | 95 ft. H-1                  |                   | \$6,271.00     | \$ 6,396.42            | \$ 1,200.00         | \$ 2,624.72                 | \$ 4,967.40        | 200          | \$ 1,566.04         | \$ 4,080.00      | \$ 20,834.58  |
| Q6036    | 85 ft. Engineered Structure | 398681            | \$18,236.00    | \$ 18,602.76           | \$ 55,000.00        | \$ 4,464.46                 | \$ 7,782.60        | 360          | \$ 2,818.87         | \$ 7,344.00      | \$ 96,012.70  |
| Q6036A   | 105 ft. H-6                 | 410842            | \$8,871.00     | \$ 9,008.42            | \$ 1,200.00         | \$ 2,624.72                 | \$ 4,967.40        | 140          | \$ 1,096.23         | \$ 2,856.00      | \$ 22,812.77  |
| Q6037    | 105 ft. H-3                 | 410842            | \$7,007.00     | \$ 7,147.14            | \$ 1,200.00         | \$ 2,624.72                 | \$ 4,967.40        | 235          | \$ 1,663.49         | \$ 4,386.00      | \$ 22,008.76  |
| Q6038    | 110 ft. H-2                 | 410842, 410841    | \$9,876.00     | \$ 10,016.66           | \$ 1,200.00         | \$ 2,624.72                 | \$ 4,967.40        | 350          | \$ 2,740.57         | \$ 7,140.00      | \$ 25,688.25  |
| Q6039    | 110 ft. H-3                 | 410842            | \$7,200.00     | \$ 7,344.00            | \$ 1,200.00         | \$ 2,624.72                 | \$ 4,967.40        | 350          | \$ 2,740.57         | \$ 7,140.00      | \$ 26,016.69  |
| Q6040    | 115 ft. H-6                 | 410842            | \$8,198.00     | \$ 8,379.82            | \$ 1,200.00         | \$ 2,624.72                 | \$ 4,967.40        | 280          | \$ 2,192.46         | \$ 5,712.00      | \$ 26,076.50  |
| Q6041    | 105 ft. H-2                 | 410842            | \$6,761.00     | \$ 6,898.22            | \$ 1,200.00         | \$ 2,624.72                 | \$ 4,967.40        | 330          | \$ 2,583.97         | \$ 6,732.00      | \$ 25,004.31  |
| Q6042    | 95 ft. H-4                  | 410842            | \$7,100.00     | \$ 7,242.00            | \$ 1,200.00         | \$ 2,624.72                 | \$ 4,967.40        | 660          | \$ 5,167.93         | \$ 13,464.00     | \$ 34,666.06  |
| Total    |                             |                   | \$168,729.00   | \$ 172,103.58          | \$ 79,000.00        | \$ 56,958.93                | \$ 107,130.60      | 6,496        | \$ 50,864.98        | \$ 132,518.40    | \$ 598,576.49 |

Structure in Easement  
Part of Structure/Support in Easement  
Adjacent to easement/overhand in easement

|              |              |              |              |              |              |               |
|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| \$ 74,438.58 | \$ 10,800.00 | \$ 23,622.51 | \$ 44,706.60 | \$ 23,451.45 | \$ 61,098.00 | \$ 238,117.14 |
| \$ 18,602.76 | \$ 55,000.00 | \$ 4,464.46  | \$ 7,782.60  | \$ 2,818.87  | \$ 7,344.00  | \$ 96,012.70  |
| \$ 40,248.18 | \$ 7,200.00  | \$ 15,748.34 | \$ 29,804.40 | \$ 12,684.92 | \$ 33,048.00 | \$ 138,733.85 |

White - 0



## **EXHIBIT D**

### **LUMP SUM CONDUIT INSTALLATION COST**

Schedule Of Prices Report

Page 10 of 13

| BIDDER MUST FILL IN UNIT PRICES IN NUMERALS; MAKE EXTENSION FOR EACH ITEM AND TOTAL. FOR COMPLETE INFORMATION CONCERNING THESE ITEMS, SEE PLANS AND SPECIFICATIONS, INCLUDING SPECIAL PROVISIONS. |   |       |           |             |              |
|---|---|-------|-----------|-------------|--------------|
| Item No.  | Description                             | Units | Quantity  | Unit Price  | Total Price  |
| 2511.501  | RANDOM RIPRAP CLASS III                 | C Y   | 58.00     | \$45.00     | \$2,610.00   |
| 2511.501  | RANDOM RIPRAP CLASS IV                  | C Y   | 13,620.00 | \$45.00     | \$612,900.00 |
| 2511.515  | GEOTEXTILE FILTER TYPE IV               | S Y   | 1,574.00  | \$2.00      | \$3,148.00   |
| 2511.515  | GEOTEXTILE FILTER TYPE VII              | S Y   | 21,209.00 | \$2.00      | \$42,418.00  |
| 2521.501  | 4" CONCRETE WALK                        | S F   | 63,480.00 | \$3.04      | \$192,979.20 |
| 2521.501  | 6" CONCRETE WALK                        | S F   | 4,880.00  | \$10.14     | \$49,483.20  |
| 2531.501  | CONCRETE CURB & GUTTER DESIGN B424      | L F   | 47,890.00 | \$12.26     | \$587,131.40 |
| 2531.501  | CONCRETE CURB & GUTTER DESIGN B624      | L F   | 980.00    | \$15.64     | \$15,327.20  |
| 2531.618  | TRUNCATED DOMES                         | S F   | 560.00    | \$34.25     | \$19,180.00  |
| 2533.507  | PORTABLE PRECAST CONC BARRIER DES 8337  | L F   | 1,160.00  | \$19.00     | \$22,040.00  |
| 2533.508  | RELOCATE PORT PRECAST CONC BAR DES 8337 | L F   | 980.00    | \$5.25      | \$5,145.00   |
| 2545.509  | CONDUIT SYSTEM (POWER)                  | LS    | 1.00      | \$73,000.00 | \$73,000.00  |
| 2545.509  | CONDUIT SYSTEM (TELEPHONE)              | LS    | 1.00      | \$51,930.00 | \$51,930.00  |
| 2554.501  | TRAFFIC BARRIER DESIGN SPECIAL          | L F   | 50.00     | \$62.00     | \$3,100.00   |
| 2554.501  | TRAFFIC BARRIER DESIGN B8338            | L F   | 300.00    | \$18.00     | \$5,400.00   |
| 2554.505  | PERMANENT BARRICADES                    | L F   | 32.00     | \$38.00     | \$1,216.00   |
| 2554.509  | GUIDE POST TYPE B                       | EACH  | 127.00    | \$32.25     | \$4,095.75   |
| 2554.615  | IMPACT ATTENUATOR NO 1                  | AMBY  | 2.00      | \$3,550.00  | \$7,100.00   |
| 2554.615  | IMPACT ATTENUATOR NO 2                  | AMBY  | 4.00      | \$2,900.00  | \$11,600.00  |
| 2554.615  | RELOCATE IMPACT ATTENUATOR              | AMBY  | 2.00      | \$750.00    | \$1,500.00   |
| 2563.601  | TRAFFIC CONTROL                         | LS    | 1.00      | \$43,000.00 | \$43,000.00  |
| 2563.602  | PORTABLE CONCRETE BARRIER DELINEATOR    | EACH  | 39.00     | \$8.25      | \$321.75     |

Attachment: 17-70-E CSAH 22 CSAH 33 Relocation and Release Agreement (7786 : Utility Relocation and Release of Easements Agreement)



## RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve the Relocation and Release of Easement Agreements with Olmsted County and authorize the Mayor and the City Clerk to execute the Agreement subject to any final technical changes approved by the City Attorney and RPU General Manager.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 26th day of September, 2017.

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President

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Secretary

## FOR BOARD ACTION

Agenda Item # (ID # 7892)

Meeting Date: 9/26/2017

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**SUBJECT: Index of Board Policies**

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**PREPARED BY: Mark Kotschevar**

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ITEM DESCRIPTION:

This Index of Board Policies will accompany the Board Liaison Reports discussion.

UTILITY BOARD ACTION REQUESTED:

Informational only, no action required.

ROCHESTER PUBLIC UTILITIES  
BOARD POLICY STATEMENT

POLICY SUBJECT: UTILITY COMPLIANCE

POLICY OBJECTIVE:

The purpose of this policy is to express the Board's continued intent to perform all work in compliance with applicable laws and regulations and supporting ongoing compliance programs.

SCOPE

This policy applies to every RPU employee and all contracted personnel who, individually and collectively, are responsible for complying with federal, state, regional, and local rules and regulations. This also applies to all external vendors doing business with RPU, within the scope of services such vendors provide to RPU.

POLICY STATEMENT:

1. RPU's intent is to provide a corporate environment that fosters a culture of compliance applicable for all relevant laws, regulations, and codes. All employees, individually and collectively, have the responsibility to be familiar with the compliance programs that apply to his or her job and to conduct RPU's business in accordance with those compliance programs.
2. Through its management and employees, RPU will ensure compliance by:
  - a. Dedicating resources to establish and maintain a formal compliance program.
  - b. Providing timely and accurate compliance program documentation, and disseminating such documentation to RPU employees.
  - c. Ensuring direct access by compliance program officials to the General Manager and/or the RPU Board.
  - d. Operating and managing the formal compliance program in such a manner as to maintain its independence from other RPU programs.
  - e. Ensuring that, within the scope of applicable labor laws and relevant employment contracts including collective bargaining agreements, policies regarding compensation, promotion, and disciplinary action take into account an employee's compliance with applicable rules and regulations, and the reporting of known or suspected misconduct and/or violations.



- f. Reviewing the formal compliance program periodically, and providing regularly scheduled training to employees.
  - g. Establishing an audit process whereby RPU can evaluate its compliance with applicable rules and regulations.
  - h. Provide compliance variance reporting to the Board, at least annually.
3. Where misconduct or a violation is identified, RPU will take immediate steps to cease the misconduct or violation, promptly notify relevant regulatory authorities, and cooperate fully in investigatory activities.
  4. The Board delegates to the General Manager the authority to act on its behalf to ensure compliance with the objectives of this Policy.
  5. The Board's delegated authority to the General Manager extends to the development and implementation of management policies and procedures required to meet this stated objective.
  6. The General Manager's delegated authority is limited only by law, City of Rochester Home Rule Charter provisions, City Policies or other policies which the Board has adopted or may adopt in the future.

RELEVANT LEGAL AUTHORITY: Rochester City Charter Chapter XV, Section 15.05

EFFECTIVE DATE OF POLICY: \_\_\_\_\_

DATE OF POLICY REVIEW: \_\_\_\_\_

POLICY APPROVAL: \_\_\_\_\_

\_\_\_\_\_  
Board President

\_\_\_\_\_  
Date

## FOR BOARD ACTION

Agenda Item # (ID # 7881)

Meeting Date: 9/26/2017

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**SUBJECT: Proposed Rate Change Discussion**

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**PREPARED BY: Mark Kotschevar**

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**ITEM DESCRIPTION:**

Last month the Board authorized staff to publicly advertise a proposed overall general rate increase of up to 1.5% for 2018 and 1.9% for 2019. Attached is a copy of the notice that was placed in the Rochester Post Bulletin and on our website. It details the proposed changes by individual rate class based on the cost of service study and highlights the upcoming Board meetings available for public comment. Staff will update the Board on feedback we have received and be available for any questions.

**UTILITY BOARD ACTION REQUESTED:**

Informational item only. No action requested.

|           |                       |            |                     |
|-----------|-----------------------|------------|---------------------|
| CUSTOMER: | ROCH PUBLIC UTILITIES | PROOF TIME | 9/7/2017 1:43:04 PM |
| REP ID:   | RO043                 | FIRST RUN: | 09/08/17            |
|           |                       | SIZE:      | 3X14.5              |

|   |                                   |   |            |            |
|---|-----------------------------------|---|------------|------------|
|    |                                   | <p>On August 29, 2017, the RPU Utility Board reviewed the proposed 2018 RPU budget. Included in the budget was an overall general electric increase of 1.5% in 2018 and 1.9% in 2019. The Board has directed staff to give public notice of the proposed rates in the paper of record. The table below includes the actual increase by rate. The proposed rates will also be available on the RPU website (www.rpu.org) and by calling RPU Customer Service (507.280.1500).</p> <p>Public comment on the proposed rates will be taken at the September 26, October 24, and November 14, 2017 RPU Board Meetings. If approved, the RPU Board will be recommending approval from the City Council on November 20, at 7 p.m.</p> <p>Please contact Tony Benson at 507-280-1534 or email at <a href="mailto:tbenson@rpu.org">tbenson@rpu.org</a>.</p> |            |            |
| Proposed 2018 RPU Budget<br>1.5% Overall Rate Increase  |                                   | 2017  | 2018       | 2019       |
| Residential Rate RES  | Customer Charge                   | \$ 18.76  | \$ 19.50   | \$ 20.50   |
|   | Non Summer Energy (KWH)           | \$ 0.10064  | \$0.10193  | \$0.10384  |
|   | Summer Energy (KWH)               | \$ 0.12083  | \$0.12212  | \$0.12403  |
| Residential Dual Fuel Rate RES-DF   | Energy Charge (KWH)               | \$ 0.07240  | \$0.07513  | \$0.07870  |
| Residential High Efficiency HVAC Rate RESELGEO  | Customer Charge                   | \$ 18.76  | \$ 19.50   | \$ 20.50   |
|   | Non Summer Energy first 600 kwh   | \$ 0.11420  | \$0.10193  | \$0.10384  |
|   | Non Summer Energy over 600 kwh    | \$ 0.07892  | \$0.08708  | \$0.08708  |
|   | Summer Energy (KWH)               | \$ 0.13562  | \$0.12212  | \$0.12403  |
| Small General Service Rate GS   | Customer Charge                   | \$ 38.75  | \$ 40.00   | \$ 41.00   |
|   | Non Summer Energy (KWH)           | \$0.10299   | \$0.10329  | \$0.10343  |
|   | Summer Energy (KWH)               | \$0.12328   | \$0.12714  | \$0.13312  |
| SGS – High Efficiency HVAC Rate GS-HEF  | Customer Charge                   | \$ 38.75  | \$ 40.00   | \$ 41.00   |
|   | Non Summer Energy (KWH)           | \$0.09279   | \$0.08955  | \$0.08628  |
|   | Summer Energy (KWH)               | \$0.12328   | \$0.12714  | \$0.13312  |
| SGS – Time-of-Use Rate GS-TOU   | Customer Charge                   | \$ 38.75  | \$ 40.00   | \$ 41.00   |
|   | Non Summer On-Peak Energy         | \$0.17595   | \$ 0.17732 | \$ 0.17921 |
|   | Non Summer Off-peak Energy (KWH)  | \$0.05822   | \$ 0.05964 | \$ 0.06153 |
|   | Summer On-peak Energy             | \$0.22036   | \$ 0.22178 | \$ 0.22367 |
|   | Summer Off-peak Energy            | \$0.06190   | \$ 0.06332 | \$ 0.06521 |
| Medium General Service Rate MGS   | Non Summer Demand (KW)            | \$ 15.830   | \$ 16.830  | \$ 17.830  |
|   | Summer Demand (KW)                | \$ 20.060   | \$ 22.060  | \$ 24.060  |
|   | Non Summer Energy (KWH)           | \$0.06098   | \$0.05870  | \$ 0.05650 |
|   | Summer Energy (KWH)               | \$0.06098   | \$0.05870  | \$ 0.05650 |
| MGS – High Efficiency HVAC Rate MGS-HEF   | Non Summer Demand On Peak (KW)    | \$ 13.610   | \$ 15.000  | \$ 16.500  |
|   | Summer Demand Off Peak (KW)       | \$ 20.640   | \$ 20.640  | \$ 20.640  |
|   | Non Summer Energy (KWH)           | \$ 0.05098  | \$0.04888  | \$ 0.04724 |
|   | Summer Energy (KWH)               | \$ 0.06006  | \$ 0.05985 | \$ 0.05881 |
|   | Transformer Ownership Credit      | \$ 0.35   | \$ 0.35    | \$ 0.35    |
| MGS – Time of Use Rate MGS-TOU  | Non Summer Demand On Peak (KW)    | \$ 15.830   | \$ 16.830  | \$ 17.830  |
|   | Non Summer Demand Off Peak (KW)   | \$ 1.933  | \$ 1.933   | \$ 1.933   |
|   | Non Summer Energy (KWH)           | \$0.06098   | \$0.05888  | \$ 0.05724 |
|   | Summer Demand On-Peak (KW)        | \$ 20.060   | \$ 22.060  | \$ 24.060  |
|   | Summer Demand Off-Peak (KW)       | \$ 1.933  | \$ 1.933   | \$ 1.933   |
|   | Summer Energy (KWH)               | \$0.06098   | \$0.05888  | \$ 0.05724 |
|   | Transformer Ownership Credit      | \$ 0.35   | \$ 0.35    | \$ 0.35    |
| Large General Service Rate LGS  | Demand (KW)                       | \$ 18.100   | \$ 19.000  | \$ 20.000  |
|   | Energy (KWH)                      | \$0.06057   | \$0.05959  | \$0.05867  |
|   | Transformer Ownership Credit (KW) | \$ 0.35   | \$ 0.35    | \$ 0.35    |
| Large Industrial Service Rate LIS   | Demand (KW)                       | \$ 18.860   | \$ 19.500  | \$ 20.500  |
|   | Energy (KWH)                      | \$ 0.05618  | \$ 0.05216 | \$ 0.05240 |
| Interruptible Service Rate INTR   | Demand MGS (KW)                   | \$ 8.950  | \$ 10.950  | \$ 12.950  |
|   | Demand LGS (KW)                   | \$ 9.740  | \$ 10.640  | \$ 11.640  |
|   | Demand LIS (KW)                   | \$ 10.080   | \$ 10.720  | \$ 11.720  |
| Civil Defense Sirens CDS (Closed)<br>(See Unmetered Device Rate)  | Fixed                             | \$ 16.29  | \$ N/A     | \$ N/A     |
| Unmetered Device Rate   | Fixed                             | \$ N/A  | \$ 11.18   | \$ 11.18   |
|   | Energy                            | \$ N/A  | \$ 0.11217 | \$ 0.11448 |
| City Street Lighting CSL  | Mercury Vapor (KWH)               | \$0.21620   | \$0.22377  | \$0.23249  |
|   | Metal Halide (KWH)                | \$0.22929   | \$0.23732  | \$0.24657  |
|   | LED (KWH)                         | \$0.37143   | \$0.38443  | \$0.39942  |
|   | High Pressure Sodium (KWH)        | \$0.21620   | \$0.22377  | \$0.23249  |
| Security Lighting SL  |                                   |   |            |            |
| 175 Watt Mercury Vapor  | Fixed                             | \$ 10.71  | \$ 10.66   | \$ 10.65   |
| 250 Watt Mercury Vapor  | Fixed                             | \$ 13.10  | \$ 13.03   | \$ 13.02   |
| 400 Watt Mercury Vapor  | Fixed                             | \$ 18.61  | \$ 18.52   | \$ 18.50   |
| High Pressure Sodium Vapor Lights (Closed)  | 70 Watt                           | \$ 9.33   | \$ 9.28    | \$ 9.27    |
|   | 100 Watt                          | \$ 11.11  | \$ 11.05   | \$ 11.04   |
|   | 150 Watt (Roadway)                | \$ 12.49  | \$ 12.43   | \$ 12.42   |
|   | 250 Watt                          | \$ 15.55  | \$ 15.47   | \$ 15.46   |
|   | 400 Watt                          | \$ 20.39  | \$ 20.29   | \$ 20.27   |
|   |                                   |   |            |            |
| Light Emitting Diode (LED) Lights   |                                   |   |            |            |
|   |                                   |   |            |            |
| LED Area Light  | Fixed                             | \$ 11.11  | \$ 11.05   | \$ 11.04   |
| LED Roadway Light   | Fixed                             | \$ 15.55  | \$ 15.47   | \$ 15.46   |
| Traffic Signals TS  | Fixed                             | \$ 32.07  | \$ 33.00   | \$ 34.00   |
|   | Energy                            | \$ 0.10543  | \$0.10528  | \$ 0.10547 |
| Clean Air Rider CAR   | Energy                            | \$0.00171   | \$0.00180  | \$ TBD     |
| Public Car Charging Rate (PCCR)*  |                                   |   |            |            |
|   |                                   |   |            |            |
|   |                                   |   |            |            |
| 4pm to 7pm (per hr)   | Fixed                             | \$ 2.00   | \$ 2.00    | \$ 2.00    |
| All other times (per hr)  | Fixed                             | \$ 0.75   | \$ 0.75    | \$ 0.75    |
| *Requires registration with ChargePoint.com   |                                   |   |            |            |
| The impact of the proposed rate increase for the average residential customer is approximately \$1.55 per month in 2018 and \$2.19 per month in 2019. This increase can be offset by using RPU's Conserve and Save rebate program and replacing two existing 60 watt incandescent lightbulbs with two 9 watt LED bulbs. |                                   |   |            |            |

Attachment: RO-221657 (2) (7881 : Proposed Rate Change Discussion)

## FOR BOARD ACTION

Agenda Item # (ID # 7888)

Meeting Date: 9/26/2017

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**SUBJECT: Division Reports & Metrics - September 2017**

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**PREPARED BY: Mark Kotschevar**

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ITEM DESCRIPTION:

UTILITY BOARD ACTION REQUESTED:

|   |               |                             |
|---|---------------|-----------------------------|
| ROCHESTER PUBLIC UTILITIES                                |               |                             |
| INDEX OF BOARD POLICIES                                   |               |                             |
|   |               |                             |
|   | REVISION DATE | RESPONSIBLE BOARD COMMITTEE |
| <b>BOARD</b>  |               |                             |
| 1. Mission Statement                                      | 6/26/2012     | Policy                      |
| 2. Responsibilities and Functions                         | 3/27/2012     | Policy                      |
| 3. Relationship with the Common Council                   | 2/28/2012     | Policy                      |
| 4. Board Organization                                     | 3/29/2016     | Policy                      |
| 5. Board Procedures                                       | 3/27/2012     | Policy                      |
| 6. Delegation of Authority/Relationship with Management   | 2/28/2012     | Policy                      |
| 7. Member Attendance at Conferences and Meetings          | 6/10/1986     | Policy                      |
| 8. Member Expenses  | 6/10/1986     | Combine with #7             |
| 9. Conflict of Interest                                   | 11/26/1985    | Delete                      |
| 10. Alcohol and Illegal Drugs                             | 7/28/1988     | Delete                      |
| 11. Worker Safety   | 3/27/2012     | Policy                      |
|   |               |                             |
| <b>CUSTOMER</b>   |               |                             |
| 12. Customer Relations                                    | 5/8/1984      | Ops & Admin                 |
| 13. Customer and Public Information                       | 4/10/1984     | Communications              |
| 14. Application for Service                               | 7/1/2016      | Ops & Admin                 |
| 15. Line Extension Policy                                 | 3/28/2017     | Finance                     |
| 16. Billing, Credit and Collections Policy                | 7/25/2017     | Finance                     |
| 17. Electric Service Availability                         | 4/28/1998     | Ops & Admin                 |
| 18. Electric Metering                                     | 4/10/1984     | Ops & Admin                 |
| 19. Electric & Water Bill Adjustment                      | 3/10/1994     | Finance                     |
| 20. Rates   | 7/25/2017     | Finance                     |
| 21. RPU Cold Weather Disconnect Policy                    | 9/28/2010     | Communications              |
|   |               |                             |
| <b>ADMINISTRATIVE</b>                                     |               |                             |
| 22. Acquisition and Disposal of Interest in Real Property | 3/26/2002     | Ops & Admin                 |
| 23. Electric Utility Cash Reserve Policy                  | 1/13/2017     | Finance                     |
| 24. Water Utility Cash Reserve Policy                     | 1/13/2017     | Finance                     |
| 25. Charitable Contributions                              | 11/26/1985    | Communications              |
| 26. Compliance Policy (PENDING)                           | PENDING       | Communications              |
| 27. Contribution in Lieu of Taxes                         | 6/29/1999     | Finance                     |
| 28. Debt Issuance (PENDING)                               | PENDING       | Finance                     |
| 29. Joint-Use of Fixed Facilities and Land Rights         | 10/8/1996     | Ops & Admin                 |
| 30. Customer Data Policy                                  | 10/9/2014     | Communications              |
| 31. Life Support  | 10/9/2014     | Communications              |
|   |               |                             |
| Red - Currently being worked on                           |               |                             |
| Yellow - Will be scheduled for revision                   |               |                             |