



MEETING AGENDA – MARCH 27, 2018

BOARD ROOM
4000 EAST RIVER ROAD NE
ROCHESTER, MN 55906

4:00 PM

Call to Order

1. Approval of Agenda

2. Approval of Minutes

1. Public Utility Board - Regular Meeting - Feb 20, 2018 4:00 PM

3. 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.)

4. Consideration Of Bids

1. Bandel Reservoir Storage Tank Repair/Repainting
Resolution: Bandel Reservoir Storage Tank Repair/Repainting

5. Regular Agenda

1. Standby Electric Service and License Agreement (Rochester Campus)
Resolution: License and Standby Electric Service Agreements (Rochester Campus)
2. Microsoft Enterprise Agreement License Renewal
Resolution: Microsoft Enterprise Agreement License Renewal
3. Annual Update of Cost and Rate Schedules for Cogeneration & Small Power Production (SPP) Rate Tariff
Resolution: Annual Update of Cost and Rate Schedules for Cogeneration & SPP Rate Tariff
4. Board Organization Policy
Resolution: Board Organization Policy

6. Informational

1. Distributed Generation Interconnect Rules - Information Only
2. Involuntary Disconnection Policy

7. Board Liaison Reports

1. RPU Index of Board Policies

8. General Managers Report

9. Division Reports & Metrics

10. Other Business

11. Adjourn

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



MEETING MINUTES – FEBRUARY 20, 2018

BOARD ROOM
4000 EAST RIVER ROAD NE
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	Present	

1. Approval of Agenda

- Motion to:** approve the agenda as presented

RESULT: APPROVED [UNANIMOUS] MOVER: Melissa Graner Johnson, Board Member SECONDER: Tim Haskin, Board Member AYES: Browning, Haskin, Johnson, Morgan, Wojcik

2. Approval of Minutes

- Public Utility Board - Regular Meeting - Jan 30, 2018 4:00 PM
- Motion to:** approve the minutes as presented with the addition of a formal vote for the election of Board president

Board Member Melissa Graner Johnson noted there should be a formal vote in the Minutes of January 30, 2018, for the election of Board president. The vote was added to the Minutes after the meeting.

RESULT: APPROVED [UNANIMOUS] MOVER: Melissa Graner Johnson, Board Member SECONDER: Tim Haskin, Board Member AYES: Browning, Haskin, Johnson, Morgan, Wojcik

3. Approval of Accounts Payable

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

In reference to a payment for a boat license, Board member Melissa Graner Johnson asked whether RPU owns a boat. General Manager Mark Kotschevar replied that RPU has a boat that is used at Lake Zumbro.

Board member Brian Morgan asked about line item #7, a Conserve and Save Rebate issued to Target in the amount of \$51,772.00. Manager of Marketing and Energy Services Patty Hanson stated that it is for lighting.

Ms. Johnson recused herself from voting on line item #138.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Michael Wojcik, Board Member
SECONDER:	Tim Haskin, Board Member
AYES:	Browning, Haskin, Johnson, Morgan, Wojcik

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. Four people came forward to speak.

Ray Schmitz, of Rochester, said he had three questions for the Board. First, he wanted to obtain the source of the fire hydrant fee that appears on customer water bills. Second, what is RPU doing in terms of the Minnesota Energy Resources Corporation (MERC) rate increase, especially with regard to the West Side Energy Station? Third, the Parker Hotel in Rochester is being remodeled from a 6-plex to a 10-plex that will be made available to low income renters, with all utilities covered except for electricity - doesn't this subject those renters to RPU's customer charge?

General Manager Mark Kotschevar stated that he had sent information on the fire hydrant fee to the Rochester City Clerk's office. The hydrant fee, said Mr. Kotschevar, was added at the request of the Rochester City Council. In response to the MERC question, Mr. Kotschevar replied that he will look into it.

President Mark Browning asked if the Parker Hotel is already a commercial customer. They are not, said Mr. Kotschevar; the customers are individually metered per Board policy. Board Member Michael Wojcik asked what the customer charge would be for a single commercial customer? Key Accounts Representative Dirk Bierbaum replied it would be \$38.

Micah Johnson, of Rochester, spoke in favor of time-of-use rates as opposed to fixed rates going up. He said this seems to be what the public wants and the way of the future. He encouraged the Board to look into this.

Kelli Lytle, a health researcher from Rochester, shared that the University of Minnesota Rochester held a panel forum regarding the banning of silica sand mining, which she supports. She also supports finding alternative sources for energy. President Browning offered that RPU can provide her with more information on this subject.

Rick Morris, of Rochester, also spoke against frac sand mining and distributed a fact sheet from the Land Stewardship Project with information on the threat to the land, people and communities. He pointed out that one of our neighbors, the City of St. Louis Park, has made the commitment to a climate action plan to achieve 100 percent renewable electricity by 2030. He said the City of Rochester should follow this example.

President Browning took a moment to introduce new City Attorney Jason Loos, and welcomed him to the Board.

President Browning acknowledged an Honor Award received by RPU and Ulteig Engineers for engineering excellence in the Douglas Trail Substation project from the American Council of Engineering Companies (ACEC) of Minnesota. Douglas Trail Substation project manager Neil Stiller accepted the award on behalf of RPU on January 26, 2018, in Brooklyn Center, Minnesota.

4. Informational

1. Board Organization Policy

The latest version of the Board Organization policy was presented to the Board for review. The Board is seeking to change the timing of the election of Board President from January to May and has added the office of Vice President. President Browning suggested some additional revisions. Regarding when the Board President, Vice President and Secretary take office, he asked that it be immediately following the meeting when the election takes place, and regarding times when the President and Vice President are unavailable, he requested that President pro-tem be determined by a quorum. The latter change was at the suggestion of City Attorney Jason Loos.

Additionally, President Browning pointed out that the policy does not contain a provision allowing the Board's City Council liaison to hold office. Board Member Michael Wojcik, the City Council liaison, suggested that the liaison could run a meeting if the President and Vice President were absent, but not be elected.

*In regard to Board committee assignments, President Browning said his intent is to keep the current assignments as they are: **Finance Committee** - Mark Browning, Melissa Graner-Johnson, **Communications Committee** - Melissa Graner-Johnson, Brian Morgan, **Strategic Planning Committee** - Tim Haskin, Brian Morgan, **Operations and Administration Committee** - Tim Haskin, Melissa Graner Johnson, **Policy Committee** - Mark Browning, Brian Morgan. By consensus this was approved.*

The Board Organization policy will be brought back to the Board for review and approval at the March meeting with these changes incorporated.

2. Involuntary Disconnection Policy

General Manager Mark Kotschevar presented the revised Involuntary Disconnection policy, formerly the Cold Weather Disconnect policy, to the Board for review. The new version adds provisions for warm as well as cold weather, and restates what is covered in the state statutes. About 270 of RPU's 49,000 customers are currently on the cold weather plan, said Mr. Kotschevar, but more are expected to join as the April 15 deadline approaches.

When RPU intends to involuntarily disconnect a customer, who gets notified at City Hall, asked President Browning? Manager of Marketing and Energy Services Patty Hanson stated the Building Safety department is notified.

Board Member Brian Morgan asked who from the organization monitors the heat indices. Ms. Hanson stated that RPU receives weather notifications through its System Operations department.

Board Member Mike Wojcik asked that the City Attorney review the policy since state statutes change. He also requested that the policy document be posted publicly to allow time for public comment. He recommended posting it on the RPU website and issuing a press release.

3. Westside Energy Station Project Status Report

Director of Power Resources Wally Schlink presented an update on the West Side Energy Station project. Currently, the station is being staffed, operator and electrical training is taking place, a punch list is being completed with Westside Energy Partners, 50 hour maintenance is being performed and market offering strategy is being determined. Upcoming activities include site restoration with pollinator plantings, the construction of a materials storage building, remaining punch list items and a performance test of engine 2.

The project has come in on time and under budget, said Mr. Schlink, starting with an original budget of \$74,819,000 and a current commitment to date of \$66,769,735.

President Browning asked when the station will go commercial. Mr. Schlink replied that commercial operation is planned for the second week of March.

4. Cayenta Customer Care System Update

Director of Corporate Services Peter Hogan provided the Board with a status report on the implementation of the Cayenta Customer Care System software. The Board learned last month that the project is behind schedule and its launch may be delayed by up to four months, from March to July 2018. This is the second time the project has been delayed due to Cayenta issues, and staff informed the Board last month that it will not pay any additional funds to Cayenta. It was suggested at the last Board meeting that RPU review its contract with Cayenta. Outgoing City Attorney Terry Adkins reviewed the contract, and is of the opinion that RPU has fulfilled all of its obligations under the contract and is in a favorable legal position, said Mr. Hogan. RPU has been in discussions with Cayenta regarding the delay and has seen a recent increase in work and deliverables, Mr. Hogan stated.

Due to the extension of the project, RPU has had to extend its contracts with limited term employees working on the project to August 2018. Mr. Hogan said he will come back to the Board next month with a stronger go-live date and the cost of the extended resources, which is now estimated at \$150,000.

President Browning and General Manager Mark Kotschevar will meet with Cayenta to discuss the project timeline and budget on March 8. President

Browning said a project status update will now appear as a standing Board agenda item until project completion.

Board Member Brian Morgan asked Mr. Hogan if he feels the project is now under control. There is enough additional pressure on Cayenta now to work towards an earlier go-live date, and the utility is hopeful, Mr. Hogan replied.

5. Board Liaison Reports

In review of the index of Board policies, Board Member Michael Wojcik asked if two policies can be eliminated since RPU is covered under the City's policies -- the Conflict of Interest policy and the Alcohol and Illegal Drugs policy. City Attorney Jason Loos stated the RPU Board would be covered under the City policies. If the two policies are obsoleted, Board Member Melissa Graner Johnson requested that the City's policies be sent to the Board members for review.

Mr. Wojcik stated he would like to advocate for a new policy on Underground Utilities. He asked that it be put on the index of policies as a placeholder for now.

President Browning shared that the Board's audit committee met today with representatives of Baker Tilly Virchow Krause, who are on-site this week conducting a financial audit of the utility. Early into the audit, there appeared to be no issues, he said.

6. General Managers Report

General Manager Mark Kotschevar attended the American Public Power Association (APPA) CEO Roundtable event in Phoenix, Arizona, February 11-13. He attended programs on cyber security and cyber threats, crisis communication, marketing, and a speech from Geek Squad founder Robert Stephens on the topic of harnessing disruption and cultivating innovation. Mr. Kotschevar also planned to attend the APPA Legislative Rally in Washington DC, February 26-28.

Mr. Kotschevar shared that he is participating on a committee of the Minnesota Municipal Utilities Association / Minnesota Rural Electric Association (MMUA/MREA) CIP task force discussing potential changes in 2019.

A retirement coffee for Director of Power Resources Wally Schlink is planned for March 14 at the RPU service center, and Mr. Kotschevar invited all to attend.

7. Division Reports & Metrics

During discussion of the utility's Division Reports and Metrics, Board Member Brian Morgan asked of the nature of the single recordable injury reported in the OSHA recordables for January 2018. General Manager Mark Kotschevar replied that an employee at the West Side Energy Station slipped on some ice and injured his knee.

President Browning noted that nine fire hydrants were damaged due to being hit by vehicles and or snow plows during the month of January, according to the Core Services water utility report, and asked if RPU gets reimbursed for those damages. Director of Core Services Sidney Jackson stated that the utility gets reimbursed to the extent that the insurance providers can get those funds.

Board Member Michael Wojcik requested a high level summary of how the utility performed financially at the end of 2017. Director of Corporate Services Peter Hogan said that RPU finished out the year very positively. Mr. Kotschevar added that the utility is still waiting for an

order from the Federal Energy Regulatory Commission (FERC) on its dispute with Xcel Energy, which may provide additional revenue to RPU.

8. Other Business

9. Adjourn

Board Study Session immediately following meeting

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Submitted by:

Secretary

Approved by the Board

Board President

Date

Minutes Acceptance: Minutes of Feb 20, 2018 4:00 PM (Approval of Minutes)

ACCOUNTS PAYABLE

Meeting Date: 3/27/2018

SUBJECT: a/p board listing

PREPARED BY: Terri Engle

Please approve

ROCHESTER PUBLIC UTILITIES
A/P Board Listing By Dollar Range
For 02/12/2018 To 03/08/2018
Consolidated & Summarized Below 1,000

Greater than 50,000 :

1			
2			
3	SOUTHERN MN MUNICIPAL POWER A	January SMMPA Bill	7,905,666.87
4	MN DEPT OF REVENUE	January Sales and Use Tax	668,423.73
5	WESTSIDE ENERGY PARTNERS	Partial release of contract retention for WES	508,010.45
6	CONSTELLATION NEWENERGY-GAS D	January Gas SLP	242,480.93
7	BORDER STATES ELECTRIC SUPPLY	840-Meter, 12S CL200 120V 2-WAY W/Disconne	162,654.36
8	WESTSIDE ENERGY PARTNERS	Westside Energy Station (WES) Engineering	108,113.98
9		Procurement Contract	
10	CONSTELLATION NEWENERGY-GAS D	January Gas for Cascade Creek	84,822.87
11	OSI-OPEN SYSTEMS INTERNATIONA	2018 Monarch Gold support and service	78,577.85
12	ENVIRONMENTAL SYSTEMS RESEARC	2017-20 Esri Enterprise Lic. Agrmt Renew	76,289.06
13	MN DEPT OF HEALTH	Community Water Supply Fee Jan-March 201	61,982.00
14	N HARRIS COMPUTER CORP	Cayenta Implementation Services	59,980.00
15	SPARTA CONSULTING INC	2017-18 SAP Application Support~	50,560.00
16			
17		Price Range Total:	10,007,562.10

5,000 to 50,000 :

18			
19	ALL SYSTEMS INSTALLATION dba	Low Voltage Serv Ctr Expansion Contract	43,735.65
20	KAHLER GRAND HOTEL	CIP Conserve & Save Rebates-cooling equip	43,362.00
21	BILLTRUST dba	16-18 CC/Billing/Mailing/IVR Services	43,055.32
22	TELVENT USA LLC	2018 ArcFM Web Maintenance	42,826.39
23	CLEMENTS CHEVROLET CADILLAC S	2018 Chevy Silverado 2500HD 4WD (V617)	34,046.00
24	DOBLE ENGINEERING COMPANY	Insulation Analyzer & Test Equip Rental	33,238.13
25	MAYO FOUNDATION	CIP Conserve & Save Rebates	33,026.40
26	DAKOTA SUPPLY GROUP	100-Luminaire, 108W LED, PC 120-277V, Gray	30,566.25
27	FRANKLIN ENERGY SERVICES LLC	2018 DSM / CIP Services	30,497.75
28	HUNT ELECTRIC CORP	Project Electrician	29,615.41
29	PEOPLES ENERGY COOPERATIVE (P	February Compensable	28,763.72
30	WRIGHT TREE SERVICE INC	2018 Hourly Tree Trimming~	27,427.33
31	VICS CRANE AND HEAVY HAUL INC	Transformer relocation Cascade Creed to	25,500.00
32		Douglas Trail	
33	WESCO DISTRIBUTION INC	2-Switch, PM, Air, 3PH, 2-600SW/2-200F PSE	24,896.00
34	U S ALLIANCE GROUP	February Credit Card Processing Fees	23,753.13
35	THE ENERGY AUTHORITY INC	January TEA Resource Fee	22,776.24
36	THE ENERGY AUTHORITY INC	February TEA Resource Fee	22,776.24
37	SHI INTERNATIONAL CORP (P)	Microsoft Enterprise True Up	22,275.96
38	CENTURYLINK	WES Phone Service Cable	21,734.88
39	CITY OF ROCHESTER	Workers Comp Payments	21,643.04
40	BLUESPIRE STRATEGIC MARKETING	2016 - 2019 RPU Plugged In Contract	20,885.00
41	MINNESOTA CHILDRENS MUSEUM	Modifications and Curriculum changes	19,500.00
42	BORDER STATES ELECTRIC SUPPLY	120-Meter, FM2S CL200 240V 2WAY W/Disconr	17,955.00
43	ULTEIG ENGINEERS INC	Cascade Creek Sub Transformer Replace	16,860.00
44	CITY OF ROCHESTER	CIP Conserve & Save Rebates-lighting & VSD	16,585.94
45	WELLS FARGO BANK ACCT ANALYSI	2018 Banking Services	16,402.36
46	VERIZON WIRELESS	Customer Refunds for overpayment slp tower	14,974.43
47		agreement	
48	STUART C IRBY CO INC	3-Trans, PM, 3ph, 45kVA, 13.8/8,208/120 Std	14,667.00
49	A F P TRANSFORMERS INC	2-Transformer, 75kVa	14,492.00
50	BARR ENGINEERING COMPANY (P)	Roch Groundwater Model Update	14,294.00
51	XYLO TECHNOLOGIES INC	2018 IT Helpdesk Support	13,919.50

Attachment: AP Board CrMo (8699 : a/p board listing)

ROCHESTER PUBLIC UTILITIES
A/P Board Listing By Dollar Range
For 02/12/2018 To 03/08/2018
Consolidated & Summarized Below 1,000

50	CENTURYLINK	2018 Monthly Telecommunications	13,630.56
51	ELECTRICAL POWER PRODUCTS INC	Release of contract retention for Douglas Trail Substation	12,874.80
52	HDR ENGINEERING INC	Water Main Analysis	12,785.55
53	TIMBERLAND HEIGHTS APTS	CIP Conserve & Save Rebates-lighting	12,742.00
54	MINNESOTA ENERGY RESOURCES CO	January Gas WES	12,666.74
55	EPLUS TECHNOLOGY INC	Professional Services WES Installation	11,813.70
56	N HARRIS COMPUTER CORP	Travel for Cayenta Implementation Serv	10,517.32
57	POWER SYSTEMS ENGINEERING INC	Substation Siting Study	10,054.42
58	DELL MARKETING LP	10-Computer, Dell Optiplex 7050	10,045.18
59	STUART C IRBY CO INC	2018 Rubber Goods Testing & Replacement	9,978.56
60	S L CONTRACTING INC	excavating on sanitary sewer main	9,849.00
61	BORDER STATES ELECTRIC SUPPLY	5-Mobile radio w/USB cable	9,375.00
62	SPECTRUM REACH	Scams Ads	8,978.00
63	RSP ARCHITECTS LTD.	Service Center Expansion Project	8,466.00
64	U S A SAFETY SUPPLY	25-Lanyard, ARC Rated Shock Absorbing, 8'	7,958.98
65	CHS ROCHESTER	January Fuel	7,916.34
66	CHS ROCHESTER	February Fuel	7,900.53
67	EPLUS TECHNOLOGY INC	2018 Network maintenance services	7,870.50
68	CENTRAL MINNESOTA MUNICIPAL P	Capacity Purchases from CMMPA	7,600.00
69	POWER SYSTEMS ENGINEERING INC	Dynamic Stability Simulation	7,500.00
70	CENTER FOR ENERGY AND ENVIRON	Rate Design Proposal	7,122.50
71	T S E INTERNATIONAL INC	Bullwheels & Shafts	7,030.23
72	TIMBERLAND PARTNERS XXXVII, L	CIP Conserve & Save Rebates-Lighting	6,922.00
73	A & A ELECT & UNDERGROUND CON	Directional Boring and Related Services	6,772.80
74	MASTEC NORTH AMERICA INC	Joint trench - Catalina Ridge 7009455	6,627.64
75	SPECTRUM REACH	Service Assured Ad	6,200.00
76	NALCO COMPANY	1-Spectrophotometer	6,020.00
77	ARISE INC	2018 Jurisdictional Insp SLP and SC	5,860.00
78	STUART C IRBY CO INC	1-Trans, PM, 3ph, 112.5kVA,13.8/8,208/120	5,833.00
79	STUART C IRBY CO INC	1-Trans, PM, 3ph, 112.5kVA,13.8/8,480/277	5,812.00
80	EPLUS TECHNOLOGY INC	Customer Phone Contact Interface Cayenta	5,800.00
81	OULDAL ENTERPRISES INC	CIP Conserve & Save Rebates-refrigeration, lighting & custom	5,730.21
82	VIKING ELECTRIC SUPPLY INC	9,000 ft-Wire, Copper, 600V, #6 Str, XLP	5,655.63
83	SCHWEITZER ENGINEERING LAB IN	2-Relay, SEL 351-S6, 48v DC	5,510.00
84	ELITE CARD PAYMENT CENTER	Training Van Sky SANS	5,380.00
85	CPMI INC	Owner Rep Service Center Project	5,355.00
86	GRAYBAR ELECTRIC COMPANY INC	5-SL Pole, 30', 16 sided, SS, No Arm, Gray	5,290.63
87	TOTAL TOOL SUPPLY INC (P)	air pump	5,279.73
88	MINNESOTA CHILDRENS MUSEUM	2018 Exhibits Hosting Grant	5,250.00
89	PITNEY BOWES 10041747 RESERVE	Prepay Postage	5,000.00
90			
91		Price Range Total:	1,105,025.62
92			
93	<u>1,000 to 5,000 :</u>		
94			
95	TWIN CITY SECURITY INC	2018 Security Services for WES	4,975.30
96	SUNBELT RENTALS	Equipment rental for WES	4,973.11
97	VERIZON WIRELESS	2018 Cell & iPad Monthly Service	4,907.89
98	BARR ENGINEERING COMPANY (P)	General water sustainability groundwater	4,884.50
99	STUART C IRBY CO INC	420-Bulb, 100W, HPS	4,623.41
100	CREDIT MANAGEMENT LP	2018 Collections/Delinquent Services	4,592.50

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ROCHESTER PUBLIC UTILITIES
A/P Board Listing By Dollar Range
For 02/12/2018 To 03/08/2018
Consolidated & Summarized Below 1,000

101	MIDCONTINENT ISO INC	February MISO	4,581.53
102	CHS ROCHESTER	January Fuel	4,565.75
	GRAINGER INC	Rescue wristlets, Horizontal Lifeline & Fixed beam anchor	4,519.10
103			
104	MINNESOTA ENERGY RESOURCES CO	Natural Gas - SC	4,425.44
105	EPLUS TECHNOLOGY INC	2-CATALYST 2960-X 24 GIGE, 2 X 10G SFP+	4,288.36
106	MASTEC NORTH AMERICA INC	Joint Trench job # USS-1212-171056	4,268.80
107	MINNESOTA ENERGY RESOURCES CO	January Gas SLP	4,222.74
108	WORKS COMPUTING INC	VMware Vsphere Renewal & Upgrade	3,595.94
109	EPLUS TECHNOLOGY INC	Professional services	3,550.00
110	CHS ROCHESTER	February Fuel	3,458.38
111	ROCH GOLF & COUNTRY CLUB	Commericla Cust & Trade Ally Mtg 1/24/18	3,449.28
112	METRO SALES INC	MP C2004ex printer/copier WES	3,379.39
113	CONSOLIDATED COMMUNICATIONS d	17-19 Network and Collocation Services	3,259.55
114	INSTRUMENTS & TECHNOLOGY INC	Meter socket logger	3,195.00
115	JOHN HENRY FOSTER MN INC	air compressors	3,194.20
116	MENARDS ROCHESTER NORTH	Steel cross support beam, 48"	3,192.00
117	NEW LINE MECHANICAL INC	Pressure Guage at WES, Piping, Pipe Insu	3,179.53
118	BAKER TILLY VIRCHOW KRAUSE LL	2017 Audit Fees	3,158.20
119	WABASHA COUNTY ADMIN/TREASURE	RPU's portion for CodeRed Reverse Tele S	3,150.00
120	ENVIRONMENTAL SYSTEMS RESEARC	2017-20 GeoEvent Tracking Server Maint	3,103.13
121	MN DEPT OF PUBLIC SAFETY	2017 SARA Fees for Well Houses & SC	3,100.00
122	ADVANCED DISPOSAL SVC SOLID W	2018 Waste removal SC	3,005.92
123	CLIFTONLARSONALLEN LLP	Security Awareness Training	2,945.00
124	ULINE	Storage cabinet, 5-shelf, 48" x 24" x 78	2,920.00
125	MENARDS ROCHESTER NORTH	HD steel end frame, 24"D x 72" H	2,698.00
126	BORDER STATES ELECTRIC SUPPLY	Spectorcamera, Thermal imager, Batteries and misc items for WES	2,675.44
127	ALL SYSTEMS INSTALLATION dba	Data cable install WES	2,667.00
128	ULINE	Workbench, steel, 96" x 36"	2,640.00
129	D P C INDUSTRIES INC	2018 Carus 8500 Aqua Mag F35	2,606.10
130	WESCO DISTRIBUTION INC	15-Grd Cable Set w/ferrules, 15'	2,556.98
131	IBM	CIP Conserve & Save Rebates-custom	2,542.59
132	VIKING ELECTRIC SUPPLY INC	Material for CCS	2,450.20
133	CLAREY'S SAFETY EQUIPMENT dba	25-Lanyard, ARC rated shock absorbing, 4'	2,404.69
134	ULINE	15-Wire baskets	2,400.00
135	CLEMENTS CHEVROLET CADILLAC S	Tax, license, and registration (V617)	2,391.74
136	WESCO DISTRIBUTION INC	50-Fuse Holder, Straight Line, Breakaway	2,386.50
137	WALGREENS CO #11834	CIP Conserve & Save Rebates-llighting	2,384.00
138	DAVEY TREE EXPERT CO	Stump Grinding 5 locations	2,372.62
139	VERTEX US HOLDINGS INC	Consulting Services for Data Migration	2,327.40
140	BORDER STATES ELECTRIC SUPPLY	1-Transfer switch	2,304.94
141	ELECTROSWITCH	4-Relay, LOR 48VDC, 16 NO/16 NC	2,087.84
142	D P C INDUSTRIES INC	2018 Hydrofluorosilicic Acid - Delivered	2,078.95
143	ELITE CARD PAYMENT CENTER	V612 - 2018 GMC 1500 4WD-sales tax	2,059.17
144	ELITE CARD PAYMENT CENTER	2-TV's and Mounts	2,054.33
145	D P C INDUSTRIES INC	2018 Chlorine, 150 lb Cyl	2,045.25
146	TIMBERLAND JORDAN CREEK	CIP Conserve & Save Rebates-lighting	2,030.00
147	PAAPE ENERGY SERVICE INC	2018 Continuum System and Software	2,019.94
148	GREAT RIVER ENERGY	CapX Vision Team O&M	2,008.18
149	IHEART MEDIA dba	Ads- winter water tips	2,001.00
150	USIC LOCATING SERVICES INC	2018 Locating Services	1,983.36
151	OPEN ACCESS TECHNOLOGY	OATI web compliance	1,950.00

Attachment: AP Board CrMo (8699 : a/p board listing)

ROCHESTER PUBLIC UTILITIES
A/P Board Listing By Dollar Range
For 02/12/2018 To 03/08/2018
Consolidated & Summarized Below 1,000

152	WALGREENS CO #13463	CIP Conserve & Save Rebates-lighting	1,945.80
153	BORDER STATES ELECTRIC SUPPLY	Tools for WES -drill, latern, wet/dry vac	1,945.09
154	RESCO	20-Trans Pad, Black Plastic	1,884.00
155	ACE HARDWARE #15297	CIP Conserve & Save Rebates-lighting	1,870.00
156	ACE HARDWARE #15779	CIP Conserve & Save Rebates-lighting	1,870.00
157	STUART C IRBY CO INC	20-Conn, Trans, 1/0-1000, 6-Tap, Bare	1,851.00
158	EPLUS TECHNOLOGY INC	Performance on Demand License	1,811.53
159	CAMELOT METALS INC	Grating NA frame for WES	1,800.00
160	ALL SYSTEMS INSTALLATION dba	HDMI run	1,753.00
161	DELL MARKETING LP	Computer, Dell 22 Inch Monitor	1,720.58
162	RESCO	10-Switch, Ft, 10 Potentials	1,689.00
163	BORDER STATES ELECTRIC SUPPLY	4-Meter, FM4S CL20 MRV 2-Way	1,642.24
164	ULINE	Storage cabinet, 5-shelf, 36" x 24" x 78	1,620.00
165	SPIDER STAGING CORPORATION	Maintenance Parts (air moter, bearings, oil, shop supplies)	1,596.84
166	MENARDS ROCHESTER NORTH	Wood shelving, 3/4"	1,596.00
167	VIKING ELECTRIC SUPPLY INC	Conduit, Flexible, Corrugated PVC, 3.00	1,564.95
168	BORDER STATES ELECTRIC SUPPLY	60-Elbow, 15kV, 200A, LB,1/0 Sol,175-220Mil	1,521.00
169	T S E INTERNATIONAL INC	Levelwind Assmb, Rooler Tube Assem, Shea	1,519.76
170	TELVENT USA LLC	2018 ArcFM developer	1,500.00
171	POWER SYSTEMS ENGINEERING INC	Consulting Services thru 2/24/18	1,479.50
172	PW POWER SYSTEMS INC	Clevis replacement kit	1,454.40
173	MERRICK INC	40 cases-Paper, Copier, 8-1/2 x 11 White 20# Bond	1,453.50
174	TELVENT USA LLC	2018 ArcFM Viewer	1,419.60
175	GRAYBAR ELECTRIC COMPANY INC	Mast Arm, 6', Single, SS, Gray	1,379.37
176	ONLINE INFORMATION SERVICES I	2018 Utility Exchange Report	1,367.40
177	MINNESOTA ENERGY RESOURCES CO	January Gas CC	1,352.06
178	ANCOM COMMUNICATIONS INC	WES Radio Installation	1,341.85
179	PROCESS MEASUREMENT CO	Equipment calibration	1,334.11
180	CITY OF ROCHESTER	NERC Compliance Eng Posting	1,302.07
181	INNER TITE CORP	120-Meter, Jiffy Lock Side Mount	1,289.99
182	BOLTON AND MENK (P)	Verizon Viola ROC017 Site Review~	1,280.00
183	RENTAL DEPOT INC	WES Event	1,272.62
184	CHOSEN VALLEY TESTING	Service Ctr Special Inspec and Testing Services	1,268.00
185	HAWK & SON'S INC	Fabricate roof tie off fixtures	1,258.99
186	SCHMIDT GOODMAN OFFICE PRODUC	Task chairs for SC Staff	1,237.53
187	TSP INC	Construction and Bidding Documents	1,235.00
188	PEOPLES ENERGY COOPERATIVE (P	Service Territory Annual True Up	1,230.81
189	AFFILIATED CREDIT SERVICES IN	2018 Third Party Collections	1,197.66
190	ELITE CARD PAYMENT CENTER	Reg for Nick Hall & Jared Q	1,190.00
191	CHS ROCHESTER	LP Power Dam	1,185.16
192	PAULS LOCK & KEY SHOP INC	Keys - well 32	1,177.32
193	CAMELOT METALS INC	Grating NB frame for WES	1,175.00
194	CAMELOT METALS INC	Grating N frame for WES	1,175.00
195	U S A SAFETY SUPPLY	Headset, radio powered communications	1,171.76
196	MN PIPE & EQUIPMENT	4-Coupling,6" Romac Alpha 2-Bolt Restraint	1,152.00
197	TRUCK UTILITIES INC	Utility chain, 18"	1,136.00
198	ELITE CARD PAYMENT CENTER	WES Display Needs	1,135.28
199	POMPS TIRE SERVICE INC	Fleet Tires parts	1,132.79
200	DELL MARKETING LP	Latitude 5580 laptop	1,129.44
201	TSP INC	RPU Lobby Modifications - Design	1,128.40
202	ROCHESTER ARMORED CAR CO INC	2018 Pick Up Services	1,104.40

Attachment: AP Board CrMo (8699 : a/p board listing)

ROCHESTER PUBLIC UTILITIES
A/P Board Listing By Dollar Range
For 02/12/2018 To 03/08/2018
Consolidated & Summarized Below 1,000

203	WARNING LITES OF MN INC	road block materials	1,100.58
204	BAIER GERALD	2018 Sweeping Services Jan-December	1,090.13
205	CLAREY'S SAFETY EQUIPMENT dba	Wireless monitor	1,083.71
206	WESCO DISTRIBUTION INC	Ground thaw blanket, 3' x 4'	1,077.90
207	MCMASTER CARR SUPPLY COMPANY	Unthreaded pipe & set screws	1,070.82
208	S L CONTRACTING INC	Concrete work - 2025 S Broadway	1,050.00
209	RESCO	Switch, Ft, 3 Current 4 Potent	1,049.40
210	BOLTON AND MENK (P)	Verizon Willow ROC011 Site Review~	1,040.00
211	IHEART MEDIA dba	Ads for Service Assured	1,035.00
212	KROC FM/AM	Scams radio Ads	1,008.00
213	STEPHANIE M WHITE	Compensation for removed trees	1,000.00
214	MIDCONTINENT ISO INC	MISO 2018 Annual Fee	1,000.00
215	KRANZ JEFFREY A	Photovoltaic class for JKranz,TMason,PMi	1,000.00
216			
217			263,243.51
218			
219	<u>0 to 1,000 :</u>		
220			
221	ELITE CARD PAYMENT CENTER	Summarized transactions: 104	17,652.83
222	EXPRESS SERVICES INC	Summarized transactions: 26	17,280.30
223	CINTAS CORP	Summarized transactions: 81	13,287.69
224	REBATES	Summarized transactions: 34	7,741.54
225	BORDER STATES ELECTRIC SUPPLY	Summarized transactions: 26	7,730.38
226	Customer Refunds (CIS)	Summarized transactions: 58	7,156.30
227	VIKING ELECTRIC SUPPLY INC	Summarized transactions: 55	5,549.83
228	U S A SAFETY SUPPLY	Summarized transactions: 34	5,533.92
229	STUART C IRBY CO INC	Summarized transactions: 24	5,350.88
230	WESCO DISTRIBUTION INC	Summarized transactions: 12	3,614.17
231	GRAINGER INC	Summarized transactions: 20	3,242.84
232	DAVIES PRINTING COMPANY INC	Summarized transactions: 8	3,005.27
233	LAWSON PRODUCTS INC (P)	Summarized transactions: 15	2,891.35
234	SCHMIDT GOODMAN OFFICE PRODUC	Summarized transactions: 11	2,854.03
235	CITY OF ROCHESTER	Summarized transactions: 15	2,780.74
236	ROCH PLUMBING & HEATING CO IN	Summarized transactions: 5	2,721.02
237	RESCO	Summarized transactions: 11	2,568.09
238	HY VEE	Summarized transactions: 8	2,416.56
239	USA BLUE BOOK DBA	Summarized transactions: 7	2,358.75
240	UNITED RENTALS INC	Summarized transactions: 8	2,321.21
241	SUTTON JEREMY	Summarized transactions: 6	2,260.85
242	METRO SALES INC	Summarized transactions: 3	2,255.25
243	TECHNOLOGY FOR ENERGY CORPORA	Summarized transactions: 7	2,094.84
244	CORE & MAIN LP (P)	Summarized transactions: 8	2,075.94
245	OPEN ACCESS TECHNOLOGY	Summarized transactions: 2	1,962.05
246	MINNESOTA ENERGY RESOURCES CO	Summarized transactions: 3	1,863.72
247	GARCIA GRAPHICS INC	Summarized transactions: 21	1,836.58
248	INNOVATIVE OFFICE SOLUTIONS L	Summarized transactions: 24	1,735.81
249	ARNOLDS SUPPLY & KLEENIT CO (Summarized transactions: 10	1,691.73
250	POMPS TIRE SERVICE INC	Summarized transactions: 6	1,686.26
251	GRAYBAR ELECTRIC COMPANY INC	Summarized transactions: 6	1,651.26
252	ALL SYSTEMS INSTALLATION dba	Summarized transactions: 4	1,518.25
253	SCHLINK WALTER	Summarized transactions: 6	1,504.58
254	ANCOM COMMUNICATIONS INC	Summarized transactions: 4	1,470.85
255	JOHNSON PRINTING CO INC	Summarized transactions: 6	1,369.08

Attachment: AP Board CrMo (8699 : a/p board listing)

ROCHESTER PUBLIC UTILITIES
A/P Board Listing By Dollar Range
For 02/12/2018 To 03/08/2018
Consolidated & Summarized Below 1,000

256	CINTAS CORP	Summarized transactions: 8	1,351.32
257	ULINE	Summarized transactions: 8	1,336.62
258	MCMASTER CARR SUPPLY COMPANY	Summarized transactions: 29	1,317.35
259	CENTURYLINK	Summarized transactions: 8	1,295.30
260	ROCH SIGN SERVICE INC	Summarized transactions: 4	1,293.19
261	ADVANCE AUTO PARTS	Summarized transactions: 28	1,175.47
262	POWERMATION DIVISON	Summarized transactions: 8	1,115.95
263	ROBERTSON GORDON	Summarized transactions: 3	1,070.42
264	BATTERIES PLUS	Summarized transactions: 2	1,025.36
265	AMAZON.COM	Summarized transactions: 7	1,018.95
266	PEOPLES ENERGY COOPERATIVE	Summarized transactions: 2	1,001.29
267	NU-TELECOM dba	Summarized transactions: 2	1,000.80
268	LEITZEN CONCRETE PRODUCTS INC	Summarized transactions: 1	989.80
269	ON SITE SANITATION INC	Summarized transactions: 4	986.77
270	WORKS COMPUTING INC	Summarized transactions: 1	960.79
271	AMARIL UNIFORM COMPANY	Summarized transactions: 8	923.75
272	CRESCENT ELECTRIC SUPPLY CO	Summarized transactions: 14	922.82
273	NORTHERN / BLUETARP FINANCIAL	Summarized transactions: 4	897.57
274	SCHEEL LAWRENCE	Summarized transactions: 6	897.04
275	IHEART MEDIA dba	Summarized transactions: 1	897.00
276	BARR ENGINEERING COMPANY (P)	Summarized transactions: 1	874.00
277	ELECTRICAL TRAINING ALLIANCE	Summarized transactions: 2	871.34
278	SAFETY SIGNS	Summarized transactions: 2	867.61
279	J J KELLER & ASSOCIATES INC	Summarized transactions: 1	857.00
280	MENARDS ROCHESTER NORTH	Summarized transactions: 5	851.55
281	MAJERUS WILLIAM	Summarized transactions: 4	842.89
282	EPLUS TECHNOLOGY INC	Summarized transactions: 4	839.40
283	TOTAL TOOL SUPPLY INC (P)	Summarized transactions: 5	810.90
284	SY VAN	Summarized transactions: 4	794.92
285	PROPERTY RECORDS OLMSTED COUN	Summarized transactions: 4	792.00
286	BROBST BEN	Summarized transactions: 3	783.71
287	RYAN ELECTRIC OF ROCHESTER IN	Summarized transactions: 2	780.17
288	HALO BRANDED SOLUTIONS	Summarized transactions: 2	763.27
289	THE ROCHESTER TOUR COMPANY LL	Summarized transactions: 1	759.00
290	AUTHORIZE.NET	Summarized transactions: 1	759.00
291	ENVIRONMENTAL INITIATIVE	Summarized transactions: 1	750.00
292	CLAREY'S SAFETY EQUIPMENT dba	Summarized transactions: 5	747.28
293	VERTEX US HOLDINGS INC	Summarized transactions: 1	740.00
294	MENARDS ROCHESTER NORTH	Summarized transactions: 10	686.19
295	PEOPLES ENERGY COOPERATIVE	Summarized transactions: 1	665.69
296	KRONEBUSCH JESSICA	Summarized transactions: 7	661.12
297	SOMA CONSTRUCTION INC	Summarized transactions: 1	654.01
298	CENTURYLINK	Summarized transactions: 2	651.90
299	HACH COMPANY	Summarized transactions: 3	649.51
300	LIEBENOW ANN	Summarized transactions: 5	647.26
301	SCHUMACHER ELEVATOR COMPANY	Summarized transactions: 1	641.25
302	WARNING LITES OF MN INC	Summarized transactions: 3	639.75
303	REINDERS INC	Summarized transactions: 3	637.20
304	ZEE MEDICAL SERVICE INC (P)	Summarized transactions: 1	633.41
305	PLANT EQUIPMENT INC	Summarized transactions: 2	629.43
306	TUPPER MATTHEW	Summarized transactions: 3	625.10
307	A T & T	Summarized transactions: 1	602.84
308	WUMS APDA	Summarized transactions: 2	600.00

Attachment: AP Board CrMo (8699 : a/p board listing)

ROCHESTER PUBLIC UTILITIES
A/P Board Listing By Dollar Range
For 02/12/2018 To 03/08/2018
Consolidated & Summarized Below 1,000

309	ROCH REGIONAL SCIENCE FAIR	Summarized transactions: 1	600.00
310	STURM DANNY K	Summarized transactions: 4	595.92
311	RONCO ENGINEERING SALES INC	Summarized transactions: 8	591.30
312	PETERSON FRANK	Summarized transactions: 3	586.79
313	NATL FIRE PROTECTION ASSN	Summarized transactions: 2	580.55
314	PW POWER SYSTEMS INC	Summarized transactions: 4	562.25
315	T S E INTERNATIONAL INC	Summarized transactions: 6	560.90
316	KOTSCHERVAR MARK	Summarized transactions: 5	560.59
317	NALCO COMPANY	Summarized transactions: 2	547.47
318	FEDEX SHIPPING	Summarized transactions: 12	533.09
319	FRONTIER	Summarized transactions: 2	518.64
320	ERC WIPING PRODUCTS INC	Summarized transactions: 2	504.13
321	JOHN HENRY FOSTER MN INC	Summarized transactions: 3	482.34
322	NEW LINE MECHANICAL INC	Summarized transactions: 1	480.94
323	FIRST CLASS PLUMBING & HEATIN	Summarized transactions: 2	441.16
324	ELITE CARD PAYMENT CENTER	Summarized transactions: 4	438.54
325	MISSISSIPPI WELDERS SUPPLY CO	Summarized transactions: 12	431.11
326	HI LINE UTILITY SUPPLY CO (P)	Summarized transactions: 10	429.73
327	SEEME PRODUCTIONS LLC	Summarized transactions: 1	427.50
328	ADVANTAGE DIST LLC (P)	Summarized transactions: 2	414.24
329	ASI SIGNAGE INNOVATIONS dba	Summarized transactions: 2	410.19
330	WERNER ELECTRIC SUPPLY	Summarized transactions: 8	406.27
331	STATUS INSTRUMENTS INC	Summarized transactions: 4	400.59
332	MCGT ROCH-REGIONAL SCIENCE FA	Summarized transactions: 1	400.00
333	PALMER SODERBERG INC	Summarized transactions: 3	394.37
334	NATIONAL GROUNDWATER ASSN INC	Summarized transactions: 1	375.00
335	GUNDERSON BRADLEY	Summarized transactions: 3	361.30
336	QUANDT JARED	Summarized transactions: 2	355.62
337	HALL NICK	Summarized transactions: 2	355.62
338	KRUSE LUMBER	Summarized transactions: 1	355.02
339	TRUCKIN' AMERICA	Summarized transactions: 2	353.70
340	CULLIGAN OF ROCHESTER INC	Summarized transactions: 3	351.14
341	JETTER CLEAN INC	Summarized transactions: 1	350.00
342	ADVANCED BUSINESS SYSTEMS INC	Summarized transactions: 1	350.00
343	DELL MARKETING LP	Summarized transactions: 4	346.42
344	ACTION BATTERY WHOLESALERS IN	Summarized transactions: 2	345.04
345	HOGAN PETER	Summarized transactions: 1	330.00
346	CORPORATE WEB SERVICES INC	Summarized transactions: 1	329.85
347	BOLTON AND MENK (P)	Summarized transactions: 1	320.00
348	TEREX UTILITIES INC	Summarized transactions: 8	305.95
349	MENARDS ROCHESTER SOUTH	Summarized transactions: 2	303.70
350	MCNEILUS STEEL INC	Summarized transactions: 1	303.38
351	WILLIAMS SCOTSMAN INC	Summarized transactions: 1	293.50
352	KAUTZ TRAILER SALES dba	Summarized transactions: 2	288.94
353	CAMELOT METALS INC	Summarized transactions: 3	285.31
354	G A ERNST & ASSOCIATES INC	Summarized transactions: 1	282.00
355	THOMAS TOOL & SUPPLY INC	Summarized transactions: 2	277.85
356	ROCH TOOL & DIE INC	Summarized transactions: 2	267.18
357	PAULS LOCK & KEY SHOP INC	Summarized transactions: 1	246.68
358	MENARDS ROCHESTER SOUTH	Summarized transactions: 3	243.98
359	TRUCK UTILITIES INC	Summarized transactions: 3	243.36
360	INSTRUMENTS & TECHNOLOGY INC	Summarized transactions: 2	241.03
361	FRANZ REPROGRAPHICS INC	Summarized transactions: 1	238.46

Attachment: AP Board CrMo (8699 : a/p board listing)

ROCHESTER PUBLIC UTILITIES
A/P Board Listing By Dollar Range
For 02/12/2018 To 03/08/2018
Consolidated & Summarized Below 1,000

362	NYHUS STEVE	Summarized transactions: 1	238.00
363	NATIONWIDE	Summarized transactions: 1	225.00
364	PAAPE ENERGY SERVICE INC	Summarized transactions: 2	215.31
365	ROCH AREA BUILDERS INC	Summarized transactions: 2	210.92
366	ESSENTRA COMPONENTS dba	Summarized transactions: 2	204.48
367	SOLAR CONNECTION INC	Summarized transactions: 1	200.00
368	NAPA AUTO PARTS (P)	Summarized transactions: 10	195.79
369	CLEMENTS CHEVROLET CADILLAC S	Summarized transactions: 4	183.04
370	LANGUAGE LINE SERVICES INC	Summarized transactions: 1	180.35
371	LOGANS TREE SERVICE & RECYCLI	Summarized transactions: 2	180.00
372	POWER PROCESS EQUIPMENT INC (Summarized transactions: 2	171.11
373	BLUESPIRE STRATEGIC MARKETING	Summarized transactions: 1	161.08
374	INNER TITE CORP	Summarized transactions: 2	158.25
375	JOHNSON STEVE	Summarized transactions: 2	157.00
376	KANO LABORATORIES INC (P)	Summarized transactions: 2	154.06
377	CURVATURE INC	Summarized transactions: 1	149.63
378	NETWORK SERVICES COMPANY	Summarized transactions: 7	138.17
379	NORTHERN / BLUETARP FINANCIAL	Summarized transactions: 1	137.99
380	HEIMER WILLIAM T	Summarized transactions: 2	130.16
381	MN DEPT OF LABOR & INDUSTRY	Summarized transactions: 1	128.00
382	SWAGELOK MN INC (P)	Summarized transactions: 1	127.72
383	GLOBAL EQUIPMENT COMPANY	Summarized transactions: 3	127.60
384	FASTENAL COMPANY	Summarized transactions: 6	126.17
385	MASTEC NORTH AMERICA INC	Summarized transactions: 1	125.00
386	ROCH COMMUNITY & TECHNICAL CO	Summarized transactions: 1	125.00
387	BREKKE MATTHEW	Summarized transactions: 1	125.00
388	KAMAN INDUSTRIAL TECHNOLOGIES	Summarized transactions: 5	120.27
389	ASSOC OF ENERGY SERV PROFESSI	Summarized transactions: 3	120.00
390	BOWMANS SAFE & LOCK SHOP LTD	Summarized transactions: 2	116.34
391	TOTAL RESTAURANT SUPPLY	Summarized transactions: 2	115.43
392	THOMPSON GARAGE DOOR CO INC	Summarized transactions: 2	113.97
393	VANCO SERVICES LLC	Summarized transactions: 1	113.72
394	CHARTER COMMUNICATIONS HOLDIN	Summarized transactions: 1	101.25
395	INSTY PRINTS ROCHESTER (P)	Summarized transactions: 2	99.54
396	VERIZON WIRELESS	Summarized transactions: 1	95.88
397	SHERWIN WILLIAMS CO	Summarized transactions: 2	94.65
398	ADVANCED DISPOSAL SVC SOLID W	Summarized transactions: 1	87.05
399	SLEEPY EYE TELEPHONE CO	Summarized transactions: 1	84.76
400	R D O - POWERPLAN OIB	Summarized transactions: 1	84.30
401	CITY OF ROCHESTER	Summarized transactions: 1	84.00
402	HERCULES INDUSTRIES INC	Summarized transactions: 2	79.81
403	OSWEILER TODD	Summarized transactions: 1	79.03
404	SHERWIN WILLIAMS CO	Summarized transactions: 1	75.67
405	ARBOR DAY FOUNDATION	Summarized transactions: 1	75.00
406	BARRY SCREEN PRINT CO dba	Summarized transactions: 8	66.26
407	LOWER PHOTOGRAPHY & STUDIO db	Summarized transactions: 1	64.13
408	NORTH AMERICAN ELECTRIC RELIA	Summarized transactions: 1	57.12
409	QUANDT STEVE	Summarized transactions: 2	51.00
410	VIKING ELECTRIC SUPPLY INC	Summarized transactions: 1	50.12
411	GOPHER STATE ONE CALL	Summarized transactions: 1	50.00
412	LEAGUE OF MN CITIES INS TRUST	Summarized transactions: 1	50.00
413	T E C INDUSTRIAL INC	Summarized transactions: 2	43.43
414	MASON TED	Summarized transactions: 1	43.00

Attachment: AP Board CrMo (8699 : a/p board listing)

ROCHESTER PUBLIC UTILITIES
A/P Board Listing By Dollar Range
For 02/12/2018 To 03/08/2018
Consolidated & Summarized Below 1,000

415	WORKING PERSONS STORE	Summarized transactions: 6	38.48
416	ARROW ACE HARDWARE-ST PETER	Summarized transactions: 2	37.73
417	BADGER METER INC (P)	Summarized transactions: 3	37.20
418	CENTRAL FINANCE OLMSTED COUNT	Summarized transactions: 1	36.75
419	BLOM BRYAN	Summarized transactions: 1	31.92
420	MISTER CARWASH	Summarized transactions: 3	31.64
421	ELECTROSWITCH	Summarized transactions: 1	30.37
422	ROCH HUMAN RESOURCES ASSOCIAT	Summarized transactions: 1	30.00
423	HATHAWAY TREE SERVICE INC	Summarized transactions: 1	30.00
424	DZUBAY TONY	Summarized transactions: 1	29.16
425	PROCESS MEASUREMENT CO	Summarized transactions: 1	27.55
426	MINNESOTA ENERGY RESOURCES CO	Summarized transactions: 1	26.08
427	A T & T MOBILITY	Summarized transactions: 1	25.68
428	ARROW ACE HARDWARE-ST PETER	Summarized transactions: 1	25.47
429	ALTEC INDUSTRIES INC	Summarized transactions: 2	25.23
430	MN DEPT OF PUBLIC SAFETY	Summarized transactions: 1	25.00
431	POWERMATION DIVISON	Summarized transactions: 2	24.43
432	RDO EQUIPMENT COMPANY	Summarized transactions: 1	22.05
433	D P C INDUSTRIES INC	Summarized transactions: 1	21.30
434	BLEVINS JAN	Summarized transactions: 1	20.00
435	JOHNSON MARK T	Summarized transactions: 1	19.00
436	THE ENERGY AUTHORITY INC	Summarized transactions: 1	12.53
437	RONCO ENGINEERING SALES INC	Summarized transactions: 1	11.99
438	POWER DELIVERY PROGRAM INC	Summarized transactions: 1	10.00
439	WERNER ELECTRIC SUPPLY	Summarized transactions: 2	4.89
440	CHS ROCHESTER	Summarized transactions: 1	4.01
441			
442		Price Range Total:	218,748.67
443			
444		Grand Total:	11,594,579.90

Attachment: AP Board CrMo (8699 : a/p board listing)

FOR BOARD ACTION

Agenda Item # (ID # 8682)

Meeting Date: 3/27/2018

SUBJECT: Bandel Reservoir Storage Tank Repair/Repainting

PREPARED BY: Cary Johnson

ITEM DESCRIPTION:

Sealed bids were opened on March 14, 2018 for repairing and repainting the 2,250,000 gallon Bandel Reservoir water storage tank to either be completed by July 1, 2018, or started after August 31, 2018, and completed no later than November 2, 2018.

This work consists of interior and exterior finish repair and repaint and removal of the existing cathodic protection system. A breakdown of the bids is as follows:

Contractor	Bid Amount
M.K. Painting, Inc.	\$239,500
Champion Tank Services	\$280,750
Utility Services Co. Inc.	\$286,500
Worldwide Industries Corp.	\$287,572
TMI Coatings Inc.	\$288,800
Tri-State Coatings	\$295,000
Classic Protective Coatings, Inc.	\$350,200

M.K. Painting, Inc. submitted a responsive and responsible bid and has performed well on past projects.

An estimated number of hours and rates for grinding/power tool cleaning and seam sealing/caulking have been included in the bid price indicated above. Hourly welding rates have also been obtained should it be needed. These hourly based tasks have the potential of increasing the contract amount, and these increases will be managed by existing approval structure and authorization levels.

The 2018 Water Maintenance and Construction budget includes \$235,000 for this project.

UTILITY BOARD ACTION REQUESTED:

FOR BOARD ACTION

Agenda Item # (ID # 8682)

Meeting Date: 3/27/2018

Approve a resolution to enter into a contract with M.K. Painting, Inc. in an amount not to exceed \$239,500, and authorize the Mayor and City Clerk to execute the agreement. Management further recommends that the Board authorize staff to manage project change orders using existing approval structure and authorization levels.



CONTRACT

Bandel Reservoir Water Tank Repair and Repaint

03/27/2018

DRAFT

THIS CONTRACT made this _____, by and between the City of Rochester, Minnesota, a Minnesota municipal corporation, acting through its Public Utility Board, hereinafter called "City", and M.K. Painting, Inc., a Michigan corporation, hereinafter called "Contractor".

WHEREAS, the City has solicited a proposal from the Contractor for Bandel Reservoir Water Tank Repair and Repaint described in solicitation #2018-09.

WHEREAS, the City desires to engage the services of the Contractor according to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the above premises and of the terms and conditions contained herein, the parties hereto agree as follows.

Article I. Contract Documents. The term 'Contract Documents' shall mean this Contract, Contractor's proposal, Contractor's Exhibits or City specification, any associated amendments and any other separate document mutually agreed to and executed by the Parties that may contain, without limitation, a specific description of the statement of work, pricing assumptions, source materials and the deliverables. The Parties agree that the Contract Documents shall be incorporated as part of this Contract.

Article II. Scope of Services. The Contractor shall furnish all resources (labor, materials, equipment and supervision) for the performance of the Work described in the Contract Documents.

Article III. Payment. The City agrees to pay the Contractor at the rate set forth in the proposal and/or subsequent change orders. The sum of this Contract shall not exceed \$239,500 for the services described herein, subject to the terms and conditions of payment described in the Contract Documents.

Article IV. Disposition of Documents. It is agreed that any reports, drawings, specifications, and other data compilations developed or created as a result of the services performed pursuant to this Contract shall be and remain the sole property of City.

Article V. Termination. Either Party may terminate this Contract upon thirty (30) days written notice served upon the other Party by registered mail. Upon expiration of such thirty (30) day period, all Work under this Contract shall cease and Contractor shall issue a final invoice and City shall pay Contractor for all Work performed through the end of the thirty (30) day notice period.

Article VI. Jurisdiction and Venue. This contract, amendments and supplements thereto, shall be governed by the laws of the State of Minnesota. All actions brought

Attachment: 18-12 M.K. Painting Contract (8682 : Bandel Reservoir Storage Tank Repair/Repainting)

under this agreement shall be brought exclusively in Minnesota State Courts of competent jurisdiction with venue in Olmsted County.

Article VII. Nondiscrimination. The Contractor agrees to comply with the nondiscrimination provision set forth in Minnesota Statute 181.59. The Contractor's failure to comply with section 181.59 may result in cancellation or termination of the agreement, and all money due or to become due under the contract may be forfeited for a second or any subsequent violation of the terms or conditions of this contract.

Article VIII. Concurrence. By executing this Agreement, the parties acknowledge that they: (1) enter into and execute this Agreement knowingly, voluntarily and freely of their own volition with such consultation with legal counsel as they deem appropriate; (2) have had an opportunity to consult an attorney before signing this Agreement; (3) have read this Agreement, understand all of its terms and appreciate the significance of those terms; and (4) have not relied upon any representation or statement not set forth herein.

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed in their respective names the day and year first above written.

M.K. PAINTING, INC.

CITY OF ROCHESTER

By

By

John Bethell, Superintendent

Ardell Brede, Mayor

Attest

Anissa Hollingshead, City Clerk

Approved as to Form

Jason Loos, City Attorney

ROCHESTER PUBLIC UTILITIES

Mark Kotschevar, General Manager

OFFICIAL NOTIFICATION METHOD

John Bethell
M.K. Painting
4157 Seventh
Wyandotte MI 48192
johnmkipainting@gmail.com

Mona Hoeft
Rochester Public Utilities
4000 East River Road NE
Rochester MN 55906
mhoeft@rpu.org



RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve an agreement with M.K. Painting, Inc. and authorize the Mayor and City Clerk to execute the agreement for the Bandel Reservoir Storage Tank Repair/Repainting, and allow for increases to be managed by existing approval structure and authorization levels.

The amount of the contract not to exceed TWO HUNDRED THIRTY-NINE THOUSAND FIVE HUNDRED AND 00/100 DOLLARS (\$239,500) plus applicable tax.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 27th day of March, 2018.

President

Secretary

FOR BOARD ACTION

Agenda Item # (ID # 8649)

Meeting Date: 3/27/2018

SUBJECT: License and Standby Electric Service Agreements (Rochester Campus)

PREPARED BY: Dru Larson

ITEM DESCRIPTION:

As a result of the sale of the IBM campus to Rochester Campus, LLC, a new license agreement for each of the RPU owned generators requires approval. The agreements, which provide standby electric service for system load-serving purposes, are essentially the same and take effect retro-active to February 22, 2018, the date of closing.

Rochester Campus, LLC will pay for services on a monthly fixed charge of \$3,175 per generator that reflects the operation, maintenance and administration of the generators, plus a fuel consumption charge. This is the same pricing as the old agreement with IBM. Initial prices are fixed for five years.

Given the potential fluidity of the property, the board is also asked to approve future attendants or subsequent non-material changes consistent with the License Agreement as determined by the General Manager and City Attorney.

The Agreement has been reviewed by the City Attorney.

UTILITY BOARD ACTION REQUESTED:

Staff recommends the board approve the two License Agreements with Rochester Campus, LLC and, (1) approve a resolution authorizing the Mayor and City Clerk to execute the Agreement, following final review by the General Manager and City Attorney, and (2) approve future attendants or subsequent agreements resulting in non-material changes, consistent with the License Agreements, as determined by the General Manager and City Attorney.

License Agreement
Between
The City of Rochester and Rochester Campus, LLC

REAL ESTATE LICENSE FOR BUILDING 020

THIS REAL ESTATE LICENSE (this “**License**”) is made and entered into as of February 22, 2018 (the “**Effective Date**”) by and between ROCHESTER CAMPUS, LLC, (“**Licensor**”), a Delaware limited liability company, and the CITY OF ROCHESTER, (“**Licensee**”), a Minnesota municipal corporation, acting through its Public Utility Board.

WHEREAS, the parties desire by this License to provide for the licensing by Licensor to Licensee of the right to use that certain part of Licensor's owned property located at 3605 Highway 52, North Rochester, MN 55901, as more particularly described on EXHIBIT A, attached hereto and made a part hereof (the “**License Area**”). Such License Area is located adjacent to Building 020 (“**Building**”) on land and within the Building owned by Licensor (the “**Property**”).

NOW, THEREFORE, in consideration of the mutual agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby covenant and agree as follows:

1. License.

(a) Licensor hereby grants to Licensee a license to use the License Area for the License Period (as hereinafter defined), together with the right to access the License Area through the common areas of the Property. Licensee shall use the License Area for the purposes set forth in Part 1 of Exhibit A.

(b) Licensee has inspected and is familiar with the License Area and accepts it in its as-is, where-is condition, and Licensor shall not be required to perform any work or furnish any materials in order to prepare the License Area for the Permitted Use (as hereinafter defined).

2. Use. Licensee may use the License Area for the purpose of installing, operating and maintaining (i) a standby generator, self-contained fuel source and secure enclosure and (ii) related equipment (together, “**Licensee Facilities**”) to provide standby electric service as needed to support Licensor's load (“**Permitted Use**”) and no other use. Prior to the commencement of any work in, on, or under the Property (including any installation of Licensee's Facilities), Licensee shall, at its sole

expense, prepare and deliver to Licensor all and any drawings, plans, and/or specifications describing such proposed work (the “**Plans**”). The Plans shall reasonably detail the location and size of the Licensee Facilities and any space required on the Property necessary to house the Licensee Facilities. Upon Licensor’s approval of the Plans (which approval shall not be unreasonably withheld, conditioned or delayed), Licensee may begin to install any Licensee Facilities in accordance with the Plans, at Licensee’s sole cost and expense. Licensee shall:

- (a) Perform all work in a safe manner consistent with prudent construction standards;
- (b) Perform all work in such a way as to minimize unreasonable interference with the operation of the Property and/or the Building, or with the operations of tenants of the Property and/or the Building; and
- (c) Obtain, prior to the commencement of any work, all federal, state and municipal permits, licenses and approvals required in connection with such construction and work. Any future work by Licensee in, on, or under the Property or any future installation of Equipment by Licensee in, on, or under the Property shall comply with the terms of this License.

3. Area License Period. The term of this License shall be for ten (10) years beginning on the Effective Date (“**License Period**”), unless terminated earlier per the terms of the Standby Electric Service Agreement of even date herewith between Licensor and Licensee (“**Service Agreement**”), attached hereto as EXHIBIT B.

4. License Fee. In consideration of the promises and covenants contained herein and for other good and valuable consideration, including but not limited to that which is contained in the Service Agreement, Licensee has paid to Licensor a onetime fee in the amount of TEN DOLLARS (\$10.00).

5. Services. During the License Period, Licensor shall provide the same services to the License Area as the services currently being supplied to the Property, as the same may reasonably be modified by Licensor from time-to-time.

6. Liens. Licensee shall be responsible for the satisfaction or payment of any liens for any provider of work, labor, material or services claiming by, through or under Licensee. Licensee shall also indemnify, hold harmless and defend Licensor against any such liens, including the reasonable fees of Licensor’s attorneys. Such liens shall be discharged by Licensee within fifteen (15) business days after the filing thereof by bonding, payment or otherwise; provided that Licensee may contest, in

good faith and by appropriate proceedings diligently pursued, any such liens, so long as Licensee has bonded over such liens to the reasonable satisfaction of Licensor. The provisions of this Section 6 shall survive the expiration or termination of this License.

7. Compliance with Laws and Regulations. Licensee shall promptly comply with all present and future (i) reasonable rules and regulations adopted by Licensor from time to time (including, without limitation, rules applicable to the use, storage and disposal of hazardous substances and waste and other environmental matters) with respect to the Property and License Area and (ii) applicable laws and regulations of state, federal, municipal and local governments, departments, commissions and boards and any direction of any public officer pursuant to law and all orders, rules and regulations of any Board of Fire Underwriters or any similar body (collectively "**Laws**"). Licensee agrees to cooperate, at Licensee's sole cost and expense, with Licensor and do all things reasonably necessary for Licensor to comply with Laws.

8. Notice. Whenever any notice or other communication (collectively, "**Notice**") is required or permitted under this License, Notice must be in writing and sent by certified mail, return receipt requested, postage prepaid or by a nationally recognized overnight courier service to the following addresses:

If to Licensor: Rochester Campus, LLC
11100 Santa Monica Boulevard, Suite 850
Los Angeles, California 90025
Attn: John Mase
Telephone: (310) 806-4434
FAX: (310) 473-8702

With a copy to: Fainsbert Mase Brown & Sussman, LLP
11100 Santa Monica Boulevard, Suite 870
Los Angeles, California 90025
Attn: Jerry A. Brown, Jr., Esq.
Telephone: (310) 473-6400
FAX: (310) 473-8702

And to: IRG Realty Advisors, LLC
4020 Kinross Lakes Parkway Suite 200
Richfield OH 44286
Attention: Tracey Green
Email: tracy.green@irgra.com
Telephone: 330-659-7115

If to Licensee: Key Account Representative
 Rochester Public Utilities
 4000 East River Road NE
 Rochester, Minnesota 55906-2813

Notice shall be deemed effective on the date shown on the return receipt if given by certified mail or the confirmation of delivery form if Notice is given by overnight courier service. Rejection, refusal to accept or the inability to deliver because of a changed address of which no Notice was given shall be deemed to be receipt of Notice as of the date of rejection, refusal or inability to deliver. Either party may change its above address by giving Notice of such address change in the manner for giving Notice prescribed in this Section.

9. Access. Licensee, its employees, contractors and agents shall have the right of twenty-four (24) hours per day, seven (7) days per week access to the License Area. Such access of Licensee, and Licensee's agents, employees and contractors shall include pedestrian and vehicular ingress and egress across the common areas of the Property.

10. Repairs. Throughout the License Period, Licensee shall, at its sole cost and expense, keep and maintain the License Area and the Licensee Facilities in good order and repair, promptly making all necessary repairs and replacements, including, but not limited to, all equipment and facilities and components thereof within the License Area, fixtures, walls (interior), finish work, ceilings, floors, lighting fixtures, bulbs and ballasts, and utility connections; provided, however, Licensee shall not be responsible for any repairs or replacements that occur as a result of the gross negligence or willful misconduct of Licensor.

11. Damage and Destruction.

(a) Neither Licensor nor Licensee shall have any responsibility in the event of any damage to or theft or loss of any equipment or property of the other party, and the party incurring such damage, theft or loss shall look to its own insurance coverage (and to any self-insured portion of the damage, theft or loss), if any, for recovery in the event of any such damage, loss or theft, unless such damage, loss or theft is a result of the other party's gross negligence or willful misconduct.

(b) If the License Area or the Building is materially is destroyed or damaged by fire or other casualty, either Licensor or Licensee may elect to terminate the License. In the event neither Licensor nor Licensee terminates this License, Licensor may proceed after adjustment of the insurance loss, if any, to repair such damage to the Building to the condition existing prior to such

damage. Licensee shall be responsible for restoring the License Area and Licensee Facilities to the condition existing prior to the damage at its own cost and expense.

12. Insurance. Without limiting the liabilities or indemnification obligations of Licensee, Licensee shall, at all times during the Term, carry and maintain, at its sole cost and expense, the following insurance from insurers with minimum Best's ratings of "A-VII" authorized to do business in the state where the Property is located:

(a) Workers' Compensation insurance in accordance with the law of the state where any work under this Agreement is being performed, including Employer's Liability insurance to the extent required by the laws of the State of Minnesota;

(b) Commercial General Liability Insurance with an occurrence limit of not less than Three Million Dollars (\$3,000,000) and an aggregate limit of not less than Fifteen Million Dollars (\$15,000,000) covering personal injury, bodily injury, death, property damage, products/completed operations and contractual liability. Such policy shall be written to apply to all bodily injury or death, property damage, and personal injury losses, and shall include blanket contractual liability and products-completed operations, and shall provide primary coverage to Licensee and Licensors (and any insurance policy issued to Licensors providing duplicate or similar coverage shall be deemed to be excess over Licensee's policies);

(c) Commercial Automobile Liability with limits not less than Two Million Dollars (\$2,000,000) combined single limit per occurrence covering bodily injury and property damage for all owned, non-owned and hired vehicles used in connection with the performance of this Agreement; and

(d) "All Risk" property insurance covering the Licensee Facilities and other personal property in sufficient amounts to cover any loss of such Licensee Facilities and personal property.

Licensors and its affiliates, subsidiaries, and parent entities, as well as the officers, directors, employees and agents of all such entities shall be included as additional insureds on the policies described in Sections 12(b) and 12(c). The coverage described in Section 12(b) shall be primary and not contributory to insurance which may be maintained by Licensors, subject to the indemnification provisions of this License. Prior to the commencement of any work in, on, or under the Property

(including any installation of Licensee Facilities), and thereafter upon Licensor's request at the renewal of the insurance coverage required by this Section 12, Licensee shall make available to Licensor evidence of the insurance required by this Section 12 upon request. Licensee shall provide written notice to Licensor at least thirty (30) days before any cancellation, or reduction below the above-referenced limits, of such insurance coverage.

Licensor shall, at Licensor's own cost and expense, maintain and keep in force at all times during the License Period:

(i) commercial general liability insurance, against claims for personal injury, death or property damage occurring on, in or about the License Area, primary coverage to be a minimum combined single limit amount of not less than \$2,000,000 and excess umbrella coverage of not less than \$5,000,000; and

(ii) Employers' Liability and Workers' Compensation Insurance to the extent required by the laws of the State of Minnesota.

Notwithstanding the foregoing, Licensor may, upon notice to Licensee, elect to self-insure and be liable to cover any claims which would otherwise be payable hereunder by a third party insurer.

13. Indemnity.

(a) Indemnification of Licensor. Licensee shall indemnify, defend and hold Licensor, and any partner, member, manager, officer, agent, employee and director of Licensor (the "**Licensor Indemnitees**") harmless from and shall defend Licensor Indemnitees against all claims made or judicial or administrative actions filed which allege that any one of the Licensor Indemnitees is liable to the claimant by reason of: (i) any injury to or death of any person, or damage to or loss of property, or any other thing occurring on or about any part of the Property, or in any manner growing out of, resulting from or connected with the use, condition or occupancy of, the Property if caused by any negligent or wrongful act or omission of Licensee or its agents, partners, contractors, employees, permitted assignees, licensees, subleases, invitees or any other person or entity for whose conduct Licensee is legally responsible; (ii) violation by Licensee of any contract or agreement to which Licensee is a party in each case affecting any part of the Property or the occupancy or use thereof by Licensee; and (iii) violation of or failure to observe or perform any condition, provision or agreement of the License on Licensee's part to be observed or performed hereunder.

(b) Indemnification of Licensee. Licensor shall indemnify, defend and hold Licensee, and any partner, member, manager, officer, agent, employee and director of Licensee (the "**Licensee Indemnitees**") harmless from and defend Licensee Indemnitees against all claims made or judicial or administrative actions filed which allege that any one of the Licensee Indemnitees is liable to the claimant by reason of: (i) any injury to or death of any person, or damage to or loss of property, or any other thing occurring on or about any part of the Property, or in any manner growing out of, resulting from or connected with the use, condition or occupancy of any part of the Property if caused by any negligent or wrongful act or omission of Licensor or its employees, agents, contractors, permitted assignees, licensees, subleases, in vi tees or any other person or entity for whose conduct Licensor is legally responsible; (ii) violation of or failure to observe or perform any condition, provision or agreement of this License on Licensor's part to be observed or performed hereunder, and (iii) violation by Licensor of any contract or agreement to which Licensor is a party, in each case affecting any part of the Property or the occupancy or use thereof by Licensor.

13. Assignment or Sublicensing. The License granted hereby is personal to Licensee and shall not be assigned, nor shall Licensee sublicense or otherwise permit or suffer the occupancy of the License Area by any person other than Licensee.

14. Alteration; Restoration. No alterations may be made by Licensee to the License Area without first obtaining the prior written consent of Licensor which, as to nonstructural alterations, shall not be unreasonably withheld, delayed or conditioned. At the time Licensor consents to a particular alteration, Licensor shall notify Licensee if such alteration must be removed and the License Area restored at the expiration or sooner termination of the License Period. Licensor shall also have the right to approve Licensee's contractor(s).

15. Default and Termination.

(a) If either party defaults in the performance of any of its obligations hereunder with respect to the License Area and such default continues for more than five (5) days with respect to a monetary default and thirty (30) days with respect to a nonmonetary default, in all cases after receipt of written notice from the non-defaulting party (except that if such nonmonetary default cannot be reasonably cured with the exercise of reasonable diligence during said thirty (30) day period, such period shall be extended for reasonable additional time, provided that the defaulting party has commenced to cure such default within the thirty (30) day period and proceeds diligently thereafter to

effect such cure) , the non-defaulting party shall have the right to terminate this License with respect to the License Area and pursue any other remedies available at Law or in equity.

(b) In the event of a termination of the Agreement, this License shall also terminate.

16. Quiet Enjoyment. Licensors covenants and agrees that, so long as Licensee shall fully, faithfully and timely observe and perform the agreements, covenants and conditions of this License on its part to be observed and performed with respect to the License Area, Licensee shall and may peaceably and quietly have, hold and enjoy the License Area for the License Period, as same may be extended, without disturbance, hindrance, ejection or molestation by, or from Licensors (subject, however, to the provisions hereof) or any one claiming by, through or under Licensors.

17. Waiver of Subrogation. Each of Licensors and Licensee hereby waives its respective right of recovery against the other and each releases the other from any claim for damage to property of the other, arising out of loss, damage or destruction to any part of the Property, and contents thereon or therein, whether or not such loss, damage or destruction may be attributable to the fault or negligence of either party or its respective agents, invitees, contractors or employees. Each property insurance policy carried by either party shall include a waiver of the insurer's rights of subrogation against the party hereto who is not an insured under said policy, if available at reasonable cost. Each party shall look solely to the proceeds of its respective property insurance policy (and to its own funds to the extent it is self-insured) to compensate it for any such loss, damage or destruction.

18. Surrender. Upon termination of the Standby Electric Service Agreement, Licensee shall vacate and surrender full and complete possession of the License Area to Licensors, broom clean and return in substantially the same condition as existed on the effective date of the original agreement. Notwithstanding the foregoing, Licensee shall have access to the License Area for up to thirty (30) days following termination to remove the Licensee Facilities.

19. Subordination. The License granted herein is subject and subordinate to all ground and underlying leases affecting the Property, and to all mortgages which may now or hereafter affect the Property.

20. Warranties. EXCEPT AS SET FORTH IN THIS AGREEMENT, THE PARTIES DO NOT MAKE ANY REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THIS LICENSE AGREEMENT OR THE LICENSE AREA, INCLUDING THE WARRANTIES OF MERCHANTABILITY OR SUITABILITY OR FITNESS FOR A

PARTICULAR PURPOSE OF LICENSEE'S, WHETHER OR NOT LICENSOR HAS BEEN MADE AWARE OF ANY SUCH PURPOSE.

21. Inability To Perform. Neither party shall be responsible for delays in the performance of its obligations caused by events beyond that party's reasonable control, including, but not limited to, acts of God.

22. Estoppel Certificate. Licensee shall, at any time and from time to time, upon not less than ten (10) business days' prior request by Licensor, execute, acknowledge and deliver to Licensor, or to such other persons who may be designated in such request, a statement in writing, provided that any such written statement is in form and substance reasonably acceptable to Licensee, certifying (a) that this License is unmodified and in full force and effect (or if there have been modifications, specifying such modifications and stating that this License is in full force and effect as modified), and (b) that, to the best of Licensee's knowledge, Licensor is not in default of its obligations under this License (or describing in reasonable detail any claimed defaults of Licensor). It is intended that any such statement delivered pursuant to this Section 22 may be relied upon by any prospective purchaser or encumbrancer (including an assignee or lender) of the Property. This Certificate does not operate as a waiver by Licensee of any later claim that Licensor is in default of its obligations under this License.

23. Miscellaneous.

(b) Governing Law. This License shall be governed by the laws of the State of Minnesota.

(c) Section Headings. The section titles herein are for convenience only and do not define, limit or construe the contents of such sections.

(d) Attachments and Exhibits. All attachments and exhibits to this License are hereby made a part hereof as if fully set out herein.

(e) Severability. If any provision or provisions in this License is found to be in violation of any Law or otherwise unenforceable, all other provisions will remain unaffected in full force and effect.

24. Non-liability. Licensor and Licensee agree that neither their respective directors, officers, employees, shareholders nor any of their respective agents shall have any personal obligation hereunder, and that Licensor and Licensee shall not seek to assert any claim or enforce any of their rights hereunder against such directors, officers, employees, shareholders or agents.

25. Binding Effect. This License shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns, and shall not be modified except by an express written agreement signed by duly authorized representative of both parties.

26. Concurrence. By executing this Agreement, the parties acknowledge that they: (1) enter into and execute this Agreement knowingly, voluntarily and freely of their own volition with such consultation with legal counsel as they deem appropriate; (2) have had an opportunity to consult an attorney before signing this Agreement; (3) have read this Agreement, understand all of its terms and appreciate the significance of those terms; and (4) have not relied upon any representation or statement not set forth herein.

[Signatures to follow]

IN WITNESS THEREOF, the parties have caused this Agreement to be executed the day and year first above written.

CITY OF ROCHESTER MINNESOTA

By: _____
Ardell Brede, Mayor

By: _____
Anissa Hollingshead, City Clerk

Approved As to Form:

By: _____
Jason Loos, City Attorney

ROCHESTER PUBLIC UTILITIES

By: _____
Mark Kotschevar, General Manager

ROCHESTER CAMPUS, LLC

a Delaware limited liability company

By: Western Title Exchange, Inc.
a Delaware limited liability company
its manager

By: _____
Jerry A. Brown Jr.
President

EXHIBIT A

License Area

License Area

Attached floor plans

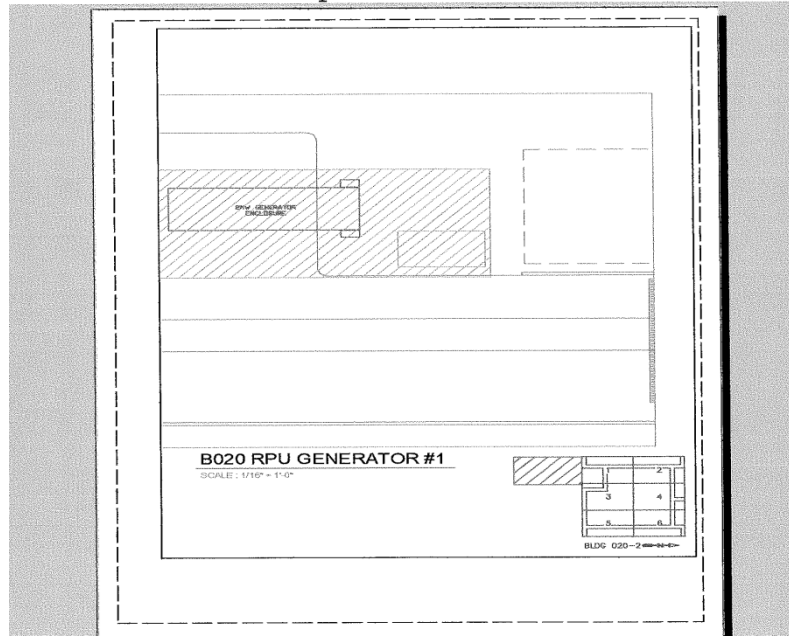


EXHIBIT B
AGREEMENT FOR STANDBY ELECTRIC SERVICE
B020/EG#1

Between

THE CITY OF ROCHESTER
And
ROCHESTER CAMPUS LLC

This Standby Electric Service Agreement (“Agreement”) is made and entered into February 22, 2018, by and between the Rochester Campus, LLC a Delaware limited liability company and the City of Rochester Minnesota, a Minnesota municipal corporation, acting through its Public Utility Board (“RPU”). Both Rochester Campus, LLC and RPU are sometimes hereinafter referred to individually as a “Party” and collectively as “Parties”.

WITNESS

WHEREAS RPU requires various generating resources in its provision of electric service; and

WHEREAS Rochester Campus, LLC requires standby electric service (“Standby Electric Service”) at its Rochester, Minnesota facility; and

WHEREAS, more specifically, the Parties desire to enter into an agreement for the purchase of standby electric services by Rochester Campus, LLC from RPU, and the sale by RPU to Rochester Campus, LLC of standby electric services in combination with RPU’s operation of the generator for system load-serving purposes, as provided herein:

NOW THEREFORE, in consideration of the premises and mutual agreements and covenants contained herein, the legal sufficiency of which is hereby acknowledged, the Parties agree as follows:

ARTICLE I
DEFINITIONS

Auxiliary Power – The 120/208 Volt, three-phase power supply provided by Rochester Campus, LLC to operate the generator’s auxiliary equipment.

Contract Year – Any twelve-month period measured from the date on which Standby Electric Service is implemented under the terms of this Agreement or from any twelve-month anniversary thereof.

Designated Representative – The individual assigned by a Party to administer this Agreement.

Attachment: License Building 020 Final Pkg (8649 : License and Standby Electric Service Agreements (Rochester Campus))

Displaced Plant Energy – Energy that would normally be delivered to Rochester Campus, LLC through traditional transmission, produced by the Genset.

Fuel – No. 2 diesel, less than 0.0015% sulfur content, stored in on-board, double-wall tank, capacity sufficient for 24 hours operation at full load.

Fuel Adder – A charge that RPU adds to each gallon of fuel billed to Rochester Campus, LLC. The charge is intended to recover expenses incidental to ordering and handling fuel in the smaller quantities related to the needs of backup service. For service provided in excess of normal, the Fuel Adder charge per gallon of fuel billed to Rochester Campus, LLC will be doubled.

Genset – RPU's Standby Generator Equipment.

Interconnected Electrical Load – That portion of Rochester Campus, LLC's electrical load that is normally available to be automatically, upon synchronization, interconnected to the genset via 480 Volt switching and capable of accepting up to the Prime-Rated Output of the Genset.

Rochester Campus, LLC Loading Availability – The availability of Rochester Campus, LLC's Interconnected Electrical Load to accept the Prime-Rated Output of the Genset.

License – An authorization provided by Rochester Campus, LLC (Licensor) to RPU (Licensee) to use certain parts of Rochester Campus, LLC's property for the purpose of installing, operating, and maintaining the Genset.

Load-Serving Dispatch – Scheduled or emergency operation of a Genset by RPU to meet system needs.

Normal Charge – The charge to Rochester Campus, LLC per gallon of fuel burned in the provision of up to 328,000 kilowatt-hours annually per Genset of Standby Electric Service.

Operating Permits – The regulatory permits required for operation of the Genset by RPU on Rochester Campus, LLC's site. All costs for obtaining and complying with the permits will be paid by RPU.

Point of Delivery – The physical point/location of the electrical power connections between the Genset and Rochester Campus, LLC's cable/equipment. The power connections will be in a junction cabinet provided by Rochester Campus, LLC and located adjacent to the Genset. RPU's ownership and responsibilities end at the Genset cable termination in the junction cabinet. See Exhibit B-1.

Premium Charge – The charge per gallon of fuel burned in the provision of Standby Electric Service in excess of 328,000 kilowatt-hours annually per Genset.

Prime Rated Output – The maximum rated capability of the Genset for continuous, extended operation.

RPU's Standard Electric Service – Electric service provided to the Rochester Campus, LLC site under RPU's applicable retail tariff and service rules.

Sound Attenuation – Genset housing insulation provided to reduce operating noise to no more than 65 dBA at 10 feet.

Spill Containment – The physical features incorporated into the fuel tank, Genset enclosure, and/or Genset foundation/surroundings for the purpose of capturing and holding any leaking or spilled fluids that may occur as a consequence of operating the Genset for the purposes of this Agreement.

Standby Electric Service Load – The electrical equipment designated by Rochester Campus, LLC to receive Standby Electric Service.

Standby Generator Equipment – The equipment owned and operated by RPU in the provision of Standby Electric Service to Rochester Campus, LLC, including a diesel engine, electrical generator, fuel tank, 480 Volt breaker, automatic transfer switch, sound attenuated enclosure, and hospital-grade silencer on the exhaust.

Synchronization – The electrical matching of frequency and voltage between the output of the Genset and RPU's Standard Electric Service.

ARTICLE II

TERM

2.01 Contract Term. This Agreement shall become effective on February 22, 2018 and it shall remain in effect, unless terminated earlier as provided for in Section 2.02.

2.02 Termination. In addition to termination that might arise pursuant to other Articles of this Agreement, this Agreement shall terminate on the occurrence of any of the following conditions:

- (a) Either Party, with one year's notice, may terminate this Agreement by submitting a written notice of its intention to terminate this Agreement. Termination shall become effective one year after receipt of notice. Notwithstanding the foregoing, and in addition to such other rights of Rochester Campus, LLC herein, in the event of a sale, leasing or other transfer of Rochester Campus, LLC's interest in and to Building 020 or the Property (as defined in the License), as such terms are defined in the License, Rochester Campus, LLC, upon the giving of forty-five (45) days' notice, may terminate the Agreement with respect to Building 020 or Property.
- (b) If either Party should fail to perform or cause delays in performance of, unless excused by Uncontrollable Force, as such term is defined in Section 7.03, any of its obligations under this Agreement; be adjudged bankrupt; have a general assignment of its assets made for the benefit of its creditors; have a receiver appointed for it or for any of its property; or violate any of the material conditions of this Agreement, then the aggrieved Party may serve written

notice upon the other Party of its intent to terminate this Agreement. Unless within ninety (90) days after the service of such notice a satisfactory arrangement is made to remedy the aforementioned acts of omissions, then the aggrieved Party at its election may terminate the Agreement by written notice of termination to the other Party. Subject to Section 7.01, nothing herein shall be construed to limit or restrict any other legal rights or remedies at law or equity of the aggrieved Party.

- (c) In the event of a termination of the License between the Parties, this Agreement shall also terminate.

Notwithstanding the reason for termination, each Party shall retain ownership and responsibility for its equipment. Within thirty (30) days after Agreement termination, RPU shall either 1) disconnect and remove each Genset from the Rochester Campus, LLC site or 2) in the event RPU wishes to leave its equipment on the Rochester Campus, LLC site for purposes of Load-Serving Dispatch operation, shall negotiate with Rochester Campus, LLC for a license to allow RPU to leave its equipment in place on terms and conditions mutually acceptable to both parties.

ARTICLE III

RESPONSIBILITIES FOR STANDBY GENERATOR EQUIPMENT

3.01 RPU Responsibilities. RPU owns, tests, meters the electrical output of, operates, re-fuels, and maintains the Standby Generator Equipment necessary for the provision of Standby Electric Service to the Point of Delivery. RPU shall permit the Genset as an RPU owned and controlled emissions unit. RPU shall maintain equipment that meets Rochester Campus, LLC's requirements for Sound Attenuation, Spill Containment, and air quality.

3.02 Rochester Campus, LLC Responsibilities. Rochester Campus, LLC shall own, operate, and maintain the electric facilities necessary to interconnect to the Standby Generator Equipment at the Point of Delivery in reasonably good condition. Rochester Campus, LLC shall provide necessary site and electrical interconnection data to support RPU's design and construction needs and to support RPU's application(s) for all required Operating Permits for the Genset. Rochester Campus, LLC shall provide sufficient Interconnected Electrical Load during RPU's Peaking Operations to allow RPU to operate each Genset at its Prime-Rated Output. Rochester Campus, LLC shall provide a continuous 120 Volt signal for use in synchronizing each Genset to Interconnected Electrical Load, and shall provide the appropriate switching equipment and controls to allow Genset operation for Standby Generator Service and for RPU's Load-Serving Dispatch needs. Rochester Campus, LLC shall provide a 120/208 Volt, 300 Amp capacity auxiliary power supply to each Genset.

ARTICLE IV

CONTRACT TERMS

4.01 Standby Electric Service. RPU hereby agrees to provide and Rochester Campus, LLC hereby agrees to purchase Standby Electric Service rated at three-phase, four-wire, 480 Volts, with a minimum continuous prime capability of 1640 kilowatts from each generator. When there is a loss of RPU's Standard Electric Service to the Rochester Campus, LLC site, the RPU Genset will start, synchronize, and run automatically to provide Standby Electric Service to the Standby Electric Service Load. Sufficient Fuel will be available from the Genset's onboard fuel tank to operate a minimum of twenty-four (24) continuous hours at Prime-Rated Output. RPU will monitor and control each Genset operation remotely, and refuel each Genset as required, to provide Standby Electric Service energy up to 328,000 kilowatt-hours per Contract Year per Genset at the Normal Charge. Standby Electric Service provided in excess of 328,000 kilowatt-hours per Genset in a Contract Year will be provided and billed at the Premium Charge.

Except for the provisions of Section 4.07, RPU will not supply energy for Standby Electric Service or Load-Serving Dispatch under circumstances that are the responsibility of SMMPA under the Power Sales Contract.

Energy produced in the provision of Standby Electric Service as a result of the loss of RPU's Standard Electric Service to Standby Electric Service Load will not be considered in the billing of plant electrical usage under the RPU tariff, but will be billed to Rochester Campus, LLC as a fuel charge under Section 5.022.

4.02 Load-Serving Dispatch of Genset by RPU. Except during periods of operation for Standby Electric Service, RPU will be free to utilize each Genset for Load-Serving Dispatch for up to 328,000 kilowatt-hours in a Contract Year per Genset. RPU will generally provide Rochester Campus, LLC with two hours' notice of such planned start-ups, but may dispatch the unit with shorter notice when system conditions warrant unplanned dispatch. Rochester Campus, LLC will operate its facilities electrically interconnected to the Point of Delivery such that upon synchronization, Rochester Campus, LLC will maintain a load-serving electrical path to permit RPU to operate the Genset for Load-Serving Dispatch purposes at a level up to the Genset's Prime-Rated Output.

Energy produced for Load-Serving Dispatch which has the effect of reducing normal plant load will be considered in the billing of plant electrical usage under the RPU Standard Electric Service tariff and will not be billed to Rochester Campus, LLC as a fuel charge under Section 5.022. Such metered energy will be added to the plant usage on a coincident basis to produce corrected demand and energy quantities for purposes of plant billing.

4.03 Interruption of Deliveries. If either Party causes an interruption in Genset delivery, the responsible Party shall immediately notify the other Party of the cause of the interruption and of the expected duration. In such event, the Parties shall cooperate with each other to determine the cause and to effect a cure, which cure may be temporary in nature ("Temporary Cure") until a final cure can be made ("Final Cure"). Notwithstanding any Temporary Cure, if a Final Cure is not effected within ten (10) days from the initial date of interruption, the Party not responsible for such interruption may terminate this Agreement for cause. Interruptions caused by Uncontrollable Forces are excluded from the remedies of this section.

4.04 Emergency Load-Serving Operation. In the event that RPU's system conditions require unplanned operation of generation facilities to achieve system stability, Rochester Campus, LLC will

maintain a load-serving electrical path to permit RPU to obtain the Prime-Rated Output of the Genset.

4.05 Designated Representative. Each Party will appoint one individual as the contact person for contract administration. RPU's Designated Representative is the Key Account Representative responsible for Rochester Campus, LLC business. Rochester Campus, LLC's "Designated Representative is IRG Realty Advisors, LLC.

4.06 Site Access. Rochester Campus, LLC will grant RPU representatives with 24/7 site access pursuant to the terms and conditions of the License for purposes of maintaining, testing, refueling, and operating the Genset. RPU will follow Rochester Campus, LLC's security procedures in accessing the Rochester Campus, LLC site. RPU will keep the Genset enclosure locked and will furnish Rochester Campus, LLC with a key for emergency purposes only. For safety reasons, Rochester Campus, LLC personnel must not enter the Genset enclosure without prior notification to RPU, except in the event of an emergency.

4.07 Genset(s) Maintenance and Testing. RPU will inspect and maintain each Genset on a monthly basis. Unless dispatched for other purposes, RPU will start and run each Genset engine for approximately one hour each month. In addition, RPU will perform scheduled maintenance on the equipment per the manufacturer's recommendation. Such maintenance is expected to result in the unavailability of Standby Electric Service for approximately thirty-six (36) total hours annually. Scheduled maintenance will be mutually planned by the Parties.

Testing of synchronization and switching equipment will be accomplished as mutually agreed upon. Energy produced during maintenance and testing that replaces energy otherwise supplied by SMMPA under the Power Sales Contract will be metered and sold to SMMPA and will not result in a reduction in Rochester Campus, LLC plant electrical usage or RPU purchases from SMMPA.

4.08 Environmental. RPU agrees that RPU and RPU's officers, employees, representatives, agents, consultants, contractors, subcontractors, successors, assigns, subtenants, concessionaires, invitees and any other occupants (collectively, "Representatives") shall only be permitted to use and store at the site common cleaning solutions, lubricants and fuels used by RPU in its ordinary operations, so long as the same are stored in appropriate containers, and in appropriate areas, in compliance with all laws and regulations. If at any time any contamination of the Property occurs where such contamination by hazardous materials (including, but not limited to, the Fuel used to power each Genset) is caused by the act or commission of RPU or RPU's Representatives ("RPU's Contamination"), then RPU, at RPU's sole cost and expense and with Rochester Campus, LLC's prior written approval, shall promptly and diligently remove such RPU's Contamination from the Property or the groundwater underlying the Property to the extent required to comply with applicable laws and regulations to restore the Property to the same or better condition which existed before RPU's Contamination. RPU shall indemnify, defend, protect, and hold Rochester Campus, LLC, Rochester Campus, LLC's Representatives and any lender having a lien on or covering the Property or any part thereof from and against any and all claims, actions, causes of actions, liabilities, penalties, forfeitures, damages, fines, injunctive relief, losses or expenses, or death or injury to any person or damage to any property whatsoever arising out of the acts or omissions of RPU. This Section 4.08 shall survive the expiration or earlier termination of this Agreement.

4.09 Right of Audit. Rochester Campus, LLC may periodically request supporting data for charges billed by RPU. Rochester Campus, LLC may audit RPU's records and practices related to pricing and billing. Upon submission of a data or audit request by Rochester Campus, LLC, RPU shall provide the requested data or identify a date for accommodating an audit within thirty (30) days of receiving the request.

ARTICLE V

BILLINGS AND PAYMENTS

5.01 Billings, Payments, and Disputes. RPU shall, by the tenth (10th) day of each month, invoice Rochester Campus, LLC for services, other than fuel consumption and Fuel Adder, rendered during the previous month. The invoice for fuel consumption and Fuel Adder would occur on the 10th of each month, but would address services rendered during the second month prior to the 10th. These bills shall itemize charges as provided in Section 5.02. Payment shall be made by the last day of each month. When the due date falls on a Saturday, Sunday or a federal holiday, the due date will be the next business day thereafter. If any bill is not paid when due, it shall become delinquent and shall be managed under the same terms as other commercial delinquent accounts. Disputed bills shall be paid in full when due and adjusted subsequent to settlement of the dispute. If Rochester Campus, LLC prevails in any dispute, Rochester Campus, LLC shall receive interest from the date paid. The remedies under this Section are not in lieu of other remedies available at law or equity.

5.02 Charges. RPU will provide Standby Electric Service to Rochester Campus, LLC on the basis of a monthly fixed charge (5.021), plus a fuel consumption charge pursuant to Section 5.022 for each Genset provided to Rochester Campus, LLC for testing or backup service.

5.021 Standby Electric Service Fixed Charge. A monthly charge, fixed for the Contract Term, (except for the provisions of Section 4.01 and 6.02) that reflects the operation, maintenance, and administration of the generators will be billed at the end of each calendar month.

5.022 Fuel Consumption Charge. A charge billed at the end of any calendar month in which Standby Electric Service was provided, computed as the cost of fuel used to provide service per Section 4.01, including a Fuel Adder (FA) that is intended to recover certain incremental expenses associated with energy production.

For the first 328,000 kilowatt-hours per Genset:

$$\text{Normal Charge (\$)} = \text{No. of Gallons of Fuel Used} \times (\text{LIFO Cost of Fuel per Gallon} + \text{FA})$$

For energy produced for service in excess of 328,000 kilowatt-hours per Genset:

$$\text{Premium Charge (\$)} = \text{No. of Gallons of Fuel Used} \times (\text{LIFO Cost of Fuel per Gallon} + 2 \times \text{FA})$$

where LIFO is the Last-In-First-Out method of accounting that RPU will utilize in deriving fuel prices for billing purposes.

A sample bill calculation is attached as Exhibit B-2 to this Agreement.

ARTICLE VI

PRICING

6.01 Pricing for Standby Generator Service. Unless modified per Section 6.02, the initial prices applicable to Section 5.02 for the services identified in the Agreement are fixed for five years. Prior to the fifth anniversary of the Agreement, RPU will present Rochester Campus, LLC with any required pricing adjustments for continuing Standby Electric Service beyond five years. Applicable prices are identified in Exhibit B-2, as revised from time to time by the Parties within the provisions of the Agreement.

6.02 Cost Adjustments. In the instance where RPU incurs additional, unforeseen, expenses related to the provision of Standby Electric Service to Rochester Campus, LLC which are not currently incorporated into the cost recovery provisions of this Agreement, including but not limited to increases in taxes or environmental costs required by applicable environmental laws enacted after the date of this Agreement and not due to RPU's act or omission, such expenses, upon proper documentation by RPU and approval, in its reasonable discretion, by Rochester Campus, LLC, may be immediately incorporated into the appropriate monthly charge to Rochester Campus, LLC.

ARTICLE VII

GENERAL PROVISIONS

7.01 Damages. In no event, shall either Rochester Campus, LLC or the City of Rochester be liable to the other Party for any indirect, consequential, punitive, or similar damages arising from, or in any other way connected with, this Agreement.

7.02 Waiver. Any waiver at any time by either Party of its rights with respect to a default under this Agreement shall not be deemed a waiver with respect to any other default or other matter arising in connection herein. Any delay short of the statutory of limitation in asserting or enforcing any right shall not be deemed a waiver of such rights.

7.03 Uncontrollable Force. The Parties will exercise reasonable diligence and care to meet their respective obligations and duties hereunder. However, a Party will not be in default of this Agreement and will not be liable for any obligations hereunder if the same is due to causes or contingencies beyond the control of that Party which could not reasonably have been avoided, including but not limited to acts of God or the public enemy, authority and orders of government, fires, strikes, sabotage, riots, or war. In the cases of all Uncontrollable Forces, the Parties will make reasonable effort to remedy the conditions, except that any labor dispute may be settled at the discretion of the involved Party.

7.04 Applicable Law. In order to promote uniformity in the interpretation of this Agreement, it is agreed that the laws of the State of Minnesota shall control the rights and obligations established by this Agreement and the performance and enforcement thereof, to the extent that such rights and obligations are not governed by Federal law.

7.05 Assignment. Neither party may assign its interest in this Agreement without the prior written consent of the other party, except that Rochester Campus, LLC may assign its interest to any legal affiliate of Rochester Campus, LLC or to the successor owner of the Property as long as it gives RPU written notice of such assignment.

7.06 Entire Agreement. As to the subject matter of this Agreement, this Agreement supercedes any and all proposals and/or understandings, oral and in writing, between the Parties hereto and constitutes their sole and only Agreement. Title and paragraph headings are for convenient reference and are not part of this Agreement.

7.07 Notices. Any notice, request, demand, instruction or other document or communication required or permitted to be given hereunder shall be in writing addressed to the respective party as set forth below and may be personally served, sent by facsimile, email, or sent by a nationally recognized overnight courier or by U.S. Mail, first class, addressed as follows:

Key Account Representative
Rochester Public Utilities
4000 East River Road NE
Rochester, Minnesota 55906-2813

on behalf of Rochester Public Utilities and to:

IRG Realty Advisors, LLC
4020 Kinross Lakes Parkway Suite 200
Richfield OH 44286
Attention: Tracey Green
Email: tracy.green@irgra.com
Telephone: 330-659-7115

with a copy to:

Rochester Campus, LLC
11100 Santa Monica Boulevard, Suite 850
Los Angeles, California 90025
Attn: John Mase
Telephone: (310) 806-4434
FAX: (310) 473-8702

And:

Fainsbert Mase Brown & Sussman, LLP
11100 Santa Monica Boulevard, Suite 870
Los Angeles, California 90025

Attention: Jerry A. Brown, Jr., Esq.
 Email: jbrown@fms-law.com
 Telephone: (310) 473-6400
 FAX: (310) 473-8702

Any party may change its notice or email address and/or facsimile number by giving written notice thereof in accordance with this Section. All notices hereunder shall be deemed given: (1) if served in person, when served; (2) if sent by email, on the date of transmission if before 6:00 p.m. P.S.T.; provided that a hard copy of such notice is also sent by either a nationally recognized overnight courier or by U.S. Mail, first class; (3) if by overnight courier, by a nationally recognized courier which has a system of providing evidence of delivery, on the first business day after delivery to the courier; or (4) if by U.S. Mail, on the third day after deposit in the mail, postage prepaid, certified mail, return receipt requested.

7.08 Dispute Resolution. Any claim, controversy or dispute arising out of this Agreement shall be subject to non-binding mediation as a condition precedent to the institution of legal or equitable proceedings by either party. The mediation shall be conducted in Olmsted County, Minnesota, and in accordance with the Minnesota Civil Mediation Act, Minn. Stat. 572.31, et., seq. Any claim, controversy or dispute not resolved by mediation may be the subject of legal or equitable proceedings filed by either party. The venue for legal or equitable proceedings shall be in Olmsted County, Minnesota. The parties waive all rights to and claims for monetary awards other than compensatory damages.

7.09 Prohibited Business Practices. RPU and Rochester Campus, LLC each shall be familiar with and will strictly comply with all laws related to bribery, corruption, and prohibited business practices. The Parties and their affiliates have not and will not, for the purpose of unlawfully influencing or inducing anyone to influence decisions in favor of Rochester Campus, LLC, RPU and RPU's representatives or any of either party's affiliates, offer, promise or make or agree to make, directly or indirectly, (a) any political contributions of any kind or any payment to or for the benefit of any public official, whether elected or appointed, (b) any payment for gifts, meals, travel or other value for a government employee or his/her family members or (c) any payments or gifts (of money or anything of value) to anyone. The Parties shall not, under any circumstances, reimburse one another for any such political contributions, payments or gifts.

7.10 Data Practices. As required by Minnesota Statutes, section 13.05, subd. 11(a), Rochester Campus, LLC acknowledges that it is subject to the requirements of Minnesota Statutes chapter 13 in creating, collecting, receiving, storing, using, maintaining, or disseminating data pertaining to this Agreement.

7.11. Concurrence. By executing this Agreement, the parties acknowledge that they: (1) enter into and execute this Agreement knowingly, voluntarily and freely of their own volition with such consultation with legal counsel as they deem appropriate; (2) have had an opportunity to consult an attorney before signing this Agreement; (3) have read this Agreement, understand all of its terms and appreciate the significance of those terms; and (4) have not relied upon any representation or statement not set forth herein.

IN WITNESS THEREOF, the parties have caused this Agreement to be executed the day and year first above written.

CITY OF ROCHESTER MINNESOTA

By: _____
Ardell Brede, Mayor

By: _____
Anissa Hollingshead, City Clerk

Approved As to Form:

By: _____
Jason Loos, City Attorney

ROCHESTER PUBLIC UTILITIES

By: _____
Mark Kotschevar, General Manager

ROCHESTER CAMPUS, LLC

a Delaware limited liability company

By: Western Title Exchange, Inc.
a Delaware limited liability company
its manager

By: _____
Jerry A. Brown Jr.
President

EXHIBIT B-1

One-line diagram of Genset interconnection to Rochester Campus, LLC electrical system to effect the provisions of the Standby Electric Service Agreement between the City of Rochester and the Rochester Campus, LLC Corporation.

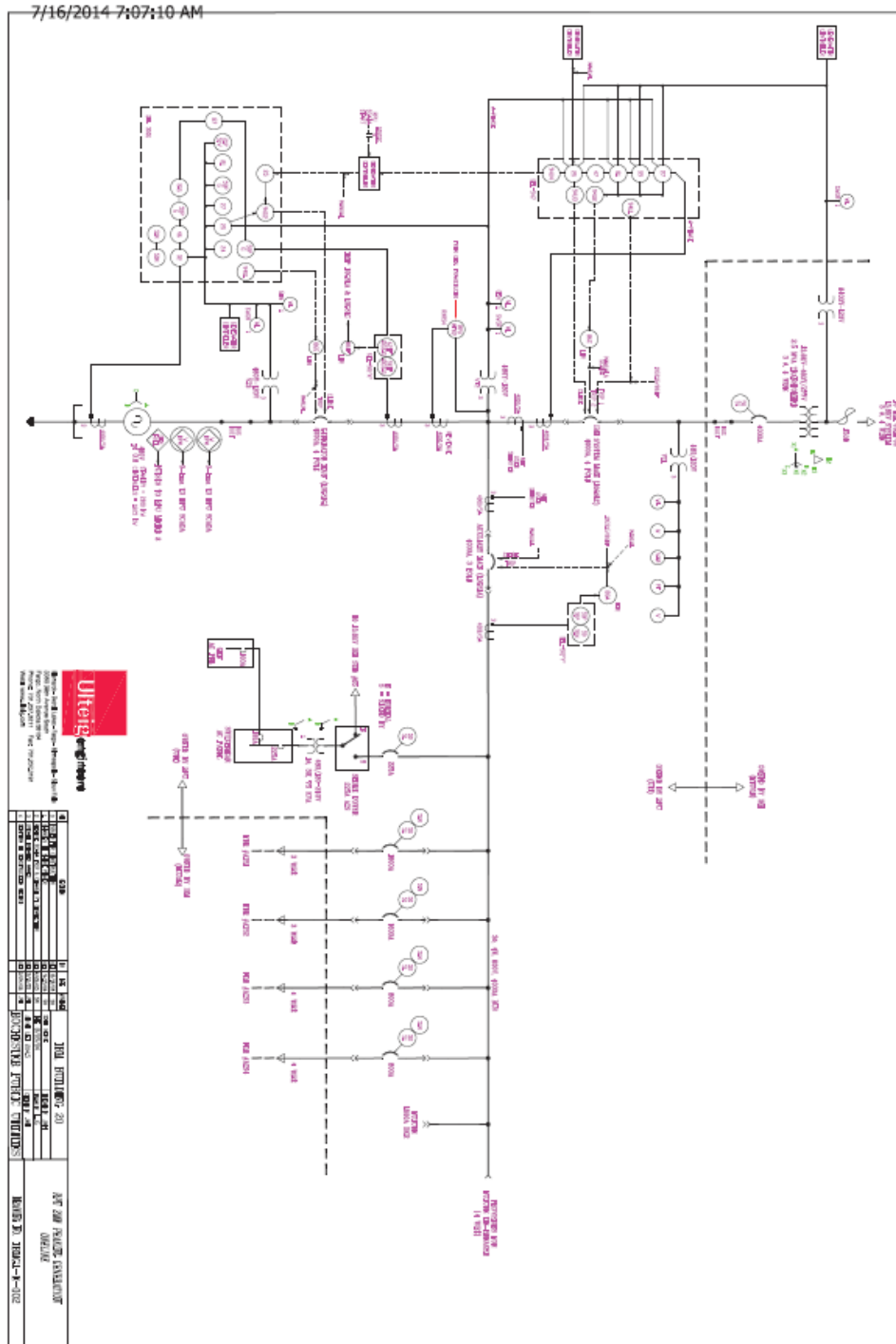


EXHIBIT B-2

Example application of assumed billing charges for Standby Electric Service (SES) and Load-Serving Dispatch (LSD) for the month and contract year-to-date (CYTD):

Assumptions:**Backup Generation Services Building 20**

Kilowatt-hours produced this period for SES:	5,400 kWh
Kilowatt-hours produced CYTD for SES:	330,000 kWh
Kilowatt-hours produced this period for LSD:	8,000 kWh
Kilowatt-hours produced CYTD for LSD:	150,000 kWh

Operation this period for Standby Electric Service:	
Metered energy production:	5,400 kWh
Metered Fuel used:	367 gallons
LIFO Fuel price:	\$3.79/gallon

Operation this period for Load-Serving Dispatch:	
Displaced plant energy (billed separately at current rate):	8,000 kWh

Calculations:**Backup Generation Services Building 20**

SES energy at Normal Charge:	3,400 kWh
$[5,400 - (330,000 - 328,000)]$	
Total Fuel used:	367 gallons
Fuel Adder at Normal Charge:	\$0.15/gallon
$(3400/5400 \times 367)=231$ gal	
SES energy at Premium Charge:	2,000 kWh
$(5,400 - 3,400)$	
Fuel used at Premium Charge:	136 gallons
$(367 - 231)$	
Fuel Adder at Premium Charge:	\$0.30/gallon
136 gal	

Backup Generation Services – Building 20	
Building 20 Energy Charge	\$391.04
Standby Lease Charge	\$3,175.00
Standby Electric Communication	\$80.92
Fuel Consumption Charge	\$1,390.93
Fuel Adder Normal	\$34.65
Fuel Adder Premium	\$40.80
Total	\$5,113.34



**License Agreement
Between
The City of Rochester and Rochester Campus, LLC**

REAL ESTATE LICENSE FOR BUILDING 301

THIS REAL ESTATE LICENSE (this “**License**”) is made and entered into as of February 22, 2018 (the “**Effective Date**”) by and between ROCHESTER CAMPUS, LLC, (“**Licensor**”), a Delaware limited liability company, and the CITY OF ROCHESTER, (“**Licensee**”), a Minnesota municipal corporation, acting through its Public Utility Board.

WHEREAS, the parties desire by this License to provide for the licensing by Licensor to Licensee of the right to use that certain part of Licensor's owned property located at 3605 Highway 52, North Rochester, MN 55901, as more particularly described on EXHIBIT A, attached hereto and made a part hereof (the “**Licensee Area**”). Such License Area is located adjacent to Building 301 (“**Building**”) on land and within the Building owned by Licensor (the “**Property**”).

NOW, THEREFORE, in consideration of the mutual agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby covenant and agree as follows:

1. License.

(a) Licensor hereby grants to Licensee a license to use the License Area for the License Period (as hereinafter defined), together with the right to access the License Area through the common areas of the Property. Licensee shall use the License Area for the purposes set forth in Paragraph 2 hereof.

(b) Licensee has inspected and is familiar with the License Area and accepts it in its as-is, where-is condition, and Licensor shall not be required to perform any work or furnish any materials in order to prepare the License Area for the Permitted Use (as hereinafter defined).

2. Use. Licensee may use the License Area for the purpose of installing, operating and maintaining (i) a standby generator, self-contained fuel source and secure enclosure and (ii) related equipment (together, “**Licensee Facilities**”) to provide standby electric service as needed to support Licensor's load (“**Permitted Use**”) and no other use. Prior to the commencement of any work in, on, or under the Property (including any installation of Licensee's Facilities), Licensee shall, at its sole expense, prepare and deliver to Licensor all and any drawings, plans, and/or specifications describing

03/27/2018
DRAFT

Attachment: License Building 301 Final Pkg (8649 : License and Standby Electric Service Agreements (Rochester Campus))

such proposed work (the “**Plans**”). The Plans shall reasonably detail the location and size of the Licensee Facilities and any space required on the Property necessary to house the Licensee Facilities. Upon Licensors approval of the Plans (which approval shall not be unreasonably withheld, conditioned or delayed), Licensee may begin to install any Licensee Facilities in accordance with the Plans, at Licensee’s sole cost and expense. Licensee shall:

(a) Perform all work in a safe manner consistent with prudent construction standards;

(b) Perform all work in such a way as to minimize unreasonable interference with the operation of the Property and/or the Building, or with the operations of tenants of the Property and/or the Building; and

(c) Obtain, prior to the commencement of any work, all federal, state and municipal permits, licenses and approvals required in connection with such construction and work. Any future work by Licensee in, on, or under the Property or any future installation of Equipment by Licensee in, on, or under the Property shall comply with the terms of this License.

3. Area License Period. The term of this License shall be for ten (10) years beginning on the Effective Date (“**License Period**”), unless terminated earlier per the terms of the Standby Electric Service Agreement of even date herewith between Licensors and Licensee (“**Service Agreement**”), attached hereto as EXHIBIT B.

4. License Fee. In consideration of the promises and covenants contained herein and for other good and valuable consideration, including but not limited to that which is contained in the Service Agreement, Licensee has paid to Licensors a onetime fee in the amount of TEN DOLLARS (\$10.00).

5. Services. During the License Period, Licensors shall provide the same services to the License Area as the services currently being supplied to the Property, as the same may reasonably be modified by Licensors from time-to-time.

6. Liens. Licensee shall be responsible for the satisfaction or payment of any liens for any provider of work, labor, material or services claiming by, through or under Licensee. Licensee shall also indemnify, hold harmless and defend Licensors against any such liens, including the reasonable fees of Licensors’s attorneys. Such liens shall be discharged by Licensee within fifteen (15) business days after the filing thereof by bonding, payment or otherwise; provided that Licensee may contest, in good faith and by appropriate proceedings diligently pursued, any such liens, so long as Licensee has

bonded over such liens to the reasonable satisfaction of Licensors. The provisions of this Section 6 shall survive the expiration or termination of this License.

7. Compliance with Laws and Regulations. Licensee shall promptly comply with all present and future (i) reasonable rules and regulations adopted by Licensors from time to time (including, without limitation, rules applicable to the use, storage and disposal of hazardous substances and waste and other environmental matters) with respect to the Property and License Area and (ii) applicable laws and regulations of state, federal, municipal and local governments, departments, commissions and boards and any direction of any public officer pursuant to law and all orders, rules and regulations of any Board of Fire Underwriters or any similar body (collectively "**Laws**"). Licensee agrees to cooperate, at Licensee's sole cost and expense, with Licensors and do all things reasonably necessary for Licensors to comply with Laws.

8. Notice. Whenever any notice or other communication (collectively, "**Notice**") is required or permitted under this License, Notice must be in writing and sent by certified mail, return receipt requested, postage prepaid or by a nationally recognized overnight courier service to the following addresses:

If to Licensors: Rochester Campus, LLC
11100 Santa Monica Boulevard, Suite 850
Los Angeles, California 90025
Attn: John Mase
Telephone: (310) 806-4434
FAX: (310) 473-8702

With a copy to: Fainsbert Mase Brown & Sussman, LLP
11100 Santa Monica Boulevard, Suite 870
Los Angeles, California 90025
Attn: Jerry A. Brown, Jr., Esq.
Telephone: (310) 473-6400
FAX: (310) 473-8702

And to: IRG Realty Advisors, LLC
4020 Kinross Lakes Parkway Suite 200
Richfield OH 44286
Attention: Tracey Green
Email: tracy.green@irgra.com
Telephone: 330-659-7115

If to Licensee: Key Account Representative
 Rochester Public Utilities
 4000 East River Road NE
 Rochester, Minnesota 55906-2813

Notice shall be deemed effective on the date shown on the return receipt if given by certified mail or the confirmation of delivery form if Notice is given by overnight courier service. Rejection, refusal to accept or the inability to deliver because of a changed address of which no Notice was given shall be deemed to be receipt of Notice as of the date of rejection, refusal or inability to deliver. Either party may change its above address by giving Notice of such address change in the manner for giving Notice prescribed in this Section.

9. Access. Licensee, its employees, contractors and agents shall have the right of twenty-four (24) hours per day, seven (7) days per week access to the License Area. Such access of Licensee, and Licensee's agents, employees and contractors shall include pedestrian and vehicular ingress and egress across the common areas of the Property.

10. Repairs. Throughout the License Period, Licensee shall, at its sole cost and expense, keep and maintain the License Area and the Licensee Facilities in good order and repair, promptly making all necessary repairs and replacements, including, but not limited to, all equipment and facilities and components thereof within the License Area, fixtures, walls (interior), finish work, ceilings, floors, lighting fixtures, bulbs and ballasts, and utility connections; provided, however, Licensee shall not be responsible for any repairs or replacements that occur as a result of the gross negligence or willful misconduct of Licensor.

11. Damage and Destruction.

(a) Neither Licensor nor Licensee shall have any responsibility in the event of any damage to or theft or loss of any equipment or property of the other party, and the party incurring such damage, theft or loss shall look to its own insurance coverage (and to any self-insured portion of the damage, theft or loss), if any, for recovery in the event of any such damage, loss or theft, unless such damage, loss or theft is a result of the other party's gross negligence or willful misconduct.

(b) If the License Area or the Building is materially is destroyed or damaged by fire or other casualty, either Licensor or Licensee may elect to terminate the License. In the event neither Licensor nor Licensee terminates this License, Licensor may proceed after adjustment of the insurance loss, if any, to repair such damage to the Building to the condition existing prior to such

damage. Licensee shall be responsible for restoring the License Area and Licensee Facilities to the condition existing prior to the damage at its own cost and expense.

12. Insurance. Without limiting the liabilities or indemnification obligations of Licensee, Licensee shall, at all times during the Term, carry and maintain, at its sole cost and expense, the following insurance from insurers with minimum Best's ratings of "A-VII" authorized to do business in the state where the Property is located:

(a) Workers' Compensation insurance in accordance with the law of the state where any work under this Agreement is being performed, including Employer's Liability insurance to the extent required by the laws of the State of Minnesota;

(b) Commercial General Liability Insurance with an occurrence limit of not less than Three Million Dollars (\$3,000,000) and an aggregate limit of not less than Fifteen Million Dollars (\$15,000,000) covering personal injury, bodily injury, death, property damage, products/completed operations and contractual liability. Such policy shall be written to apply to all bodily injury or death, property damage, and personal injury losses, and shall include blanket contractual liability and products-completed operations, and shall provide primary coverage to Licensee and Licensor (and any insurance policy issued to Licensor providing duplicate or similar coverage shall be deemed to be excess over Licensee's policies);

(c) Commercial Automobile Liability with limits not less than Two Million Dollars (\$2,000,000) combined single limit per occurrence covering bodily injury and property damage for all owned, non-owned and hired vehicles used in connection with the performance of this Agreement; and

(d) "All Risk" property insurance covering the Licensee Facilities and other personal property in sufficient amounts to cover any loss of such Licensee Facilities and personal property.

Licensor and its affiliates, subsidiaries, and parent entities, as well as the officers, directors, employees and agents of all such entities shall be included as additional insureds on the policies described in Sections 12(b) and 12(c). The coverage described in Section 12(b) shall be primary and not contributory to insurance which may be maintained by Licensor, subject to the indemnification provisions of this License. Prior to the commencement of any work in, on, or under the Property

(including any installation of Licensee Facilities), and thereafter upon Licensor's request at the renewal of the insurance coverage required by this Section 12, Licensee shall make available to Licensor evidence of the insurance required by this Section 12 upon request. Licensee shall provide written notice to Licensor at least thirty (30) days before any cancellation, or reduction below the above-referenced limits, of such insurance coverage.

Licensor shall, at Licensor's own cost and expense, maintain and keep in force at all times during the License Period:

(i) commercial general liability insurance, against claims for personal injury, death or property damage occurring on, in or about the License Area, primary coverage to be a minimum combined single limit amount of not less than \$2,000,000 and excess umbrella coverage of not less than \$5,000,000; and

(ii) Employers' Liability and Workers' Compensation Insurance to the extent required by the laws of the State of Minnesota.

Notwithstanding the foregoing, Licensor may, upon notice to Licensee, elect to self-insure and be liable to cover any claims which would otherwise be payable hereunder by a third party insurer.

13. Indemnity.

(a) Indemnification of Licensor. Licensee shall indemnify, defend and hold Licensor, and any partner, member, manager, officer, agent, employee and director of Licensor (the "**Licensor Indemnitees**") harmless from and shall defend Licensor Indemnitees against all claims made or judicial or administrative actions filed which allege that any one of the Licensor Indemnitees is liable to the claimant by reason of: (i) any injury to or death of any person, or damage to or loss of property, or any other thing occurring on or about any part of the Property, or in any manner growing out of, resulting from or connected with the use, condition or occupancy of, the Property if caused by any negligent or wrongful act or omission of Licensee or its agents, partners, contractors, employees, permitted assignees, licensees, subleases, invitees or any other person or entity for whose conduct Licensee is legally responsible; (ii) violation by Licensee of any contract or agreement to which Licensee is a party in each case affecting any part of the Property or the occupancy or use thereof by Licensee; and (iii) violation of or failure to observe or perform any condition, provision or agreement of the License on Licensee's part to be observed or performed hereunder.

(b) Indemnification of Licensee. Licenser shall indemnify, defend and hold Licensee, and any partner, member, manager, officer, agent, employee and director of Licensee (the "**Licensee Indemnitees**") harmless from and defend Licensee Indemnitees against all claims made or judicial or administrative actions filed which allege that any one of the Licensee Indemnitees is liable to the claimant by reason of: (i) any injury to or death of any person, or damage to or loss of property, or any other thing occurring on or about any part of the Property, or in any manner growing out of, resulting from or connected with the use, condition or occupancy of any part of the Property if caused by any negligent or wrongful act or omission of Licenser or its employees, agents, contractors, permitted assignees, licensees, subleases, in vi tees or any other person or entity for whose conduct Licenser is legally responsible; (ii) violation of or failure to observe or perform any condition, provision or agreement of this License on Licenser's part to be observed or performed hereunder, and (iii) violation by Licenser of any contract or agreement to which Licenser is a party, in each case affecting any part of the Property or the occupancy or use thereof by Licenser.

13. Assignment or Sublicensing. The License granted hereby is personal to Licensee and shall not be assigned, nor shall Licensee sublicense or otherwise permit or suffer the occupancy of the License Area by any person other than Licensee.

14. Alteration; Restoration. No alterations may be made by Licensee to the License Area without first obtaining the prior written consent of Licenser which, as to nonstructural alterations, shall not be unreasonably withheld, delayed or conditioned. At the time Licenser consents to a particular alteration, Licenser shall notify Licensee if such alteration must be removed and the License Area restored at the expiration or sooner termination of the License Period. Licenser shall also have the right to approve Licensee's contractor(s).

15. Default and Termination.

(a) If either party defaults in the performance of any of its obligations hereunder with respect to the License Area and such default continues for more than five (5) days with respect to a monetary default and thirty (30) days with respect to a nonmonetary default, in all cases after receipt of written notice from the non-defaulting party (except that if such nonmonetary default cannot be reasonably cured with the exercise of reasonable diligence during said thirty (30) day period, such period shall be extended for reasonable additional time, provided that the defaulting party has commenced to cure such default within the thirty (30) day period and proceeds diligently thereafter to

effect such cure) , the non-defaulting party shall have the right to terminate this License with respect to the License Area and pursue any other remedies available at Law or in equity.

(b) In the event of a termination of the Agreement, this License shall also terminate.

16. Quiet Enjoyment. Licensors covenants and agrees that, so long as Licensee shall fully, faithfully and timely observe and perform the agreements, covenants and conditions of this License on its part to be observed and performed with respect to the License Area, Licensee shall and may peaceably and quietly have, hold and enjoy the License Area for the License Period, as same may be extended, without disturbance, hindrance, ejection or molestation by, or from Licensor (subject, however, to the provisions hereof) or any one claiming by, through or under Licensor.

17. Waiver of Subrogation. Each of Licensor and Licensee hereby waives its respective right of recovery against the other and each releases the other from any claim for damage to property of the other, arising out of loss, damage or destruction to any part of the Property, and contents thereon or therein, whether or not such loss, damage or destruction may be attributable to the fault or negligence of either party or its respective agents, invitees, contractors or employees. Each property insurance policy carried by either party shall include a waiver of the insurer's rights of subrogation against the party hereto who is not an insured under said policy, if available at reasonable cost. Each party shall look solely to the proceeds of its respective property insurance policy (and to its own funds to the extent it is self-insured) to compensate it for any such loss, damage or destruction.

18. Surrender. Upon termination of the Standby Electric Service Agreement, Licensee shall vacate and surrender full and complete possession of the License Area to Licensor, broom clean and return in substantially the same condition as existed on the effective date of the original agreement. Notwithstanding the foregoing, Licensee shall have access to the License Area for up to thirty (30) days following termination to remove the Licensee Facilities.

19. Subordination. The License granted herein is subject and subordinate to all ground and underlying leases affecting the Property, and to all mortgages which may now or hereafter affect the Property.

20. Warranties. EXCEPT AS SET FORTH IN THIS AGREEMENT, THE PARTIES DO NOT MAKE ANY REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THIS LICENSE AGREEMENT OR THE LICENSE AREA, INCLUDING THE WARRANTIES OF MERCHANTABILITY OR SUITABILITY OR FITNESS FOR A

PARTICULAR PURPOSE OF LICENSEE'S, WHETHER OR NOT LICENSOR HAS BEEN MADE AWARE OF ANY SUCH PURPOSE.

21. Inability To Perform. Neither party shall be responsible for delays in the performance of its obligations caused by events beyond that party's reasonable control, including, but not limited to, acts of God.

22. Estoppel Certificate. Licensee shall, at any time and from time to time, upon not less than ten (10) business days' prior request by Licensor, execute, acknowledge and deliver to Licensor, or to such other persons who may be designated in such request, a statement in writing, provided that any such written statement is in form and substance reasonably acceptable to Licensee, certifying (a) that this License is unmodified and in full force and effect (or if there have been modifications, specifying such modifications and stating that this License is in full force and effect as modified), and (b) that, to the best of Licensee's knowledge, Licensor is not in default of its obligations under this License (or describing in reasonable detail any claimed defaults of Licensor). It is intended that any such statement delivered pursuant to this Section 22 may be relied upon by any prospective purchaser or encumbrancer (including an assignee or lender) of the Property. This Certificate does not operate as a waiver by Licensee of any later claim that Licensor is in default of its obligations under this License.

23. Miscellaneous.

(b) Governing Law. This License shall be governed by the laws of the State of Minnesota.

(c) Section Headings. The section titles herein are for convenience only and do not define, limit or construe the contents of such sections.

(d) Attachments and Exhibits. All attachments and exhibits to this License are hereby made a part hereof as if fully set out herein.

(e) Severability. If any provision or provisions in this License is found to be in violation of any Law or otherwise unenforceable, all other provisions will remain unaffected in full force and effect.

24. Non-liability. Licensor and Licensee agree that neither their respective directors, officers, employees, shareholders nor any of their respective agents shall have any personal obligation hereunder, and that Licensor and Licensee shall not seek to assert any claim or enforce any of their rights hereunder against such directors, officers, employees, shareholders or agents.

25. Binding Effect. This License shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns, and shall not be modified except by an express written agreement signed by duly authorized representative of both parties.

26. Concurrence. By executing this Agreement, the parties acknowledge that they: (1) enter into and execute this Agreement knowingly, voluntarily and freely of their own volition with such consultation with legal counsel as they deem appropriate; (2) have had an opportunity to consult an attorney before signing this Agreement; (3) have read this Agreement, understand all of its terms and appreciate the significance of those terms; and (4) have not relied upon any representation or statement not set forth herein.

[Signatures to follow]

IN WITNESS THEREOF, the parties have caused this Agreement to be executed the day and year first above written.

CITY OF ROCHESTER MINNESOTA

By: _____
Ardell Brede, Mayor

By: _____
Anissa Hollingshead, City Clerk

Approved As to Form:

By: _____
Jason Loos, City Attorney

ROCHESTER PUBLIC UTILITIES

By: _____
Mark Kotschevar, General Manager

ROCHESTER CAMPUS, LLC

a Delaware limited liability company

By: Western Title Exchange, Inc.
a Delaware limited liability company
its manager

By: _____
Jerry A. Brown Jr.
President

EXHIBIT A

License Area

Attached floor plans

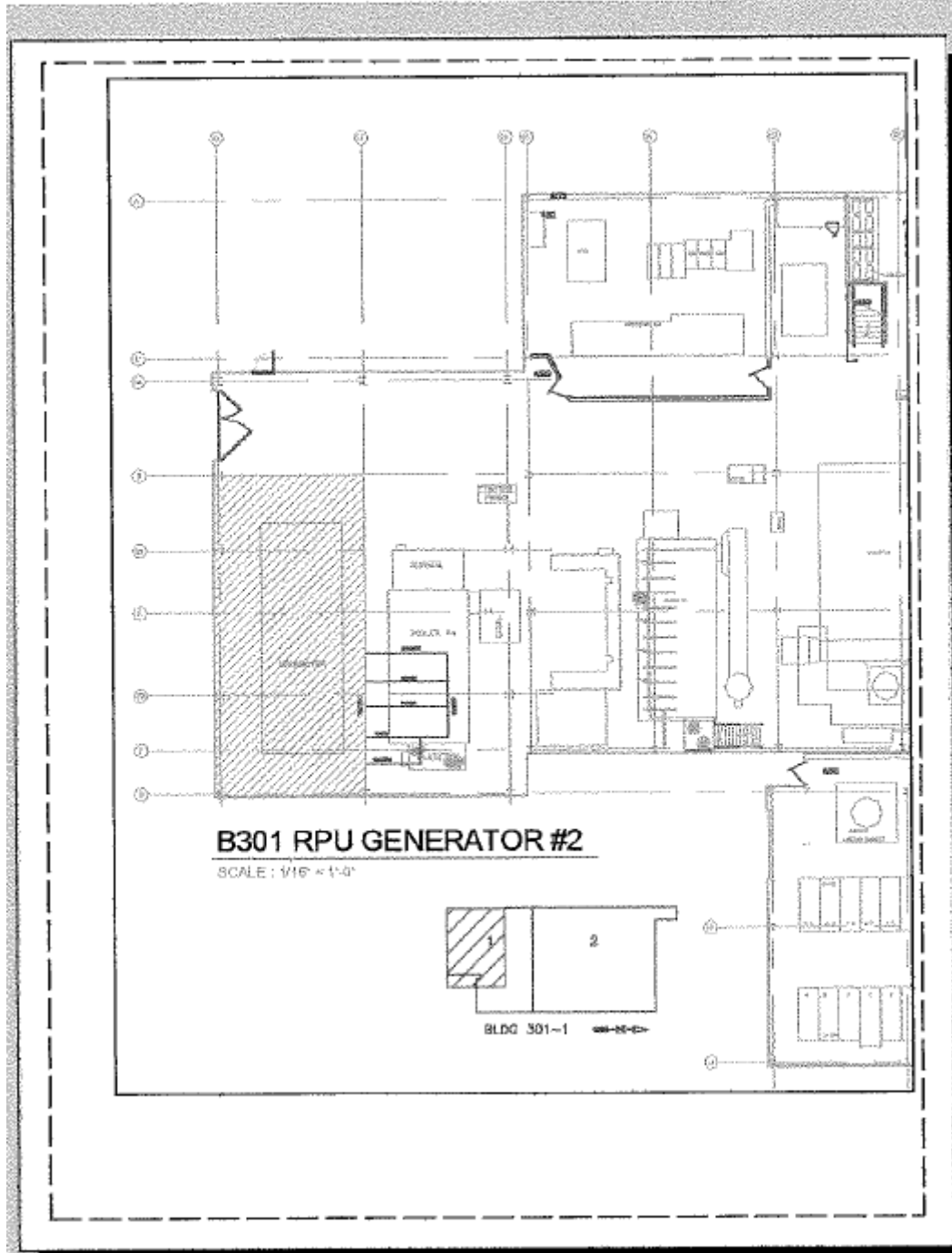


EXHIBIT B
AGREEMENT FOR STANDBY ELECTRIC SERVICE
B301/EG#1

Between

THE CITY OF ROCHESTER
And
ROCHESTER CAMPUS LLC

This Standby Electric Service Agreement (“Agreement”) is made and entered into February 22, 2018, by and between the Rochester Campus, LLC a Delaware limited liability company and the City of Rochester Minnesota, a Minnesota municipal corporation, acting through its Public Utility Board (“RPU”). Both Rochester Campus, LLC and RPU are sometimes hereinafter referred to individually as a “Party” and collectively as “Parties”.

WITNESS

WHEREAS RPU requires various generating resources in its provision of electric service; and

WHEREAS Rochester Campus, LLC requires standby electric service (“Standby Electric Service”) at its Rochester, Minnesota facility; and

WHEREAS, more specifically, the Parties desire to enter into an agreement for the purchase of standby electric services by Rochester Campus, LLC from RPU, and the sale by RPU to Rochester Campus, LLC of standby electric services in combination with RPU’s operation of the generator for system load-serving purposes, as provided herein:

NOW THEREFORE, in consideration of the premises and mutual agreements and covenants contained herein, the legal sufficiency of which is hereby acknowledged, the Parties agree as follows:

ARTICLE I
DEFINITIONS

Auxiliary Power – The 120/208 Volt, three-phase power supply provided by Rochester Campus, LLC to operate the generator’s auxiliary equipment.

Contract Year – Any twelve-month period measured from the date on which Standby Electric Service is implemented under the terms of this Agreement or from any twelve-month anniversary thereof.

Designated Representative – The individual assigned by a Party to administer this Agreement.

Displaced Plant Energy – Energy that would normally be delivered to Rochester Campus, LLC through traditional transmission, produced by the Genset.

Fuel – No. 2 diesel, less than 0.0015% sulfur content, stored in on-board, double-wall tank, capacity sufficient for 24 hours operation at full load.

Fuel Adder – A charge that RPU adds to each gallon of fuel billed to Rochester Campus, LLC. The charge is intended to recover expenses incidental to ordering and handling fuel in the smaller quantities related to the needs of backup service. For service provided in excess of normal, the Fuel Adder charge per gallon of fuel billed to Rochester Campus, LLC will be doubled.

Genset – RPU's Standby Generator Equipment.

Interconnected Electrical Load – That portion of Rochester Campus, LLC's electrical load that is normally available to be automatically, upon synchronization, interconnected to the genset via 480 Volt switching and capable of accepting up to the Prime-Rated Output of the Genset.

Rochester Campus, LLC Loading Availability – The availability of Rochester Campus, LLC's Interconnected Electrical Load to accept the Prime-Rated Output of the Genset.

License – An authorization provided by Rochester Campus, LLC (Licensor) to RPU (Licensee) to use certain parts of Rochester Campus, LLC's property for the purpose of installing, operating, and maintaining the Genset.

Load-Serving Dispatch – Scheduled or emergency operation of a Genset by RPU to meet system needs.

Normal Charge – The charge to Rochester Campus, LLC per gallon of fuel burned in the provision of up to 328,000 kilowatt-hours annually per Genset of Standby Electric Service.

Operating Permits – The regulatory permits required for operation of the Genset by RPU on Rochester Campus, LLC's site. All costs for obtaining and complying with the permits will be paid by RPU.

Point of Delivery – The physical point/location of the electrical power connections between the Genset and Rochester Campus, LLC's cable/equipment. The power connections will be in a junction cabinet provided by Rochester Campus, LLC and located adjacent to the Genset. RPU's ownership and responsibilities end at the Genset cable termination in the junction cabinet. See Exhibit B-1.

Premium Charge – The charge per gallon of fuel burned in the provision of Standby Electric Service in excess of 328,000 kilowatt-hours annually per Genset.

Prime Rated Output – The maximum rated capability of the Genset for continuous, extended operation.

RPU's Standard Electric Service – Electric service provided to the Rochester Campus, LLC site under RPU's applicable retail tariff and service rules.

Sound Attenuation – Genset housing insulation provided to reduce operating noise to no more than 65 dBA at 10 feet.

Spill Containment – The physical features incorporated into the fuel tank, Genset enclosure, and/or Genset foundation/surroundings for the purpose of capturing and holding any leaking or spilled fluids that may occur as a consequence of operating the Genset for the purposes of this Agreement.

Standby Electric Service Load – The electrical equipment designated by Rochester Campus, LLC to receive Standby Electric Service.

Standby Generator Equipment – The equipment owned and operated by RPU in the provision of Standby Electric Service to Rochester Campus, LLC, including a diesel engine, electrical generator, fuel tank, 480 Volt breaker, automatic transfer switch, sound attenuated enclosure, and hospital-grade silencer on the exhaust.

Synchronization – The electrical matching of frequency and voltage between the output of the Genset and RPU's Standard Electric Service.

ARTICLE II

TERM

2.01 Contract Term. This Agreement shall become effective on February 22, 2018 and it shall remain in effect, unless terminated earlier as provided for in Section 2.02.

2.02 Termination. In addition to termination that might arise pursuant to other Articles of this Agreement, this Agreement shall terminate on the occurrence of any of the following conditions:

- (a) Either Party, with one year's notice, may terminate this Agreement by submitting a written notice of its intention to terminate this Agreement. Termination shall become effective one year after receipt of notice. Notwithstanding the foregoing, and in addition to such other rights of Rochester Campus, LLC herein, in the event of a sale, leasing or other transfer of Rochester Campus, LLC's interest in and to Building 301 or the Property (as defined in the License), as such terms are defined in the License, Rochester Campus, LLC, upon the giving of forty-five (45) days' notice, may terminate the Agreement with respect to Building 301 or Property.
- (b) If either Party should fail to perform or cause delays in performance of, unless excused by Uncontrollable Force, as such term is defined in Section 7.03, any of its obligations under this Agreement; be adjudged bankrupt; have a general assignment of its assets made for the benefit of its creditors; have a receiver appointed for it or for any of its property; or violate any of the material conditions of this Agreement, then the aggrieved Party may serve written

notice upon the other Party of its intent to terminate this Agreement. Unless within ninety (90) days after the service of such notice a satisfactory arrangement is made to remedy the aforementioned acts of omissions, then the aggrieved Party at its election may terminate the Agreement by written notice of termination to the other Party. Subject to Section 7.01, nothing herein shall be construed to limit or restrict any other legal rights or remedies at law or equity of the aggrieved Party.

- (c) In the event of a termination of the License between the Parties, this Agreement shall also terminate.

Notwithstanding the reason for termination, each Party shall retain ownership and responsibility for its equipment. Within thirty (30) days after Agreement termination, RPU shall either 1) disconnect and remove each Genset from the Rochester Campus, LLC site or 2) in the event RPU wishes to leave its equipment on the Rochester Campus, LLC site for purposes of Load-Serving Dispatch operation, shall negotiate with Rochester Campus, LLC for a license to allow RPU to leave its equipment in place on terms and conditions mutually acceptable to both parties.

ARTICLE III

RESPONSIBILITIES FOR STANDBY GENERATOR EQUIPMENT

3.01 RPU Responsibilities. RPU owns, tests, meters the electrical output of, operates, re-fuels, and maintains the Standby Generator Equipment necessary for the provision of Standby Electric Service to the Point of Delivery. RPU shall permit the Genset as an RPU owned and controlled emissions unit. RPU shall maintain equipment that meets Rochester Campus, LLC's requirements for Sound Attenuation, Spill Containment, and air quality.

3.02 Rochester Campus, LLC Responsibilities. Rochester Campus, LLC shall own, operate, and maintain the electric facilities necessary to interconnect to the Standby Generator Equipment at the Point of Delivery in reasonably good condition. Rochester Campus, LLC shall provide necessary site and electrical interconnection data to support RPU's design and construction needs and to support RPU's application(s) for all required Operating Permits for the Genset. Rochester Campus, LLC shall provide sufficient Interconnected Electrical Load during RPU's Peaking Operations to allow RPU to operate each Genset at its Prime-Rated Output. Rochester Campus, LLC shall provide a continuous 120 Volt signal for use in synchronizing each Genset to Interconnected Electrical Load, and shall provide the appropriate switching equipment and controls to allow Genset operation for Standby Generator Service and for RPU's Load-Serving Dispatch needs. Rochester Campus, LLC shall provide a 120/208 Volt, 300 Amp capacity auxiliary power supply to each Genset.

ARTICLE IV

CONTRACT TERMS

4.01 Standby Electric Service. RPU hereby agrees to provide and Rochester Campus, LLC hereby agrees to purchase Standby Electric Service rated at three-phase, four-wire, 480 Volts, with a minimum continuous prime capability of 1640 kilowatts from each generator. When there is a loss of RPU's Standard Electric Service to the Rochester Campus, LLC site, the RPU Genset will start, synchronize, and run automatically to provide Standby Electric Service to the Standby Electric Service Load. Sufficient Fuel will be available from the Genset's onboard fuel tank to operate a minimum of twenty-four (24) continuous hours at Prime-Rated Output. RPU will monitor and control each Genset operation remotely, and refuel each Genset as required, to provide Standby Electric Service energy up to 328,000 kilowatt-hours per Contract Year per Genset at the Normal Charge. Standby Electric Service provided in excess of 328,000 kilowatt-hours per Genset in a Contract Year will be provided and billed at the Premium Charge.

Except for the provisions of Section 4.07, RPU will not supply energy for Standby Electric Service or Load-Serving Dispatch under circumstances that are the responsibility of SMMPA under the Power Sales Contract.

Energy produced in the provision of Standby Electric Service as a result of the loss of RPU's Standard Electric Service to Standby Electric Service Load will not be considered in the billing of plant electrical usage under the RPU tariff, but will be billed to Rochester Campus, LLC as a fuel charge under Section 5.022.

4.02 Load-Serving Dispatch of Genset by RPU. Except during periods of operation for Standby Electric Service, RPU will be free to utilize each Genset for Load-Serving Dispatch for up to 328,000 kilowatt-hours in a Contract Year per Genset. RPU will generally provide Rochester Campus, LLC with two hours' notice of such planned start-ups, but may dispatch the unit with shorter notice when system conditions warrant unplanned dispatch. Rochester Campus, LLC will operate its facilities electrically interconnected to the Point of Delivery such that upon synchronization, Rochester Campus, LLC will maintain a load-serving electrical path to permit RPU to operate the Genset for Load-Serving Dispatch purposes at a level up to the Genset's Prime-Rated Output.

Energy produced for Load-Serving Dispatch which has the effect of reducing normal plant load will be considered in the billing of plant electrical usage under the RPU Standard Electric Service tariff and will not be billed to Rochester Campus, LLC as a fuel charge under Section 5.022. Such metered energy will be added to the plant usage on a coincident basis to produce corrected demand and energy quantities for purposes of plant billing.

4.03 Interruption of Deliveries. If either Party causes an interruption in Genset delivery, the responsible Party shall immediately notify the other Party of the cause of the interruption and of the expected duration. In such event, the Parties shall cooperate with each other to determine the cause and to effect a cure, which cure may be temporary in nature ("Temporary Cure") until a final cure can be made ("Final Cure"). Notwithstanding any Temporary Cure, if a Final Cure is not effected within ten (10) days from the initial date of interruption, the Party not responsible for such interruption may terminate this Agreement for cause. Interruptions caused by Uncontrollable Forces are excluded from the remedies of this section.

4.04 Emergency Load-Serving Operation. In the event that RPU's system conditions require unplanned operation of generation facilities to achieve system stability, Rochester Campus, LLC will

maintain a load-serving electrical path to permit RPU to obtain the Prime-Rated Output of the Genset.

4.05 Designated Representative. Each Party will appoint one individual as the contact person for contract administration. RPU's Designated Representative is the Key Account Representative responsible for Rochester Campus, LLC business. Rochester Campus, LLC's "Designated Representative is IRG Realty Advisors, LLC.

4.06 Site Access. Rochester Campus, LLC will grant RPU representatives with 24/7 site access pursuant to the terms and conditions of the License for purposes of maintaining, testing, refueling, and operating the Genset. RPU will follow Rochester Campus, LLC's security procedures in accessing the Rochester Campus, LLC site. RPU will keep the Genset enclosure locked and will furnish Rochester Campus, LLC with a key for emergency purposes only. For safety reasons, Rochester Campus, LLC personnel must not enter the Genset enclosure without prior notification to RPU, except in the event of an emergency.

4.07 Genset(s) Maintenance and Testing. RPU will inspect and maintain each Genset on a monthly basis. Unless dispatched for other purposes, RPU will start and run each Genset engine for approximately one hour each month. In addition, RPU will perform scheduled maintenance on the equipment per the manufacturer's recommendation. Such maintenance is expected to result in the unavailability of Standby Electric Service for approximately thirty-six (36) total hours annually. Scheduled maintenance will be mutually planned by the Parties.

Testing of synchronization and switching equipment will be accomplished as mutually agreed upon. Energy produced during maintenance and testing that replaces energy otherwise supplied by SMMPA under the Power Sales Contract will be metered and sold to SMMPA and will not result in a reduction in Rochester Campus, LLC plant electrical usage or RPU purchases from SMMPA.

4.08 Environmental. RPU agrees that RPU and RPU's officers, employees, representatives, agents, consultants, contractors, subcontractors, successors, assigns, subtenants, concessionaires, invitees and any other occupants (collectively, "Representatives") shall only be permitted to use and store at the site common cleaning solutions, lubricants and fuels used by RPU in its ordinary operations, so long as the same are stored in appropriate containers, and in appropriate areas, in compliance with all laws and regulations. If at any time any contamination of the Property occurs where such contamination by hazardous materials (including, but not limited to, the Fuel used to power each Genset) is caused by the act or commission of RPU or RPU's Representatives ("RPU's Contamination"), then RPU, at RPU's sole cost and expense and with Rochester Campus, LLC's prior written approval, shall promptly and diligently remove such RPU's Contamination from the Property or the groundwater underlying the Property to the extent required to comply with applicable laws and regulations to restore the Property to the same or better condition which existed before RPU's Contamination. RPU shall indemnify, defend, protect, and hold Rochester Campus, LLC, Rochester Campus, LLC's Representatives and any lender having a lien on or covering the Property or any part thereof from and against any and all claims, actions, causes of actions, liabilities, penalties, forfeitures, damages, fines, injunctive relief, losses or expenses, or death or injury to any person or damage to any property whatsoever arising out of the acts or omissions of RPU. This Section 4.08 shall survive the expiration or earlier termination of this Agreement.

4.09 Right of Audit. Rochester Campus, LLC may periodically request supporting data for charges billed by RPU. Rochester Campus, LLC may audit RPU's records and practices related to pricing and billing. Upon submission of a data or audit request by Rochester Campus, LLC, RPU shall provide the requested data or identify a date for accommodating an audit within thirty (30) days of receiving the request.

ARTICLE V **BILLINGS AND PAYMENTS**

5.01 Billings, Payments, and Disputes. RPU shall, by the tenth (10th) day of each month, invoice Rochester Campus, LLC for services, other than fuel consumption and Fuel Adder, rendered during the previous month. The invoice for fuel consumption and Fuel Adder would occur on the 10th of each month, but would address services rendered during the second month prior to the 10th. These bills shall itemize charges as provided in Section 5.02. Payment shall be made by the last day of each month. When the due date falls on a Saturday, Sunday or a federal holiday, the due date will be the next business day thereafter. If any bill is not paid when due, it shall become delinquent and shall be managed under the same terms as other commercial delinquent accounts. Disputed bills shall be paid in full when due and adjusted subsequent to settlement of the dispute. If Rochester Campus, LLC prevails in any dispute, Rochester Campus, LLC shall receive interest from the date paid. The remedies under this Section are not in lieu of other remedies available at law or equity.

5.02 Charges. RPU will provide Standby Electric Service to Rochester Campus, LLC on the basis of a monthly fixed charge (5.021), plus a fuel consumption charge pursuant to Section 5.022 for each Genset provided to Rochester Campus, LLC for testing or backup service.

5.021 Standby Electric Service Fixed Charge. A monthly charge, fixed for the Contract Term, (except for the provisions of Section 4.01 and 6.02) that reflects the operation, maintenance, and administration of the generators will be billed at the end of each calendar month.

5.022 Fuel Consumption Charge. A charge billed at the end of any calendar month in which Standby Electric Service was provided, computed as the cost of fuel used to provide service per Section 4.01, including a Fuel Adder (FA) that is intended to recover certain incremental expenses associated with energy production.

For the first 328,000 kilowatt-hours per Genset:

$$\text{Normal Charge (\$)} = \text{No. of Gallons of Fuel Used} \times (\text{LIFO Cost of Fuel per Gallon} + \text{FA})$$

For energy produced for service in excess of 328,000 kilowatt-hours per Genset:

$$\text{Premium Charge (\$)} = \text{No. of Gallons of Fuel Used} \times (\text{LIFO Cost of Fuel per Gallon} + 2 \times \text{FA})$$

where LIFO is the Last-In-First-Out method of accounting that RPU will utilize in deriving fuel prices for billing purposes.

A sample bill calculation is attached as Exhibit B-2 to this Agreement.

ARTICLE VI

PRICING

6.01 Pricing for Standby Generator Service. Unless modified per Section 6.02, the initial prices applicable to Section 5.02 for the services identified in the Agreement are fixed for five years. Prior to the fifth anniversary of the Agreement, RPU will present Rochester Campus, LLC with any required pricing adjustments for continuing Standby Electric Service beyond five years. Applicable prices are identified in Exhibit B-2, as revised from time to time by the Parties within the provisions of the Agreement.

6.02 Cost Adjustments. In the instance where RPU incurs additional, unforeseen, expenses related to the provision of Standby Electric Service to Rochester Campus, LLC which are not currently incorporated into the cost recovery provisions of this Agreement, including but not limited to increases in taxes or environmental costs required by applicable environmental laws enacted after the date of this Agreement and not due to RPU's act or omission, such expenses, upon proper documentation by RPU and approval, in its reasonable discretion, by Rochester Campus, LLC, may be immediately incorporated into the appropriate monthly charge to Rochester Campus, LLC.

ARTICLE VII

GENERAL PROVISIONS

7.01 Damages. In no event, shall either Rochester Campus, LLC or the City of Rochester be liable to the other Party for any indirect, consequential, punitive, or similar damages arising from, or in any other way connected with, this Agreement.

7.02 Waiver. Any waiver at any time by either Party of its rights with respect to a default under this Agreement shall not be deemed a waiver with respect to any other default or other matter arising in connection herein. Any delay short of the statutory of limitation in asserting or enforcing any right shall not be deemed a waiver of such rights.

7.03 Uncontrollable Force. The Parties will exercise reasonable diligence and care to meet their respective obligations and duties hereunder. However, a Party will not be in default of this Agreement and will not be liable for any obligations hereunder if the same is due to causes or contingencies beyond the control of that Party which could not reasonably have been avoided, including but not limited to acts of God or the public enemy, authority and orders of government, fires, strikes, sabotage, riots, or war. In the cases of all Uncontrollable Forces, the Parties will make reasonable effort to remedy the conditions, except that any labor dispute may be settled at the discretion of the involved Party.

7.04 Applicable Law. In order to promote uniformity in the interpretation of this Agreement, it is agreed that the laws of the State of Minnesota shall control the rights and obligations established by this Agreement and the performance and enforcement thereof, to the extent that such rights and obligations are not governed by Federal law.

7.05 Assignment. Neither party may assign its interest in this Agreement without the prior written consent of the other party, except that Rochester Campus, LLC may assign its interest to any legal affiliate of Rochester Campus, LLC or to the successor owner of the Property as long as it gives RPU written notice of such assignment.

7.06 Entire Agreement. As to the subject matter of this Agreement, this Agreement supercedes any and all proposals and/or understandings, oral and in writing, between the Parties hereto and constitutes their sole and only Agreement. Title and paragraph headings are for convenient reference and are not part of this Agreement.

7.07 Notices. Any notice, request, demand, instruction or other document or communication required or permitted to be given hereunder shall be in writing addressed to the respective party as set forth below and may be personally served, sent by facsimile, email, or sent by a nationally recognized overnight courier or by U.S. Mail, first class, addressed as follows:

Key Account Representative
Rochester Public Utilities
4000 East River Road NE
Rochester, Minnesota 55906-2813

on behalf of Rochester Public Utilities and to:

IRG Realty Advisors, LLC
4020 Kinross Lakes Parkway Suite 200
Richfield OH 44286
Attention: Tracey Green
Email: tracy.green@irgra.com
Telephone: 330-659-7115

with a copy to:

Rochester Campus, LLC
11100 Santa Monica Boulevard, Suite 850
Los Angeles, California 90025
Attn: John Mase
Telephone: (310) 806-4434
FAX: (310) 473-8702

And:

Fainsbert Mase Brown & Sussman, LLP
11100 Santa Monica Boulevard, Suite 870
Los Angeles, California 90025

Attention: Jerry A. Brown, Jr., Esq.
 Email: jbrown@fms-law.com
 Telephone: (310) 473-6400
 FAX: (310) 473-8702

Any party may change its notice or email address and/or facsimile number by giving written notice thereof in accordance with this Section. All notices hereunder shall be deemed given: (1) if served in person, when served; (2) if sent by email, on the date of transmission if before 6:00 p.m. P.S.T.; provided that a hard copy of such notice is also sent by either a nationally recognized overnight courier or by U.S. Mail, first class; (3) if by overnight courier, by a nationally recognized courier which has a system of providing evidence of delivery, on the first business day after delivery to the courier; or (4) if by U.S. Mail, on the third day after deposit in the mail, postage prepaid, certified mail, return receipt requested.

7.08 Dispute Resolution. Any claim, controversy or dispute arising out of this Agreement shall be subject to non-binding mediation as a condition precedent to the institution of legal or equitable proceedings by either party. The mediation shall be conducted in Olmsted County, Minnesota, and in accordance with the Minnesota Civil Mediation Act, Minn. Stat. 572.31, et., seq. Any claim, controversy or dispute not resolved by mediation may be the subject of legal or equitable proceedings filed by either party. The venue for legal or equitable proceedings shall be in Olmsted County, Minnesota. The parties waive all rights to and claims for monetary awards other than compensatory damages.

7.09 Prohibited Business Practices. RPU and Rochester Campus, LLC each shall be familiar with and will strictly comply with all laws related to bribery, corruption, and prohibited business practices. The Parties and their affiliates have not and will not, for the purpose of unlawfully influencing or inducing anyone to influence decisions in favor of Rochester Campus, LLC, RPU and RPU's representatives or any of either party's affiliates, offer, promise or make or agree to make, directly or indirectly, (a) any political contributions of any kind or any payment to or for the benefit of any public official, whether elected or appointed, (b) any payment for gifts, meals, travel or other value for a government employee or his/her family members or (c) any payments or gifts (of money or anything of value) to anyone. The Parties shall not, under any circumstances, reimburse one another for any such political contributions, payments or gifts.

7.10 Data Practices. As required by Minnesota Statutes, section 13.05, subd. 11(a), Rochester Campus, LLC acknowledges that it is subject to the requirements of Minnesota Statutes chapter 13 in creating, collecting, receiving, storing, using, maintaining, or disseminating data pertaining to this Agreement.

7.11. Concurrence. By executing this Agreement, the parties acknowledge that they: (1) enter into and execute this Agreement knowingly, voluntarily and freely of their own volition with such consultation with legal counsel as they deem appropriate; (2) have had an opportunity to consult an attorney before signing this Agreement; (3) have read this Agreement, understand all of its terms and appreciate the significance of those terms; and (4) have not relied upon any representation or statement not set forth herein.

IN WITNESS THEREOF, the parties have caused this Agreement to be executed the day and year first above written.

CITY OF ROCHESTER MINNESOTA

By: _____
Ardell Brede, Mayor

By: _____
Anissa Hollingshead, City Clerk

Approved As to Form:

By: _____
Jason Loos, City Attorney

ROCHESTER PUBLIC UTILITIES

By: _____
Mark Kotschevar, General Manager

ROCHESTER CAMPUS, LLC

a Delaware limited liability company

By: Western Title Exchange, Inc.
a Delaware limited liability company
its manager

By: _____
Jerry A. Brown Jr.
President

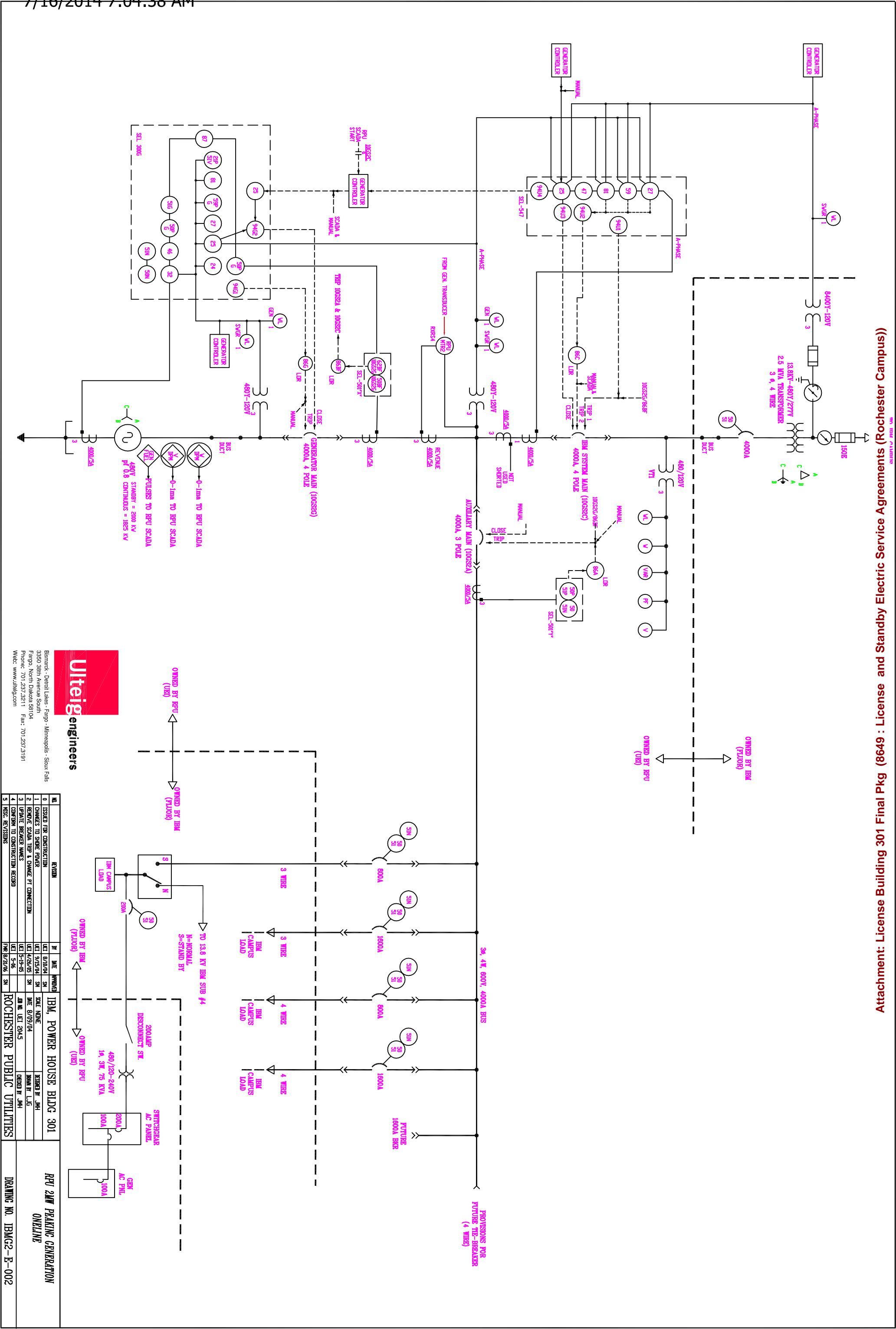


EXHIBIT B-2

Example application of assumed billing charges for Standby Electric Service (SES) and Load-Serving Dispatch (LSD) for the month and contract year-to-date (CYTD):

Assumptions:**Backup Generation Services Building 301**

Kilowatt-hours produced this period for SES:	5,400 kWh
Kilowatt-hours produced CYTD for SES:	330,000 kWh
Kilowatt-hours produced this period for LSD:	8,000 kWh
Kilowatt-hours produced CYTD for LSD:	150,000 kWh

Operation this period for Standby Electric Service:	
Metered energy production:	5,400 kWh
Metered Fuel used:	367 gallons
LIFO Fuel price:	\$3.79/gallon

Operation this period for Load-Serving Dispatch:	
Displaced plant energy (billed separately at current rate):	8,000 kWh

Calculations:**Backup Generation Services Building 301**

SES energy at Normal Charge:	3,400 kWh
$[5,400 - (330,000 - 328,000)]$	
Total Fuel used:	367 gallons
Fuel Adder at Normal Charge:	\$0.15/gallon
$(3400/5400 \times 367)=231$ gal	
SES energy at Premium Charge:	2,000 kWh
$(5,400 - 3,400)$	
Fuel used at Premium Charge:	136 gallons
$(367 - 231)$	
Fuel Adder at Premium Charge:	\$0.30/gallon
136 gal	

Backup Generation Services – Building 301	
Building 301 Energy Charge	\$391.04
Standby Lease Charge	\$3,175.00
Standby Electric Communication	\$80.92
Fuel Consumption Charge	\$1,390.93
Fuel Adder Normal	\$34.65
Fuel Adder Premium	\$40.80
Total	\$5,113.34



RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve (1) the License and Standby Electric Service Agreements (Rochester Campus) following final review by the General Manager and City Attorney, and (2) future attendants or subsequent agreements, resulting in non-material changes, consistent with the License Agreements as determined by the General Manager and City Attorney with Rochester Campus, LLC, and authorize the Mayor and City Clerk to execute the agreements.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 27th day of March, 2018.

President

Secretary

FOR BOARD ACTION

Agenda Item # (ID # 8703)

Meeting Date: 3/27/2018

SUBJECT: Microsoft Enterprise Agreement License Renewal

PREPARED BY: Phil Teng

ITEM DESCRIPTION:

The Microsoft Enterprise Agreement (EA) entitles RPU to the use, updates and support of the Microsoft software products, including servers, workstations, databases, Office, etc. This will be a three-year term (3-1-2018 through 2-28-2021) renewal through a reseller, SHI International. The estimated three-year total cost is \$507,573 billed annually. The annual billing will be adjusted for the actual number of licenses in use during the prior year. Estimated cost for 2018 is \$169,191 and was included in the 2018 budget.

In January 2018, the Board approved renewal of the EA license for the estimated cost of \$83,658.60 annually for three years which did not include the licensing for Office 365. The City IT integration committee has now standardized on moving to Office 365 citywide. This new agreement takes the place of the previously approved EA and provides additional products, such as Office 365, Enterprise Mobility and Security (EMS) for an estimated additional annual cost of \$85,532.40.

The final contract is still being negotiated. Staff seeks Board approval, subject to the General Manager's and City Attorney's review and approval of the final agreement.

UTILITY BOARD ACTION REQUESTED:

Approve a resolution to purchase the Microsoft license renewal through SHI International Corp, in an amount not to exceed \$550,000 plus applicable taxes, to allow for additional licenses to be added in the future, subject to the review and approval of the final agreement by the General Manager and City Attorney.



Program Signature Form

MBA/MBSA number

255306

Agreement number

01E73816

Note: Enter the applicable active numbers associated with the documents below. Microsoft requires the associated active number be indicated here, or listed below as new.

For the purposes of this form, "Customer" can mean the signing entity, Enrolled Affiliate, Government Partner, Institution, or other party entering into a volume licensing program agreement.

This signature form and all contract documents identified in the table below are entered into between the Customer and the Microsoft Affiliate signing, as of the effective date identified below.

Contract Document	Number or Code
Enterprise Enrollment (Indirect)	X20-10634
Product Selection Form	0709414.007_PSF
Discount Transparency Disclosure Form	0709414.007_DTDF
Enterprise Amendment	M97; M389 (NEW)

By signing below, Customer and the Microsoft Affiliate agree that both parties (1) have received, read and understand the above contract documents, including any websites or documents incorporated by reference and any amendments and (2) agree to be bound by the terms of all such documents.

Customer
Name of Entity (must be legal entity name)* City of Rochester through the Acting Board of Utilities Signature* _____ Printed First and Last Name* Mark Kotschevar Printed Title General Manager Signature Date* _____ Tax ID 41-6005494

* indicates required field

Microsoft Affiliate
Microsoft Corporation Signature _____ Printed First and Last Name _____ Printed Title _____ Signature Date _____ (date Microsoft Affiliate countersigns)
Agreement Effective Date _____ (may be different than Microsoft's signature date)

Optional 2nd Customer signature or Outsourcer signature (if applicable)

Customer
Name of Entity (must be legal entity name)*
Signature* _____
Printed First and Last Name*
Printed Title
Signature Date*

* indicates required field

Outsourcer
Name of Entity (must be legal entity name)*
Signature* _____
Printed First and Last Name*
Printed Title
Signature Date*

* indicates required field

If Customer requires physical media, additional contacts, or is reporting multiple previous Enrollments, include the appropriate form(s) with this signature form.

After this signature form is signed by the Customer, send it and the Contract Documents to Customer's channel partner or Microsoft account manager, who must submit them to the following address. When the signature form is fully executed by Microsoft, Customer will receive a confirmation copy.

Microsoft Corporation
 Dept. 551, Volume Licensing
 6100 Neil Road, Suite 210
 Reno, Nevada 89511-1137
 USA



Enterprise Enrollment

State and Local

Enterprise Enrollment number
(Microsoft to complete)

64826810

Framework ID
(if applicable)

Previous Enrollment number
(Reseller to complete)

9120464

This Enrollment must be attached to a signature form to be valid.

This Microsoft Enterprise Enrollment is entered into between the entities as identified in the signature form as of the effective date. Enrolled Affiliate represents and warrants it is the same Customer, or an Affiliate of the Customer, that entered into the Enterprise Agreement identified on the program signature form.

This Enrollment consists of: (1) these terms and conditions, (2) the terms of the Enterprise Agreement identified on the signature form, (3) the Product Selection Form, (4) the Product Terms, (5) the Online Services Terms, (6) any Supplemental Contact Information Form, Previous Agreement/Enrollment form, and other forms that may be required, and (7) any order submitted under this Enrollment. This Enrollment may only be entered into under a 2011 or later Enterprise Agreement. By entering into this Enrollment, Enrolled Affiliate agrees to be bound by the terms and conditions of the Enterprise Agreement.

All terms used but not defined are located at <http://www.microsoft.com/licensing/contracts>. In the event of any conflict the terms of this Agreement control.

Effective date. If Enrolled Affiliate is renewing Software Assurance or Subscription Licenses from one or more previous Enrollments or agreements, then the effective date will be the day after the first prior Enrollment or agreement expires or terminates. If this Enrollment is renewed, the effective date of the renewal term will be the day after the Expiration Date of the initial term. Otherwise, the effective date will be the date this Enrollment is accepted by Microsoft. Any reference to “anniversary date” refers to the anniversary of the effective date of the applicable initial or renewal term for each year this Enrollment is in effect.

Term. The initial term of this Enrollment will expire on the last day of the month, 36 full calendar months from the effective date of the initial term. The renewal term will expire 36 full calendar months after the effective date of the renewal term.

Terms and Conditions

1. Definitions.

Terms used but not defined in this Enrollment will have the definition in the Enterprise Agreement. The following definitions are used in this Enrollment:

“Additional Product” means any Product identified as such in the Product Terms and chosen by Enrolled Affiliate under this Enrollment.

“Community” means the community consisting of one or more of the following: (1) a Government, (2) an Enrolled Affiliate using eligible Government Community Cloud Services to provide solutions to a Government or a qualified member of the Community, or (3) a Customer with Customer Data that is subject to Government regulations for which Customer determines and Microsoft agrees that the use of Government Community Cloud Services is appropriate to meet Customer’s regulatory requirements.

Membership in the Community is ultimately at Microsoft's discretion, which may vary by Government Community Cloud Service.

"Enterprise Online Service" means any Online Service designated as an Enterprise Online Service in the Product Terms and chosen by Enrolled Affiliate under this Enrollment. Enterprise Online Services are treated as Online Services, except as noted.

"Enterprise Product" means any Desktop Platform Product that Microsoft designates as an Enterprise Product in the Product Terms and chosen by Enrolled Affiliate under this Enrollment. Enterprise Products must be licensed for all Qualified Devices and Qualified Users on an Enterprise-wide basis under this program.

"Expiration Date" means the date upon which the Enrollment expires.

"Federal Agency" means a bureau, office, agency, department or other entity of the United States Government.

"Government" means a Federal Agency, State/Local Entity, or Tribal Entity acting in its governmental capacity.

"Government Community Cloud Services" means Microsoft Online Services that are provisioned in Microsoft's multi-tenant data centers for exclusive use by or for the Community and offered in accordance with the National Institute of Standards and Technology (NIST) Special Publication 800-145. Microsoft Online Services that are Government Community Cloud Services are designated as such in the Use Rights and Product Terms.

"Industry Device" (also known as line of business device) means any device that: (1) is not useable in its deployed configuration as a general purpose personal computing device (such as a personal computer), a multi-function server, or a commercially viable substitute for one of these systems; and (2) only employs an industry or task-specific software program (e.g. a computer-aided design program used by an architect or a point of sale program) ("Industry Program"). The device may include features and functions derived from Microsoft software or third-party software. If the device performs desktop functions (such as email, word processing, spreadsheets, database, network or Internet browsing, or scheduling, or personal finance), then the desktop functions: (1) may only be used for the purpose of supporting the Industry Program functionality; and (2) must be technically integrated with the Industry Program or employ technically enforced policies or architecture to operate only when used with the Industry Program functionality.

"Managed Device" means any device on which any Affiliate in the Enterprise directly or indirectly controls one or more operating system environments. Examples of Managed Devices can be found in the Product Terms.

"Qualified Device" means any device that is used by or for the benefit of Enrolled Affiliate's Enterprise and is: (1) a personal desktop computer, portable computer, workstation, or similar device capable of running Windows Pro locally (in a physical or virtual operating system environment), or (2) a device used to access a virtual desktop infrastructure ("VDI"). Qualified Devices do not include any device that is: (1) designated as a server and not used as a personal computer, (2) an Industry Device, or (3) not a Managed Device. At its option, the Enrolled Affiliate may designate any device excluded above (e.g., Industry Device) that is used by or for the benefit of the Enrolled Affiliate's Enterprise as a Qualified Device for all or a subset of Enterprise Products or Online Services the Enrolled Affiliate has selected.

"Qualified User" means a person (e.g., employee, consultant, contingent staff) who: (1) is a user of a Qualified Device, or (2) accesses any server software requiring an Enterprise Product Client Access License or any Enterprise Online Service. It does not include a person who accesses server software or an Online Service solely under a License identified in the Qualified User exemptions in the Product Terms.

"Reseller" means an entity authorized by Microsoft to resell Licenses under this program and engaged by an Enrolled Affiliate to provide pre- and post-transaction assistance related to this agreement;

"Reserved License" means for an Online Service identified as eligible for true-ups in the Product Terms, the License reserved by Enrolled Affiliate prior to use and for which Microsoft will make the Online Service available for activation.

"State/Local Entity" means (1) any agency of a state or local government in the United States, or (2) any United States county, borough, commonwealth, city, municipality, town, township, special purpose district, or other similar type of governmental instrumentality established by the laws of Customer's state and located within Customer's state's jurisdiction and geographic boundaries.

"Tribal Entity" means a federally-recognized tribal entity performing tribal governmental functions and eligible for funding and services from the U.S. Department of Interior by virtue of its status as an Indian tribe.

"Use Rights" means, with respect to any licensing program, the use rights or terms of service for each Product and version published for that licensing program at the Volume Licensing Site. The Use Rights supersede the terms of any end user license agreement (on-screen or otherwise) that accompanies a Product. The Use Rights for Software are published by Microsoft in the Product Terms. The Use Rights for Online Services are published in the Online Services Terms.

"Volume Licensing Site" means <http://www.microsoft.com/licensing/contracts> or a successor site.

2. **Order requirements.**

- a. **Minimum order requirements.** Enrolled Affiliate's Enterprise must have a minimum of 250 Qualified Users or Qualified Devices. The initial order must include at least 250 Licenses for Enterprise Products or Enterprise Online Services.
 - (i) **Enterprise commitment.** Enrolled Affiliate must order enough Licenses to cover all Qualified Users or Qualified Devices, depending on the License Type, with one or more Enterprise Products or a mix of Enterprise Products and the corresponding Enterprise Online Services (as long as all Qualified Devices not covered by a License are only used by users covered with a user License).
 - (ii) **Enterprise Online Services only.** If no Enterprise Product is ordered, then Enrolled Affiliate need only maintain at least 250 Subscription Licenses for Enterprise Online Services.
- b. **Additional Products.** Upon satisfying the minimum order requirements above, Enrolled Affiliate may order Additional Products.
- c. **Use Rights for Enterprise Products.** For Enterprise Products, if a new Product version has more restrictive use rights than the version that is current at the start of the applicable initial or renewal term of the Enrollment, those more restrictive use rights will not apply to Enrolled Affiliate's use of that Product during that term.
- d. **Country of usage.** Enrolled Affiliate must specify the countries where Licenses will be used on its initial order and on any additional orders.
- e. **Resellers.** Enrolled Affiliate must choose and maintain a Reseller authorized in the United States. Enrolled Affiliate will acquire its Licenses through its chosen Reseller. Orders must be submitted to the Reseller who will transmit the order to Microsoft. The Reseller and Enrolled Affiliate determine pricing and payment terms as between them, and Microsoft will invoice the Reseller based on those terms. Throughout this Agreement the term "price" refers to reference price. Resellers and other third parties do not have authority to bind or impose any obligation or liability on Microsoft.
- f. **Adding Products.**
 - (i) **Adding new Products not previously ordered.** New Enterprise Products or Enterprise Online Services may be added at any time by contacting a Microsoft Account Manager or Reseller. New Additional Products, other than Online Services, may be used if an order

is placed in the month the Product is first used. For Additional Products that are Online Services, an initial order for the Online Service is required prior to use.

- (ii) **Adding Licenses for previously ordered Products.** Additional Licenses for previously ordered Products other than Online Services may be added at any time but must be included in the next true-up order. Additional Licenses for Online Services must be ordered prior to use, unless the Online Services are (1) identified as eligible for true-up in the Product Terms or (2) included as part of other Licenses.
- g. True-up requirements.** Enrolled Affiliate must submit an annual true-up order that accounts for any changes since the initial order or last order. If there are no changes, then an update statement must be submitted instead of a true-up order.
 - (i) **Enterprise Products.** For Enterprise Products, Enrolled Affiliate must determine the number of Qualified Devices and Qualified Users (if ordering user-based Licenses) at the time the true-up order is placed and must order additional Licenses for all Qualified Devices and Qualified Users that are not already covered by existing Licenses, including any Enterprise Online Services.
 - (ii) **Additional Products.** For Additional Products that have been previously ordered under this Enrollment, Enrolled Affiliate must determine the maximum number of Additional Products used since the latter of the initial order, the last true-up order, or the prior anniversary date and submit a true-up order that accounts for any increase.
 - (iii) **Online Services.** For Online Services identified as eligible for true-up in the Product Terms, Enrolled Affiliate may place a reservation order for the additional Licenses prior to use and payment may be deferred until the next true-up order. Microsoft will provide a report of Reserved Licenses ordered but not yet invoiced to Enrolled Affiliate and its Reseller. Reserved Licenses will be invoiced retroactively to the month in which they were ordered.
 - (iv) **Subscription License reductions.** Enrolled Affiliate may reduce the quantity of Subscription Licenses at the Enrollment anniversary date on a prospective basis if permitted in the Product Terms, as follows:
 - 1) For Subscription Licenses that are part of an Enterprise-wide purchase, Licenses may be reduced if the total quantity of Licenses and Software Assurance for an applicable group meets or exceeds the quantity of Qualified Devices and Qualified Users (if ordering user-based Licenses) identified on the Product Selection Form, and includes any additional Qualified Devices and Qualified Users added in any prior true-up orders. Step-up Licenses do not count towards this total count.
 - 2) For Enterprise Online Services that are not a part of an Enterprise-wide purchase, Licenses can be reduced as long as the initial order minimum requirements are maintained.
 - 3) For Additional Products available as Subscription Licenses, Enrolled Affiliate may reduce the Licenses. If the License count is reduced to zero, then Enrolled Affiliate's use of the applicable Subscription License will be cancelled.

Invoices will be adjusted to reflect any reductions in Subscription Licenses at the true-up order Enrollment anniversary date and effective as of such date.
 - (v) **Update statement.** An update statement must be submitted instead of a true-up order if, since the initial order or last true-up order, Enrolled Affiliate's Enterprise: (1) has not changed the number of Qualified Devices and Qualified Users licensed with Enterprise Products or Enterprise Online Services; and (2) has not increased its usage of Additional Products. This update statement must be signed by Enrolled Affiliate's authorized representative.
 - (vi) **True-up order period.** The true-up order or update statement must be received by Microsoft between 60 and 30 days prior to each Enrollment anniversary date. The third-

year true-up order or update statement is due within 30 days prior to the Expiration Date, and any license reservations within this 30 day period will not be accepted. Enrolled Affiliate may submit true-up orders more often to account for increases in Product usage, but an annual true-up order or update statement must still be submitted during the annual order period.

- (vii) **Late true-up order.** If the true-up order or update statement is not received when due, Microsoft will invoice Reseller for all Reserved Licenses not previously invoiced and Subscription License reductions cannot be reported until the following Enrollment anniversary date (or at Enrollment renewal, as applicable).
- h. **Step-up Licenses.** For Licenses eligible for a step-up under this Enrollment, Enrolled Affiliate may step-up to a higher edition or suite as follows:
 - (i) For step-up Licenses included on an initial order, Enrolled Affiliate may order according to the true-up process.
 - (ii) If step-up Licenses are not included on an initial order, Enrolled Affiliate may step-up initially by following the process described in the Section titled "Adding new Products not previously ordered," then for additional step-up Licenses, by following the true-up order process.
- i. **Clerical errors.** Microsoft may correct clerical errors in this Enrollment, and any documents submitted with or under this Enrollment, by providing notice by email and a reasonable opportunity for Enrolled Affiliate to object to the correction. Clerical errors include minor mistakes, unintentional additions and omissions. This provision does not apply to material terms, such as the identity, quantity or price of a Product ordered.
- j. **Verifying compliance.** Microsoft may, in its discretion and at its expense, verify compliance with this Enrollment as set forth in the Enterprise Agreement.

3. **Pricing.**

- a. **Price Levels.** For both the initial and any renewal term Enrolled Affiliate's Price Level for all Products ordered under this Enrollment will be Level "D" throughout the term of the Enrollment.
- b. **Setting Prices.** Enrolled Affiliate's prices for each Product or Service will be established by its Reseller. Except for Online Services designated in the Product Terms as being exempt from fixed pricing, As long as Enrolled Affiliate continues to qualify for the same price level, Microsoft's prices for Resellers for each Product or Service ordered will be fixed throughout the applicable initial or renewal Enrollment term. Microsoft's prices to Resellers are reestablished at the beginning of the renewal term.

4. **Payment terms.**

For the initial or renewal order, Enrolled Affiliate may pay upfront or elect to spread its payments over the applicable Enrollment term. If an upfront payment is elected, Microsoft will invoice Enrolled Affiliate's Reseller in full upon acceptance of this Enrollment. If spread payments are elected, unless indicated otherwise, Microsoft will invoice Enrolled Affiliate's Reseller in three equal annual installments. The first installment will be invoiced upon Microsoft's acceptance of this Enrollment and remaining installments will be invoiced on each subsequent Enrollment anniversary date. Subsequent orders are invoiced upon acceptance of the order and Enrolled Affiliate may elect to pay annually or upfront for Online Services and upfront for all other Licenses.

5. **End of Enrollment term and termination.**

- a. **General.** At the Expiration Date, Enrolled Affiliate must immediately order and pay for Licenses for Products it has used but has not previously submitted an order, except as otherwise provided in this Enrollment.
 - b. **Renewal option.** At the Expiration Date of the initial term, Enrolled Affiliate can renew Products by renewing this Enrollment for one additional 36-month term or by signing a new Enrollment. Microsoft must receive a Renewal Form, Product Selection Form, and renewal order prior to or at the Expiration Date. Microsoft will not unreasonably reject any renewal. Microsoft may make changes to this program that will make it necessary for Customer and its Enrolled Affiliates to enter into new agreements and Enrollments at renewal.
 - c. **If Enrolled Affiliate elects not to renew.**
 - (i) **Software Assurance.** If Enrolled Affiliate elects not to renew Software Assurance for any Product under its Enrollment, then Enrolled Affiliate will not be permitted to order Software Assurance later without first acquiring a new License with Software Assurance.
 - (ii) **Online Services eligible for an Extended Term.** For Online Services identified as eligible for an Extended Term in the Product Terms, the following options are available at the end of the Enrollment initial or renewal term.
 - 1) **Extended Term.** Licenses for Online Services will automatically expire in accordance with the terms of the Enrollment. An extended term feature that allows Online Services to continue month-to-month ("Extended Term") for up to one year, unless designated in the Product Terms to continue until cancelled, is available. During the Extended Term, Online Services will be invoiced monthly at the then-current published price as of the Expiration Date plus a 3% administrative fee. If Enrolled Affiliate wants an Extended Term, Enrolled Affiliate must submit a request to Microsoft at least 30 days prior to the Expiration Date.
 - 2) **Cancellation during Extended Term.** At any time during the first year of the Extended Term, Enrolled Affiliate may terminate the Extended Term by submitting a notice of cancellation to Microsoft for each Online Service. Thereafter, either party may terminate the Extended Term by providing the other with a notice of cancellation for each Online Service. Cancellation will be effective at the end of the month following 30 days after Microsoft has received or issued the notice.
 - (iii) **Subscription Licenses and Online Services not eligible for an Extended Term.** If Enrolled Affiliate elects not to renew, the Licenses will be cancelled and will terminate as of the Expiration Date. Any associated media must be uninstalled and destroyed and Enrolled Affiliate's Enterprise must discontinue use. Microsoft may request written certification to verify compliance.
 - d. **Termination for cause.** Any termination for cause of this Enrollment will be subject to the "Termination for cause" section of the Agreement. In addition, it shall be a breach of this Enrollment if Enrolled Affiliate or any Affiliate in the Enterprise that uses Government Community Cloud Services fails to meet and maintain the conditions of membership in the definition of Community.
 - e. **Early termination.** Any early termination of this Enrollment will be subject to the "Early Termination" Section of the Enterprise Agreement.
- For Subscription Licenses, in the event of a breach by Microsoft, or if Microsoft terminates an Online Service for regulatory reasons, Microsoft will issue Reseller a credit for any amount paid in advance for the period after termination.

6. **Government Community Cloud.**

- a. **Community requirements.** If Enrolled Affiliate purchases Government Community Cloud Services, Enrolled Affiliate certifies that it is a member of the Community and agrees to use Government Community Cloud Services solely in its capacity as a member of the Community and, for eligible Government Community Cloud Services, for the benefit of end users that are members of the Community. Use of Government Community Cloud Services by an entity that is not a member of the Community or to provide services to non-Community members is strictly prohibited and could result in termination of Enrolled Affiliate's license(s) for Government Community Cloud Services without notice. Enrolled Affiliate acknowledges that only Community members may use Government Community Cloud Services.
- b. All terms and conditions applicable to non-Government Community Cloud Services also apply to their corresponding Government Community Cloud Services, except as otherwise noted in the Use Rights, Product Terms, and this Enrollment.
- c. Enrolled Affiliate may not deploy or use Government Community Cloud Services and corresponding non-Government Community Cloud Services in the same domain.
- d. **Use Rights for Government Community Cloud Services.** For Government Community Cloud Services, notwithstanding anything to the contrary in the Use Rights:
 - (i) Government Community Cloud Services will be offered only within the United States.
 - (ii) Additional European Terms, as set forth in the Use Rights, will not apply.
 - (iii) References to geographic areas in the Use Rights with respect to the location of Customer Data at rest, as set forth in the Use Rights, refer only to the United States.

Enrollment Details

1. Enrolled Affiliate's Enterprise.

- a. Identify which Agency Affiliates are included in the Enterprise. (Required) Enrolled Affiliate's Enterprise must consist of entire offices, bureaus, agencies, departments or other entities of Enrolled Affiliate, not partial offices, bureaus, agencies, or departments, or other partial entities. Check only one box in this section. If no boxes are checked, Microsoft will deem the Enterprise to include the Enrolled Affiliate only. If more than one box is checked, Microsoft will deem the Enterprise to include the largest number of Affiliates:
- ☒ Enrolled Affiliate only
- ☐ Enrolled Affiliate and all Affiliates
- ☐ Enrolled Affiliate and the following Affiliate(s) (Only identify specific affiliates to be included if fewer than all Affiliates are to be included in the Enterprise):
- ☐ Enrolled Affiliate and all Affiliates, with following Affiliate(s) excluded:
- b. Please indicate whether the Enrolled Affiliate's Enterprise will include all new Affiliates acquired after the start of this Enrollment: Include future Affiliates

2. Contact information.

Each party will notify the other in writing if any of the information in the following contact information page(s) changes. The asterisks (*) indicate required fields. By providing contact information, Enrolled Affiliate consents to its use for purposes of administering this Enrollment by Microsoft, its Affiliates, and other parties that help administer this Enrollment. The personal information provided in connection with this Enrollment will be used and protected in accordance with the privacy statement available at <https://www.microsoft.com/licensing/servicecenter>.

- a. **Primary contact.** This contact is the primary contact for the Enrollment from within Enrolled Affiliate's Enterprise. This contact is also an Online Administrator for the Volume Licensing Service Center and may grant online access to others. The primary contact will be the default contact for all purposes unless separate contacts are identified for specific purposes

Name of entity (must be legal entity name)* City of Rochester through the Acting Board of Utilities

Contact name* First Phil Last Teng

Contact email address* pteng@rpu.org

Street address* 4000 East River Rd NE

City* Rochester

State/Province* MN

Postal code* 55906-3414-

(For U.S. addresses, please provide the zip + 4, e.g. xxxxx-xxxx)

Country* United States

Phone* 507-280-1530

Tax ID

** indicates required fields*

- b. **Notices contact and Online Administrator.** This contact (1) receives the contractual notices, (2) is the Online Administrator for the Volume Licensing Service Center and may grant online access to others, and (3) is authorized to order Reserved Licenses for eligible

Online Services, including adding or reassigning Licenses and stepping-up prior to a true-up order.

☐ Same as primary contact (default if no information is provided below, even if the box is not checked).

Contact name* First John Last Folkert

Contact email address* jfolkert@rpu.org

Street address* 4000 East River Rd NE

City* Rochester

State/Province* MN

Postal code* 55906-3414-

(For U.S. addresses, please provide the zip + 4, e.g. xxxxx-xxxx)

Country* United States

Phone* 507-280-1541

Language preference. Choose the language for notices. English

☐ This contact is a third party (not the Enrolled Affiliate). Warning: This contact receives personally identifiable information of the Customer and its Affiliates.

** indicates required fields*

- c. **Online Services Manager.** This contact is authorized to manage the Online Services ordered under the Enrollment and (for applicable Online Services) to add or reassign Licenses and step-up prior to a true-up order.

☐ Same as notices contact and Online Administrator (default if no information is provided below, even if box is not checked)

Contact name*: First Carter Last Lekatz

Contact email address* clekatz@rpu.org

Phone* 507-280-1530

☐ This contact is from a third party organization (not the entity). Warning: This contact receives personally identifiable information of the entity.

** indicates required fields*

- d. **Reseller information.** Reseller contact for this Enrollment is:

Reseller company name* SHI International Corp.

Street address (PO boxes will not be accepted)* 290 Davidson Ave

City* Somerset

State/Province* NJ

Postal code* 08873

Country* United States

Contact name* Pierre James

Phone* 888-764-8888

Contact email address* msteam@shi.com

** indicates required fields*

By signing below, the Reseller identified above confirms that all information provided in this Enrollment is correct.

Signature* _____

Printed name*

Printed title*

Date*

** indicates required fields*

Changing a Reseller. If Microsoft or the Reseller chooses to discontinue doing business with each other, Enrolled Affiliate must choose a replacement Reseller. If Enrolled Affiliate or the Reseller intends to terminate their relationship, the initiating party must notify Microsoft and the other party using a form provided by Microsoft at least 90 days prior to the date on which the change is to take effect.

- e. If Enrolled Affiliate requires a separate contact for any of the following, attach the Supplemental Contact Information form. *Otherwise, the notices contact and Online Administrator remains the default.*
- (i) Additional notices contact
 - (ii) Software Assurance manager
 - (iii) Subscriptions manager
 - (iv) Customer Support Manager (CSM) contact

3. ***Financing elections.***

Is a purchase under this Enrollment being financed through MS Financing? ☐ Yes, ☒ No.

If a purchase under this Enrollment is financed through MS Financing, and Enrolled Affiliate chooses not to finance any associated taxes, it must pay these taxes directly to Microsoft.



Previous Enrollment(s)/Agreement(s) Form

Entity Name: City of Rochester through the Acting Board of Utilities

Contract that this form is attached to: State Local Government

For the purposes of this form, "entity" can mean the signing entity, Customer, Enrolled Affiliate, Government Partner, Institution, or other party entering into a volume licensing program agreement.

Please provide a description of the previous Enrollment(s), Agreement(s), Purchasing Account(s), and/or Affiliate Registration(s) being renewed or consolidated into the new contract identified above.

- a. Entity may select below any previous contract(s) from which to transfer MSDN subscribers to this new contract. Entity shall ensure that each MSDN subscriber transferred is either properly licensed under the new contract or is removed.
- b. Entity may select below only one previous contract from which to transfer the Software Assurance (SA) Benefit contact details, i.e., benefits contact (*not* the SA manager) and the program codes, to this new contract.
- c. An Open License cannot be used to transfer either the SA Benefit details or MSDN subscribers.
- d. The date of the earliest expiring Enrollment/Agreement that contains SA or Online Services will be the effective date of the new contract (or SA coverage period for Select Plus).
- e. Please insert the number of the earliest expiring Enrollment/Agreement with SA or Online Services in the appropriate fields of the new contract.

Enrollment/Agreement/ Purchasing Account/Affiliate Registration Description	Enrollment/Agreement/ Purchasing Account/Affiliate Registration Public Customer Number	Transfer SA Benefit Contact	Transfer MSDN Subscribers
Standard Enrollment	9120464	X	X

Enterprise Enrollment Product Selection Form

Microsoft | Volume Licensing

Proposal ID

0709414.007

Enrollment Number

Language: English (United States)

Enrolled Affiliate's Enterprise Products and Enterprise Online Services summary for the initial order:

Profile	Qualified Devices	Qualified Users	Device / User Ratio	Enterprise Product Platform	CAL Licensing Model
Enterprise	250	250	1.0	Yes	User Licenses

Products	Enterprise Quantity
Office 365 Plans	
Office 365 (Plan G5) with PSTN Conferencing USL	250
Windows Desktop	
Windows E5 per User From SA	250
Enterprise Mobility and Security (EMS)	
Enterprise Mobility and Security E5 GOV	250

Enrolled Affiliate's Product Quantities:

Price Group	1	2	3	4
Enterprise Products	Office Professional Plus + Office 365 ProPlus + Office 365 (Plans E3 and E5) + Microsoft 365 Enterprise	Client Access License + Office 365 (Plans E1, E3 and E5) + Microsoft 365 Enterprise	Client Access License + Windows Intune + EMS USL + Microsoft 365 Enterprise	Win E3 + Win E5 + Win VDA + Microsoft 365 Enterprise
Quantity	250	250	250	250

Enrolled Affiliate's Price Level:

Product Offering / Pool	Price Level
Enterprise Products and Enterprise Online Services USLs: Unless otherwise indicated in associated contract documents, Price level set using the highest quantity from Groups 1 through 4.	D
Additional Product Application Pool: Unless otherwise indicated in associated contract documents, Price level set using quantity from Group 1.	D
Additional Product Server Pool: Unless otherwise indicated in associated contract documents, Price level set using the highest quantity from Group 2 or 3.	D
Additional Product Systems Pool: Unless otherwise indicated in associated contract documents, Price level set using quantity from Group 4.	D

NOTES

Enterprise Enrollment Product Selection Form

Microsoft | Volume Licensing

Unless otherwise indicated in the associated contract documents, the price level for each Product offering / pool is set as described above, based upon the quantity to price level mapping below:

Quantity of Licenses and Software Assurance	Price Level
2,399 and below	A
2,400 to 5,999	B
6,000 to 14,999	C
15,000 and above	D

Note 1: Enterprise Online Services may not be available in all locations. Please see the Product List for a list of locations where these may be purchased.

Note 2: Enrolled Affiliate acknowledges that in order to use a third party to reimage the Windows Operating System Upgrade, Enrolled Affiliate must certify that it has acquired qualifying operating system licenses. The requirement applies to Windows Enterprise OS Upgrade. See Product Terms for details.

Note 3: If Enrolled Affiliate does not order an Enterprise Product or Enterprise Online Service associated with an applicable Product pool, the price level for Additional Products in the same pool will be price level "A" throughout the term of the Enrollment. Refer to the Qualifying Government Entity Addendum pricing provision for more details on price leveling.

Attachment: Microsoft EA Renewal Agreement (8703 : Microsoft Enterprise Agreement Renewal)



Volume Licensing

Amendment to Contract Documents

Enrollment Number

255306

These amendments are entered into between the parties identified on the attached program signature form. They amend the Enrollment or Agreement identified above. All terms used but not defined in these amendments will have the same meanings provided in that Enrollment or Agreement.

Enterprise Enrollment (Indirect) Invoice for Quoted Price Amendment ID M97

Notwithstanding anything to the contrary or in addition to any terms in the Enrollment, the Enrollment is hereby amended to add the following paragraph:

The price quoted to Enrolled Affiliate's Reseller is a fixed price based on an estimated order submission date. Microsoft will invoice Enrolled Affiliate's Reseller based on this fixed price quote. If this order is submitted later than the estimated order submission date, Enrolled Affiliate's Reseller will be charged for net new Monthly Subscriptions (including Online Services) for the period during which these services were not provided. Pricing to Enrolled Affiliate is agreed between Enrolled Affiliate and Enrolled Affiliate's Reseller.

Attachment: Microsoft EA Renewal Agreement (8703 : Microsoft Enterprise Agreement License Renewal)

Enterprise Enrollment

Grant Microsoft 365 F1, Office 365 Enterprise Suites, and Componentized Microsoft 365 Access to Office Productivity Servers

Amendment ID M389

The parties agree that the Enrollment is amended by adding the following new section:

Productivity Server Usage.

Where all components are used by a single Customer user, Licensed users of Microsoft 365 F1, Office 365 Enterprise Suites or Microsoft 365 E3 componentized equivalents (including higher components of Microsoft 365 E3 and/or componentized Microsoft 365 with VDA instead of Windows), may access and use the on-premises Office Productivity Servers (Exchange, SharePoint, and Skype for Business) awarded with Microsoft 365 E plans, provided the following conditions are met:

1. More than 50% of Qualified Users are licensed with a combination of Microsoft 365 E3 (User SL), Microsoft 365 E5 (User SL), or its componentized equivalents; and
2. All remaining Qualified Users are licensed with a combination of Office 365 Enterprise Suites or M365 F1 (User SL).

Except for changes made by these amendments, the Enrollment or Agreement identified above remains unchanged and in full force and effect. If there is any conflict between any provision in these amendments and any provision in the Enrollment or Agreement identified above, these amendments shall control.

This Amendment must be attached to a signature form to be valid.

Microsoft Internal Use Only:

(M97)EnrAmend(Ind)(InvoiceforQuotedPrice)(WW)(ENG)(Aug2017)v2(IU).docx		M97	B
(M389)EAEnrollAmend(GrantOffice365EnterpriseSuitesandComponentizedMicrosoft365)(WW)(ENG)(Mar2018)(IU).docx		M389	B

Microsoft Volume Licensing		
Discount Transparency Disclosure Form		
Program:	Enterprise 6	
Enrollment Number:	Renewal	
Quote Number:	0709414.007	
Partner Name:	SHI International Corp.	
Reseller Address:	290 Davidson Ave Somerset, NJ, United States, 08873	
Discount Details		
<p>The total Estimated Retail Price (ERP) deal value and the aggregate percentage discount off Partner Net Pricing, for the Products to be ordered by the Enrolled Affiliate, are listed in the table below. The List Price is the ERP per unit for such Products. Partners pay a Net Price per unit that is lower than ERP. For this Enrollment, Microsoft provided Enrolled Affiliate's Partner an additional discount off the Partner's Net Price, and the aggregate value of additional discount(s) is shown in the table below. The discount would be lower if it were a percentage of ERP because ERP is higher than Net Price. Partners may receive additional compensation from Microsoft (e.g., incentives or rebates). Enrolled Affiliate's actual price will be established by a separate agreement between Enrolled Affiliate and its Partner.</p>		
Ordered Products		
Currency	Total ERP Deal value	Aggregate % Discount off Partner Net Pricing
US Dollar	654,786	5.37
Discount Transparency Compliance Notes		
<p>Note 1: This form must be attached to signature form to be valid.</p>		



Pricing Proposal
 Quotation #: 14998551
 Created On: 3/12/2018
 Valid Until: 3/31/2018

MN ROCHESTER PUBLIC UTILITIES

Inside Account Manager

John Folkert

4000 EAST RIVER RD. NE
 ROCHESTER, MN 55906
 United States
 Phone: (507) 280-1541
 Fax:
 Email: JFOLKERT@RPU.ORG

Ashna Kotak

290 Davidson Avenue
 Somerset, NJ 08873
 Phone: 732-537-7236
 Fax: 732-537-7237
 Email: Ashna_Kotak@shi.com

All Prices are in US Dollar (USD)



	Product	Qty	Your Price	Total
1	O365GCCE5FromSA ShrdSvr ALNG SubsVL MVL PerUsr Microsoft - Part#: T2P-00001 Contract Name: Enterprise Hardware, Software and Services Contract #: 48196 Coverage Term: 3/1/2018 – 2/28/2021 Note: ANNUAL PAYMENT: 2018, 2019, 2020	250	\$289.20	\$72,300.00
2	EntMobandSecE5fromSAGCC ShrdSvr ALNG SubsVL MVL PerUsr Microsoft - Part#: CET-00001 Contract Name: Enterprise Hardware, Software and Services Contract #: 48196 Coverage Term: 3/1/2018 – 2/28/2021 Note: ANNUAL PAYMENT: 2018, 2019, 2020	250	\$123.60	\$30,900.00
3	WinE5PerUsrFromSA ALNG SubsVL MVL Pltfrm PerUsr Microsoft - Part#: AAA-22362 Contract Name: Enterprise Hardware, Software and Services Contract #: 48196 Coverage Term: 3/1/2018 – 2/28/2021 Note: ANNUAL PAYMENT: 2018, 2019, 2020	250	\$97.20	\$24,300.00
4	VDAE3PerDvc ALNG SubsVL MVL PerDvc Microsoft - Part#: 4ZF-00019 Contract Name: Enterprise Hardware, Software and Services Contract #: 48196 Coverage Term: 3/1/2018 – 2/28/2021 Note: ANNUAL PAYMENT: 2018, 2019, 2020	80	\$84.00	\$6,720.00
5	WinRmtDsktpSrvcsCAL ALNG SA MVL UsrCAL Microsoft - Part#: 6VC-01254 Contract Name: Enterprise Hardware, Software and Services Contract #: 48196 Coverage Term: 3/1/2018 – 2/28/2021 Note: ANNUAL PAYMENT: 2018, 2019, 2020	80	\$22.00	\$1,760.00
6	PrjctPro ALNG SA MVL w1PrjctSvrCAL Microsoft - Part#: H30-00238 Contract Name: Enterprise Hardware, Software and Services	9	\$178.00	\$1,602.00

Attachment: SHI Quote-14998551 (8703 : Microsoft Enterprise Agreement License Renewal)

Contract #: 48196

Coverage Term: 3/1/2018 – 2/28/2021

Note: ANNUAL PAYMENT: 2018, 2019, 2020

7	PrjctSvr ALNG SA MVL Microsoft - Part#: H22-00475 Contract Name: Enterprise Hardware, Software and Services Contract #: 48196 Coverage Term: 3/1/2018 – 2/28/2021 Note: ANNUAL PAYMENT: 2018, 2019, 2020	1	\$925.00	\$925.00
8	SQLCAL ALNG SA MVL UshrCAL Microsoft - Part#: 359-00961 Contract Name: Enterprise Hardware, Software and Services Contract #: 48196 Coverage Term: 3/1/2018 – 2/28/2021 Note: ANNUAL PAYMENT: 2018, 2019, 2020	190	\$35.00	\$6,650.00
9	SQLSvrStd ALNG SA MVL Microsoft - Part#: 228-04433 Contract Name: Enterprise Hardware, Software and Services Contract #: 48196 Coverage Term: 3/1/2018 – 2/28/2021 Note: ANNUAL PAYMENT: 2018, 2019, 2020	10	\$147.00	\$1,470.00
10	SQLSvrEntCore ALNG SA MVL 2Lic CoreLic Microsoft - Part#: 7JQ-00343 Contract Name: Enterprise Hardware, Software and Services Contract #: 48196 Coverage Term: 3/1/2018 – 2/28/2021 Note: ANNUAL PAYMENT: 2018, 2019, 2020	2	\$2,243.00	\$4,486.00
11	VisioPro ALNG SA MVL Microsoft - Part#: D87-01159 Contract Name: Enterprise Hardware, Software and Services Contract #: 48196 Coverage Term: 3/1/2018 – 2/28/2021 Note: ANNUAL PAYMENT: 2018, 2019, 2020	16	\$92.00	\$1,472.00
12	VSPSubMSDN ALNG SA MVL Microsoft - Part#: 77D-00111 Contract Name: Enterprise Hardware, Software and Services Contract #: 48196 Coverage Term: 3/1/2018 – 2/28/2021 Note: ANNUAL PAYMENT: 2018, 2019, 2020	10	\$307.00	\$3,070.00
13	WinSvrDCCore ALNG SA MVL 2Lic CoreLic Microsoft - Part#: 9EA-00278 Contract Name: Enterprise Hardware, Software and Services Contract #: 48196 Coverage Term: 3/1/2018 – 2/28/2021 Note: ANNUAL PAYMENT: 2018, 2019, 2020	80	\$126.00	\$10,080.00
14	WinSvrSTDCore ALNG SA MVL 2Lic CoreLic Microsoft - Part#: 9EM-00270 Contract Name: Enterprise Hardware, Software and Services Contract #: 48196 Coverage Term: 3/1/2018 – 2/28/2021 Note: ANNUAL PAYMENT: 2018, 2019, 2020	192	\$18.00	\$3,456.00
15	AzureMntryCmmtmntG ShrdSvr ALNG SubsvL MVL Commit Provision Microsoft - Part#: J5U-00004	1	\$0.00	\$0.00

Attachment: SHI Quote-14998551 (8703 : Microsoft Enterprise Agreement License Renewal)

Contract Name: Enterprise Hardware, Software and Services

Contract #: 48196

Coverage Term: 3/1/2018 – 2/28/2021

Note: ANNUAL PAYMENT: 2018, 2019, 2020

Subtotal	\$169,191.00
Total	\$169,191.00

Additional Comments

Annual Payment: 2018, 2019 and 2020

Please email all quote requests to QuotesMN@SHI.com

Please email all order requests to OrdersMN@SHI.com OR fax 732-564-8280

The Products offered under this proposal are subject to the SHI Return Policy posted at www.shi.com/returnpolicy, unless there is an existing agreement between SHI and the Customer.





RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve the purchase of the Microsoft Enterprise Agreement license renewal through SHI International Corp. in an amount not to exceed \$550,000.00, plus applicable taxes, subject to the review and approval of the final agreement by the General Manager and the City Attorney.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 27th day of March, 2018.

President

Secretary

FOR BOARD ACTION

Agenda Item # (ID # 8708)

Meeting Date: 3/27/2018

SUBJECT: Annual Update of Cost and Rate Schedules for Cogeneration & Small Power Production (SPP) Rate Tariff

PREPARED BY: Mike Heppelmann

ITEM DESCRIPTION:

Minnesota Statute 216B.164 requires that each utility file a new Power Production Tariff annually with the commission, or for municipal utilities, with their governing board. If there are no changes to the tariff other than Schedule C, this statute allows for the filing of a new Schedule C, with notification to the utility board that there are no other changes. Schedule C calculates the Average Retail Rate per Kwh for each customer class. The Average Retail Rate calculated is the rate used to credit SPP customers for energy produced in the subsequent year. (The Average Retail Rate for 2017 will be used to credit the net metered customers when their Kwh production exceeds their use for the month during the 12 months starting in April 2018). The Average Retail Rate excludes customer charges. There are no other changes to the tariff, and the update for Schedule C is attached.

Small Power Producers (SPP) (Photovoltaic/Wind)				
Customer Class	SPP Count	# Net Metered	2018 Rate	2017 Rate
RES	75	75	0.11246	0.10660
SGS	8	6	0.11493	0.10830
MGS	7	1	0.10974	0.10310
LGS	0	0	0.10259	0.09720
LIS	1	0	0.10114	0.09360

UTILITY BOARD ACTION REQUESTED:

It is recommended that the Utility Board approve the updated Schedule C, to be attached to the previously approved Rules Covering Cogeneration and Small Power Production Facilities.

ROCHESTER PUBLIC UTILITIES
RULES COVERING COGENERATION
AND SMALL POWER PRODUCTION

SCHEDULE C

	2017	2016	
RESIDENTIAL			
Total revenues	\$ 49,179,997.56	\$ 46,886,573.49	
Less fixed revenues (customer charge)	\$10,962,678.10	\$ 9,886,674.87	
Net revenues	\$38,217,319.46	\$ 36,999,898.62	
kWh	339,824,837	346,973,740	
Average retail energy rate	\$ 0.11246	\$ 0.10660	5.50%
COMMERCIAL			
SGS			
Total revenues	\$ 18,331,246.89	\$ 17,418,052.63	
Less fixed revenues (customer charge)	\$ 2,055,976.48	\$ 1,892,719.98	
Net revenues	\$ 16,275,270.41	\$ 15,525,332.65	
kWh	141,607,019	143,336,873	
Average retail energy rate	\$ 0.11493	\$ 0.10830	6.12%
MGS			
Total revenues	\$ 40,443,144.74	\$ 37,858,550.47	
Less fixed revenues (customer charge)	-	-	
Net revenues	\$ 40,443,144.74	\$ 37,858,550.47	
kWh	368,519,563	367,345,290	
Average retail energy rate	\$ 0.10974	\$ 0.10310	6.44%
LGS			
Total revenues	\$ 13,914,844.24	\$ 13,905,213.81	
Less fixed revenues (customer charge)	-	-	
Net revenues	\$ 13,914,844.24	\$ 13,905,213.81	
kWh	135,638,339	143,059,868	
Average retail energy rate	\$ 0.10259	\$ 0.09720	5.55%
INDUSTRIAL			
Total revenues	\$ 18,971,303.65	\$ 18,212,052.83	
Less fixed revenues (customer charge)	-	-	
Net revenues	\$ 18,971,303.65	\$ 18,212,052.83	
kWh	187,571,789	194,519,909	
Average retail energy rate	\$ 0.10114	\$ 0.09360	8.06%



RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve the updated Schedule C, to be attached to the previously approved Rules Covering Cogeneration and Small Power Production Facilities.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 27th day of March, 2018.

President

Secretary

FOR BOARD ACTION

Agenda Item # (ID # 8693)

Meeting Date: 3/27/2018

SUBJECT: Board Organization Policy

PREPARED BY: Mark Kotschevar

ITEM DESCRIPTION:

Attached is a red lined and clean version of the revised Board Organization Policy. The edits reflect the recommended changes from previous board meeting discussions and implements the intentions of the approved charter amendment. The 90 day waiting period for the proposed charter language amendment has expired and no petitions were filed protesting the amendment. Assuming there are no further policy changes requested, we are ready to seek Board approval of the revised policy.

UTILITY BOARD ACTION REQUESTED:

Approve the attached Board Organization Policy

ROCHESTER PUBLIC UTILITIES
BOARD POLICY STATEMENT

POLICY SUBJECT: BOARD ORGANIZATION

POLICY OBJECTIVE:

The Board's objective is to organize itself and to carry out its duties and responsibilities in an efficient and business-like manner in accordance with applicable provisions of the Rochester Home Rule Charter and other pertinent laws.

POLICY STATEMENT:

1. The Public Utility Board shall be organized in accordance with Sections 15.00 through 15.03 of the Rochester Home Rule Charter.
2. The Board shall each year, at the first regular meeting in May, elect a President and Vice President from its membership and appoint a Secretary, as prescribed by the Rochester Home Rule Charter. Only Board members whose terms will not expire prior to the next election are eligible for election. The Board's election and appointment may be ~~deferred~~deferred to a subsequent regular or special meeting in the event of circumstances which prevent the attendance of a quorum, at least three (3) members. The Board's President, Vice President and Secretary shall take office ~~at the first~~after ~~upon adjournment of the May meeting immediately following their election/appointment~~ and shall serve ~~for the next ensuing year or~~ until replaced by an election held or an appointment made when a quorum is present at a regularly scheduled meeting.
3. The Board President is responsible for calling special meetings of the Board, for establishing the meeting agendas, and for conducting the meetings. The President is also authorized to appoint Board members to ad hoc committees or to make other assignments as may be required.

At any time when the Board President is unavailable or otherwise unable to carry out his/her responsibilities, the ~~most senior member~~Vice President will cover the absence until the Board President returns or a President pro tem is appointed by a quorum of the Board at its next regular meeting. In the event the President and Vice President are unavailable or otherwise unable to carry out his/her responsibilities, the most senior board member will cover the absence will assume the duties of President pro tem until the Vice President or President become available.

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Attachment: Board Organization-Rev3_redline_3_16_18 SWN Edits (8693 : Board Organization Policy)

4. The Board President shall, each year at the first regular meeting after election, appoint each Board member to serve as Board-management liaison for the following functions:

Finance, ~~Accounting, and~~

Audit Communications

Strategic Planning

Operations and Administration

Policy

The appointments shall be effective for the next ensuing year, unless changed earlier by the President.

RELEVANT LEGAL AUTHORITY: Rochester Home Rule Charter Sections 15.00, 15.01, 15.02, 15.03.

EFFECTIVE DATE OF POLICY: September 24, 1985

DATE OF POLICY REVISION: ~~March 29, 2016~~ March

27, 2018

POLICY APPROVAL: March 27, 2018

Board President

Date

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ROCHESTER PUBLIC UTILITIES
BOARD POLICY STATEMENT

POLICY SUBJECT: BOARD ORGANIZATION

POLICY OBJECTIVE:

The Board's objective is to organize itself and to carry out its duties and responsibilities in an efficient and business-like manner in accordance with applicable provisions of the Rochester Home Rule Charter and other pertinent laws.

POLICY STATEMENT:

1. The Public Utility Board shall be organized in accordance with Sections 15.00 through 15.03 of the Rochester Home Rule Charter.
2. The Board shall each year, at the first regular meeting in May, elect a President and Vice President from its membership and appoint a Secretary, as prescribed by the Rochester Home Rule Charter. Only Board members whose terms will not expire prior to the next election are eligible for election. The Board's election and appointment may be deferred to a subsequent regular or special meeting in the event of circumstances which prevent the attendance of a quorum, at least three (3) members. The Board's President, Vice President and Secretary shall take office upon adjournment of the May meeting and shall serve until replaced by an election held or an appointment made when a quorum is present at a regularly scheduled meeting.
3. The Board President is responsible for calling special meetings of the Board, for establishing the meeting agendas, and for conducting the meetings. The President is also authorized to appoint Board members to *ad hoc* committees or to make other assignments as may be required.

At any time when the Board President is unavailable or otherwise unable to carry out his/her responsibilities, the Vice President will cover the absence until the Board President returns or a President pro tem is appointed by a quorum of the Board at its next regular meeting.

4. The Board President shall, each year at the first regular meeting after election, appoint each Board member to serve as Board-management liaison for the following functions:

Finance/Accounting Audit

Communications

Strategic Planning

Operations and Administration

Policy

The appointments shall be effective for the next ensuing year, unless changed earlier by the President.

RELEVANT LEGAL AUTHORITY: Rochester Home Rule Charter Sections 15.00, 15.01, 15.02, 15.03.

EFFECTIVE DATE OF POLICY: September 24, 1985

DATE OF POLICY REVISION: March 27, 2018

POLICY APPROVAL: March 27, 2018

Board President

Date



RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve the attached Board Organization Policy.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 27th day of March, 2018.

President

Secretary

FOR BOARD ACTION

Agenda Item # (ID # 8702)

Meeting Date: 3/27/2018

SUBJECT: Distributed Generation Interconnect Rules

PREPARED BY: Steve Cook

ITEM DESCRIPTION:

In November 2017, several RPU staff members attended a seminar presented by the Minnesota Municipal Utility Association (MMUA) addressing Distributed Generation Interconnections to the electric distribution system. MMUA was concerned that some municipals may not have had their governing authority adopt rules consistent with State Statute. In order to assist municipals in complying with Statute and being consistent between members, MMUA has prepared a Distribution Generation Rules template and it was presented at the meeting.

RPU has had in place rules covering distributed generation for several years and we believe that our existing rules and policies are in compliance with the Statutes. Staff have reviewed the MMUA provided Distribution Generation Rules Template and compared them to our existing rules, and concluded that the substance of the rules appears to be similar. Staff believes that there is a benefit to RPU and our customers in having our documentation relating to Distributed Generation Interconnections match that of other municipal utilities within the state as closely as possible.

Attached are the draft Distributed Generation Rules and associated schedules. Schedule 1, which is not included in this packet, will be the rates approved by the Board as Schedule C under our existing rules.

UTILITY BOARD ACTION REQUESTED:

None. Informational only.

**Rochester Public Utilities
City of Rochester Minnesota
Distributed Generation Rules**

Part A. DEFINITIONS.

Subpart 1. Applicability. For purposes of these rules, the following terms have the meanings given them below.

Subp. 2. Average retail utility energy rate. "Average retail utility energy rate" means, for any class of utility customer, the quotient of the total annual class revenue from sales of electricity minus the annual revenue resulting from fixed charges, divided by the annual class kilowatt-hour sales. The computation shall use data from the most recent 12-month period available.

Subp. 3. Backup power. "Backup power" means electric energy or capacity supplied by the utility to replace energy ordinarily generated by a qualifying facility's own generation equipment during an unscheduled outage of the facility.

Subp. 4. Capacity. "Capacity" means the capability to produce, transmit, or deliver electric energy, and is measured by the number of kilowatts alternating current at the point of common coupling between a qualifying facility and the utility's electric system during a 15-minute interval period.

Subp. 5. Capacity costs. "Capacity costs" means the costs associated with providing the capability to deliver energy. The utility capital costs consist of the costs of facilities from the utility and the utility's wholesale provider used to generate, transmit, and distribute electricity and the fixed operating and maintenance costs of these facilities.

Subp. 6. Customer. "Customer" means the person named on the utility electric bill for the premises.

Subp. 7. Energy. "Energy" means electric energy, measured in kilowatt-hours.

Subp. 8. Energy costs. "Energy costs" means the variable costs associated with the production of electric energy. They consist of fuel costs and variable operating and maintenance expenses.

Subp. 9. Firm power. "Firm power" means energy delivered by the qualifying facility to the utility with at least a 65 percent on-peak capacity factor in the month. The capacity factor is based upon the qualifying facility's maximum metered capacity delivered to the utility during the on-peak hours for the month.

Subp. 10. Governing body. "Governing body" means Rochester Public Utilities Board

Subp. 11. Interconnection costs. "Interconnection costs" means the reasonable costs of connection, switching, metering, transmission, distribution, safety provisions, and administrative costs incurred by the utility that are directly related to installing and maintaining the physical facilities necessary to permit interconnected operations with a qualifying facility. Costs are considered interconnection costs only to the extent that they exceed the costs the utility would incur in selling electricity to the qualifying facility as a nongenerating customer.

Subp. 12. Interruptible power. "Interruptible power" means electric energy or capacity supplied by the utility to a qualifying facility subject to interruption under the provisions of the utility's tariff applicable to the retail class of customers to which the qualifying facility would belong irrespective of its ability to generate electricity.

Subp. 13. Maintenance power. "Maintenance power" means electric energy or capacity supplied by a utility during scheduled outages of the qualifying facility.

Subp. 14. On-peak hours. "On-peak hours" means either those hours formally designated by the utility as on-peak for ratemaking purposes or those hours for which its typical loads are at least 85 percent of its average maximum monthly loads.

Subp. 15. Point of common coupling. "Point of common coupling" means the point where the qualifying facility's generation system, including the point of generator output, is connected to the utility's electric power grid.

Subp. 16. Purchase. "Purchase" means the purchase of electric energy or capacity or both from a qualifying facility by the utility.

Subp. 17. Qualifying facility. "Qualifying facility" means a cogeneration or small power production facility which satisfies the conditions established in Code of Federal Regulations, title 18, part 292. The initial operation date or initial installation date of a cogeneration or small power production facility must not prevent the facility from being considered a qualifying facility for the purposes of this chapter if it otherwise satisfies all stated conditions. The qualifying facility must be owned by a Customer and located in the utility service area.

Subp. 18. Sale. "Sale" means the sale of electric energy or capacity or both by the utility to a qualifying facility.

Subp. 19a. Standby charge. "Standby charge" means the charge imposed by the utility upon a qualifying facility for the recovery of costs for the provision of standby services necessary to make electricity service available to the qualifying facility.

Subp. 19b. Standby service. "Standby service" means the service to potentially provide electric energy or capacity supplied by the utility to a qualifying facility greater than 40 kW.

Subp. 20. Supplementary power. "Supplementary power" means electric energy or capacity supplied by the utility which is regularly used by a qualifying facility in addition to that which the facility generates itself.

Subp. 21. System emergency. "System emergency" means a condition on the utility's system which is imminently likely to result in significant disruption of service to customers or to endanger life or property.

Subp. 22. Utility. "Utility" means the City of Rochester acting by and through its Rochester Public Utilities (hereafter called "RPU")..

Part B. SCOPE AND PURPOSE.

The purpose of these rules are to implement certain provisions of Minnesota Statutes, section 216B.164; the Public Utility Regulatory Policies Act of 1978, United States Code, title 16, section 824a-3; and the Federal Energy Regulatory Commission regulations, Code of Federal Regulations, title 18, part 292. These rules shall be applied in accordance with their intent to give the maximum possible encouragement to cogeneration and small power production consistent with protection of the ratepayers and the public.

Part C. FILING REQUIREMENTS

Annually, on or before April 1 the utility shall file for review and approval, a cogeneration and small power production tariff with the governing body. The tariff must contain schedules 1 – 5.

SCHEDULE 1.

Schedule 1 shall contain the calculation of the average retail utility energy rates to be updated annually.

SCHEDULE 2.

Schedule 2 shall contain all standard contracts to be used with qualifying facilities, containing applicable terms and conditions.

SCHEDULE 3.

Schedule 3 shall contain the utility's adopted interconnection process, safety standards, technical requirements for distributed energy resource systems, required operating procedures for interconnected operations, and the functions to be performed by any control and protective apparatus.

SCHEDULE 4.

Schedule 4 shall contain procedures for notifying affected qualifying facilities of any periods of time when the utility will not purchase electric energy or capacity because of extraordinary operational circumstances which would make the costs of purchases during those periods greater than the costs of internal generation.

SCHEDULE 5.

Schedule 5 shall contain the estimated average incremental energy costs by seasonal, peak and off-peak periods for the utility's power supplier from which energy purchases are first avoided. Schedule 5 shall also contain the net annual avoided capacity costs, if any, stated per kilowatt-hour and averaged over the on-peak hours and over all hours for the utility's power supplier from which capacity purchases are first avoided. Both the average incremental energy costs and net annual avoided capacity costs shall be increased by a factor equal to 50 percent of the utility and the utility's power supplier's overall line losses due to distribution, transmission and transformation of electric energy.

Part D. AVAILABILITY OF FILINGS.

All filings shall be maintained at the utility's general office and any other offices of the utility where rate tariffs are kept. The filings shall be made available for public inspection during normal business hours. The utility shall supply the current year's distributed generation rates, interconnection procedures and application form on the utility website, if practicable, or at the utility office.

Part E. REPORTING REQUIREMENTS

Annually the utility shall report to the governing body for its review and approval an annual report including information in subparts 1-3. The utility shall still comply with other federal and state reporting of distributed generation to federal and state agencies expressly required by statute.

Subpart 1. Summary of Average Retail Utility Energy Rate. A summary of the qualifying facilities that are currently served under average retail utility energy rate.

Subp. 2. Other Qualifying Facilities. A summary of the qualifying facilities that are not currently served under average retail utility energy rate.

Subp. 3. Wheeling. A summary of the wheeling undertaken with respect to qualifying facilities.

Part F. CONDITIONS OF SERVICE

Subpart 1. Requirement to Purchase. The utility shall purchase energy and capacity from any qualifying facility which offers to sell energy and capacity to the utility and agrees to the conditions in these rules.

Subp. 2. Written Contract. A written contract shall be executed between the qualifying facility and the utility.

Part G. ELECTRICAL CODE COMPLIANCE.

Subpart 1. Compliance; standards. The interconnection between the qualifying facility and the utility must comply with the requirements in the most recently published edition of the National Electrical Safety Code issued by the Institute of Electrical and Electronics Engineers. The interconnection is subject to subparts 2 and 3.

Subp. 2. Interconnection. The qualifying facility is responsible for complying with all applicable local, state, and federal codes, including building codes, the National Electrical Code (NEC), the National Electrical Safety Code (NESC), and noise and emissions standards. The utility shall require proof that the qualifying facility is in compliance with the NEC before the interconnection is made. The qualifying facility must obtain installation approval from an electrical inspector recognized by the Minnesota State Board of Electricity.

Subp. 3. Generation system. The qualifying facility's generation system and installation must comply with the American National Standards Institute/Institute of Electrical and Electronics Engineers (ANSI/IEEE) standards applicable to the installation.

Part H. RESPONSIBILITY FOR APPARATUS.

The qualifying facility, without cost to the utility, must furnish, install, operate, and maintain in good order and repair any apparatus the qualifying facility needs in order to operate in accordance with schedule 3.

Part I. TYPES OF POWER TO BE OFFERED; STANDBY SERVICE.

Subpart 1. Service to be offered. The utility shall offer maintenance, interruptible, supplementary, and backup power to the qualifying facility upon request.

Subp. 2. Standby service. The utility shall offer a qualifying facility standby power or service at the utility's applicable standby rate schedule.

Part J. DISCONTINUING SALES DURING EMERGENCY.

The utility may discontinue sales to the qualifying facility during a system emergency, if the discontinuance and recommencement of service is not discriminatory.

Part K. RATES FOR UTILITY SALES TO A QUALIFYING FACILITY.

Rates for sales to a qualifying facility are governed by the applicable tariff for the class of electric utility customers to which the qualifying facility belongs or would belong were it not a qualifying facility. Such rates are not guaranteed and may change from time to time at the discretion of the utility.

Part L. STANDARD RATES FOR PURCHASES FROM QUALIFYING FACILITIES.

Subpart 1. Qualifying facilities with 100 kilowatt capacity or less. For qualifying facilities with capacity of 100 kilowatts or less, standard purchase rates apply. The utility

shall make available four types of standard rates, described in parts M, N, O, and P. The qualifying facility with a capacity of 100 kilowatts or less must choose interconnection under one of these rates, and must specify its choice in the written contract required in part V. Any net credit to the qualifying facility must, at its option, be credited to its account with the utility or returned by check or comparable electronic payment service within 15 days of the billing date. The option chosen must be specified in the written contract required in part V. Qualifying facilities remain responsible for any monthly service charges and demand charges specified in the tariff under which they consume electricity from the utility.

Subp. 2. Qualifying facilities over 100 kilowatt capacity. A qualifying facility with more than 100 kilowatt capacity has the option to negotiate a contract with the utility or, if it commits to provide firm power, be compensated under standard rates.

Subp. 3. Grid Access Charge. A qualifying facility may be assessed a monthly Grid Access Charge to recover the fixed costs not already paid by the customer through the customer's existing billing arrangement. The additional charge shall be reasonable and appropriate for the class of customer based on the most recent cost of service study defining the Grid Access Charge. The cost of service study for the Grid Access Charge shall be made available for review by the customer of the utility upon request.

Part M. AVERAGE RETAIL UTILITY ENERGY RATE.

Subpart 1. Applicability. The average retail utility energy rate is available only to customer-owned qualifying facilities with capacity of less than 40 kilowatts which choose not to offer electric power for sale on either a time-of-day basis, a simultaneous purchase and sale basis or roll-over credit basis.

Subp. 2. Method of billing. The utility shall bill the qualifying facility for the excess of energy supplied by the utility above energy supplied by the qualifying facility during each billing period according to the utility's applicable retail rate schedule.

Subp. 3. Additional calculations for billing. When the energy generated by the qualifying facility exceeds that supplied by the utility to the customer at the same site during the same billing period, the utility shall compensate the qualifying facility for the excess energy at the average retail utility energy rate.

Part N. SIMULTANEOUS PURCHASE AND SALE BILLING RATE.

Subpart 1. Applicability. The simultaneous purchase and sale rate is available only to qualifying facilities with capacity of less than 40 kilowatts which choose not to offer electric power for sale on average retail utility energy rate basis, time-of-day basis or roll-over credit basis.

Subp. 2. Method of billing. The qualifying facility must be billed for all energy and capacity it consumes during a billing period according to the utility's applicable retail rate schedule.

Subp. 3. Compensation to qualifying facility; energy purchase. The utility shall purchase all energy which is made available to it by the qualifying facility. At the option of the qualifying facility, its entire generation must be deemed to be made available to the utility. Compensation to the qualifying facility must be the energy rate shown on schedule 5.

Subp. 4. Compensation to qualifying facility; capacity purchase. If the qualifying facility provides firm power to the utility, the capacity component must be the utility's net annual avoided capacity cost per kilowatt-hour averaged over all hours shown on schedule 5, divided by the number of hours in the billing period. If the qualifying facility does not provide firm power to the utility, no capacity component may be included in the compensation paid to the qualifying facility.

Part O. TIME-OF-DAY PURCHASE RATES.

Subpart 1. Applicability. Time-of-day rates are required for qualifying facilities with capacity of 40 kilowatts or more and less than or equal to 100 kilowatts, and they are optional for qualifying facilities with capacity less than 40 kilowatts. Time-of-day rates are also optional for qualifying facilities with capacity greater than 100 kilowatts if these qualifying facilities provide firm power.

Subp. 2. Method of billing. The qualifying facility must be billed for all energy and capacity it consumes during each billing period according to the utility's applicable retail rate schedule.

Subp. 3. Compensation to qualifying facility; energy purchases. The utility shall purchase all energy which is made available to it by the qualifying facility. Compensation to the qualifying facility must be the energy rate shown on schedule 5.

Subp. 4. Compensation to qualifying facility; capacity purchases. If the qualifying facility provides firm power to the utility, the capacity component must be the capacity cost per kilowatt shown on schedule 5 divided by the number of on-peak hours in the billing period. The capacity component applies only to deliveries during on-peak hours. If the qualifying facility does not provide firm power to the utility, no capacity component may be included in the compensation paid to the qualifying facility.

Part P. ROLL-OVER CREDIT PURCHASE RATES.

Subpart 1. Applicability. The roll-over credit rate is available only to qualifying facilities with capacity of less than 40 kilowatts which choose not to offer electric power for sale on

average retail utility energy rate basis, time-of-day basis or simultaneous purchase and sale basis.

Subp. 2. Method of billing. The utility shall bill the qualifying facility for the excess of energy supplied by the utility above energy supplied by the qualifying facility during each billing period according to the utility's applicable retail rate schedule.

Subp. 3. Additional calculations for billing. When the energy generated by the qualifying facility exceed that supplied by the utility during a billing period, the utility shall apply the excess kilowatt hours as a credit to the next billing period kilowatt hour usage. Excess kilowatt hours that are not offset in the next billing period shall continue to be rolled over to the next consecutive billing period. Any excess kilowatt hours rolled over that are remaining at the last billing period of the calendar year shall cancel with no additional compensation.

Part Q. CONTRACTS NEGOTIATED BY CUSTOMER.

A qualifying facility with capacity greater than 100 kilowatts must negotiate a contract with the utility setting the applicable rates for payments to the customer of avoided capacity and energy costs.

Subpart 1. Amount of Capacity Payments. The qualifying facility which negotiates a contract under part Q must be entitled to the full avoided capacity costs of the utility. The amount of capacity payments will be determined by the utility and the utility's wholesale power provider.

Subp. 2. Full Avoided Energy Costs. The qualifying facility which negotiates a contract under part Q must be entitled to the full avoided energy costs of the utility. The costs must be adjusted as appropriate to reflect line losses.

Part R. WHEELING

Qualifying facilities with capacity of 30 kilowatts or greater, are interconnected to the utility's distribution system and choose to sell the output of the qualifying facility to any other utility, must pay any appropriate wheeling charges to the utility. Within 15 days of receiving payment from the utility ultimately receiving the qualifying facility's output, the utility shall pay the qualifying facility the payment less the charges it has incurred and its own reasonable wheeling costs.

Part S. NOTIFICATION TO CUSTOMERS

Subpart 1. Contents of Written Notice. Following each annual review and approval by the utility of the cogeneration rate tariffs the utility shall furnish in the monthly newsletter or similar mailing, written notice to each of its customers that the utility is obligated to interconnect with and purchase electricity from cogenerators and small power producers.

Subp. 2. Availability of Information. The utility shall make available to all interested persons upon request, the interconnection process and requirements adopted by the utility, pertinent rate schedules and sample contractual agreements.

Part T. DISPUTE RESOLUTION

In case of a dispute between a utility and a qualifying facility or an impasse in the negotiations between them, either party may request the governing body to determine the issue.

Part U. INTERCONNECTION CONTRACTS

Subpart 1. Interconnection Standards. The utility shall provide a customer applying for interconnection with a copy of, or electronic link to, the utility's adopted interconnection process and requirements.

Subp. 2. Existing Contracts. Any existing interconnection contract executed between the utility and a qualifying facility with capacity of less than 40 kilowatts remains in force until terminated by mutual agreement of the parties or as otherwise specified in the contract. The governing body has assumed all dispute responsibilities as listed in existing interconnection contracts. Disputes are resolved in accordance with Part T.

Subp. 3. Renewable Energy Credits; Ownership. Generators own all renewable energy credits unless other ownership is expressly provided for by a contract between a generator and the utility

Part V. UNIFORM AGREEMENT.

The form for uniform agreement that shall be used between the utility and a qualifying facility having less than 40 kilowatts of capacity is as shown in subpart 1.

Subpart 1. Contract for Cogeneration and Small Power Production Facilities. (See "Schedule 2 Interconnection Contracts for Distributed Generation".)

ADOPTED ON:

SIGNED:

Chair of the [insert name of utility governing body]

ROCHESTER PUBLIC UTILITIES

Schedule 2 Interconnection Contracts for Distributed Generation



March 27, 2018

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Document History and Review

Date	Revision Description	Revised by
Mar 27, 2018	Date of Original Document Contracts pulled from interconnection process documents	

Overview

This document, Schedule 2 Interconnection Contracts for Distributed Generation” contains the required interconnect agreements that must be signed prior to a system operating in parallel with RPU’s distribution system. This document contains two different contract templates:

- 1) “Contract For Cogeneration And Small Power Production Facilities Rated (0 to 40kW)”

and

- 2) “Rochester Public Utilities Interconnection Agreement For the Interconnection of Extended Parallel Distributed Generation Systems with the RPU Distribution System”

The contract to be used is dependent upon if the system is less than 40kW”,

The interconnection of generation to RPU’s electric system is covered by RPU’s Distributed Generation Rules which can be found on RPU’s website. The Distributed Generation Rules are a governing document approved by RPU’s board. Information on the interconnection process and requirements can be found on RPU’s website in the following documents:

- 1) “Interconnection Processing for Qualifying Facilities (0-40kW)”
- 2) “Interconnection Process Distribution Connected Distributed Generation System (40kW-10MW)”
- 3) “Interconnection Requirements Distribution Connected Distributed Generation System (40kW-10MW)”



**Contract For Cogeneration And Small Power Production Facilities Rated
(0 to 40kW)**

THIS CONTRACT is entered into _____, _____, by the City of Rochester, acting by and through its Rochester Public Utilities (hereafter called "RPU") and _____ (hereafter called "QF" - Qualifying Facility).

RECITALS

The QF has installed electric generating facilities, consisting of

_____ (Description of facilities), rated at
_____ kilowatts of electricity, on property located at

_____.

The QF is a customer of RPU located within the assigned electric service territory of RPU.

The QF is prepared to generate electricity in parallel with the Utility.

The QF's electric generating facilities meet the requirements of RPU's Rules Covering Cogeneration and Small Power Production Facilities (the Rules) and any technical standards for interconnection RPU has established that are authorized by those rules.

RPU is obligated under federal and Minnesota law to interconnect with the QF and to purchase electricity offered for sale by the QF.

A contract between the QF and RPU is required.

AGREEMENTS

The QF and RPU agree:

1. RPU will sell electricity to the QF under the rate schedule in force for the class of customer to which the QF belongs.
2. RPU will buy electricity from the QF under the current rate schedule filed with the RPU Board. The QF has elected the rate schedule category hereinafter indicated (select one):

- _____ a. Average retail utility rate.
- _____ b. Simultaneous purchase and sale billing rate.
- _____ c. Roll-over credits.
- _____ d. Time-of-day purchase rate.

A copy of the presently filed rate schedule is attached to this contract.

3. The rates for sales and purchases of electricity may change over the time this contract is in force, due to actions by RPU or the State of Minnesota, and the QF and RPU agree that sales and purchases will be made under the rates in effect each month during the time this contract is in force.

4. RPU will compute the charges and payments for purchases and sales for each billing period. Any net credit to the QF, other than kilowatt-hour credits under clause 2(c), will be made under one of the following options as chosen by the QF:

- _____ 1. Credit to the QF's account with RPU.
- _____ 2. Paid by check to the QF within 15 days of the billing date.

5. Renewable energy credits associated with generation from the facility are owned by:

6. The QF will operate its electric generating facilities within any rules, regulations, and policies adopted by RPU not prohibited by the Minnesota Public Utilities Commission's on Cogeneration and Small Power Production. RPU's rules, regulations, and policies must be consistent with the Minnesota Public Utilities Commission's rules on Cogeneration and Small Power Production, as required under Minnesota Statutes §216B.164, subdivision 9.

7. Appendix A to this contract shall contain a description of the type of metering and interconnection facilities to be employed.

8. The QF will not enter into an arrangement whereby electricity from the generating facilities will be sold to an end user in violation of the Utility's or any other electric utility's exclusive right to provide electric service in its service area under Minnesota Statutes, Sections 216B.37-44.

9. The QF will operate its electric generating facilities so that they conform to the national, state, and local electric and safety codes, and will be responsible for the costs of conformance.

10. The QF is responsible for the actual, reasonable costs of interconnection incurred by RPU which are estimated to be \$_____. The QF will pay

RPU in this way:

11. The QF will give RPU reasonable access to its property and electric generating facilities if the configuration of those facilities does not permit disconnection or testing from RPU's side of the interconnection. If RPU enters the QF's property, RPU will remain responsible for its personnel.

12. RPU may stop providing electricity to the QF during a system emergency. RPU will not discriminate against the QF when it stops providing electricity or when it resumes providing electricity.

13. RPU may stop purchasing electricity from the QF when necessary for RPU to construct, install, maintain, repair, replace, remove, investigate, or inspect any equipment or facilities within its electric system. RPU will notify the QF before it stops purchasing electricity in this way:

14. The QF will keep in force liability insurance against personal or property damage due to the installation, interconnection, and operation of its electric generating facilities. The amount of insurance coverage will be \$_____ (The amount must be consistent with the Utility's distributed generation tariff under Minnesota Statutes §216B.1611, subdivision 3, clause 2.).

15. RPU and the QF agree to attempt to resolve any dispute arising hereunder promptly and in a good faith manner.

16. The RPU Board governing RPU has authority to consider and determine disputes, if any, that arise under this contract pursuant to Minnesota Statutes §216B.164, subd. 9.

17. This contract becomes effective as soon as it is signed by the QF and RPU. This contract will remain in force until either the QF or RPU gives written notice to the other that the contract is canceled. This contract will be canceled 30 days after notice is given. Such cancellation does not relieve the QF of any costs for which it is responsible under Item 8 above.

18. Neither the QF or RPU will be considered in default as to any obligation if the QF or the RPU is prevented from fulfilling the obligation due to an event of Force Majeure. However, the QF or RPU whose performance under this contract is hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations.

19. This contract can only be amended or modified by mutual agreement in writing signed by the QF and RPU.

20. Each Party will be responsible for its own acts or omissions and the results thereof to the extent authorized by law and shall not be responsible for the acts or omissions of any others and the results thereof.

21. The QF's and RPU's liability to each other for failure to perform its obligations under this contract shall be limited to the amount of direct damage actually occurred. In no event, shall the QF or RPU be liable to each other for any punitive, incidental, indirect, special, or consequential damages of any kind whatsoever, including for loss of business opportunity or profits, regardless of whether such damages were foreseen.

22. RPU does not give any warranty, expressed or implied, to the adequacy, safety, or other characteristics of the QF's interconnected system.

23. This contract contains all the agreements made between the QF and RPU except that this contract shall at all times be subject to all rules and orders issued by any government agency having the requisite jurisdiction.. The QF and RPU are not responsible for any agreements other than those stated in this contract.

THE QF AND RPU HAVE READ THIS CONTRACT AND AGREE TO BE BOUND BY ITS TERMS. AS EVIDENCE OF THEIR AGREEMENT, THEY HAVE EACH SIGNED THIS CONTRACT BELOW ON THE DATE WRITTEN AT THE BEGINNING OF THIS CONTRACT.

QF

By: _____

Dated: _____

ROCHESTER PUBLIC UTILITIES

Authorized Representative

General Manager

CITY OF ROCHESTER

Mayor

Attest:

City Clerk

Reviewed by:

City Attorney

Statutory Authority:

MS s 216A.05; 216B.08; 216B.164 subd 6

History:

9 SR 993; L 1998 c 254 art 1 s 107

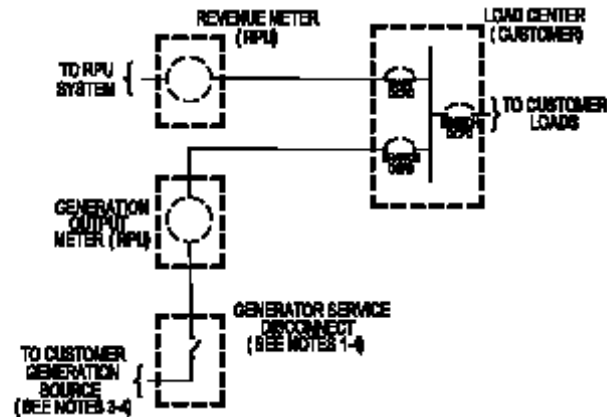
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February 28, 2000

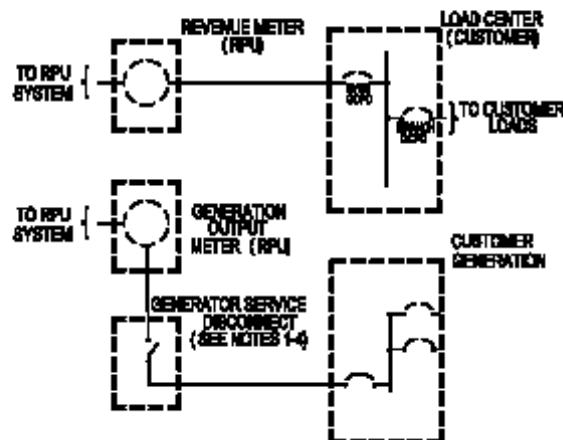
Appendix A

The following diagram represents typical system configurations for the allowed rates :

Average Retail Rate and Roll-over Credit Configuration



Simultaneous Purchase & Sale and Time-of-Day Configuration



1. Disconnect and generation meter must be installed outside within 10 feet of revenue meter and readily accessible
2. Disconnect must be clearly marked "GENERATOR DISCONNECT (SWITCH)"
3. Disconnect must allow for lockout / tagout capability
4. Disconnect must open all phases
5. Customer generation must be capable of synchronizing with service voltage phase and magnitude
6. Meter socket supplied by customer

NOT TO SCALE

ROCHESTER PUBLIC UTILITIES

REVISION		APPROVED BY	DATE	QUALIFYING GENERATION INTERCONNECT LESS THAN 40 KW	DWG # ME1MD1
1	1.0	1.0	1.0		
2	2.0	2.0	2.0		
3	3.0	3.0	3.0		
4	4.0	4.0	4.0		
5	5.0	5.0	5.0		
6	6.0	6.0	6.0		
7	7.0	7.0	7.0		
8	8.0	8.0	8.0		
9	9.0	9.0	9.0		
10	10.0	10.0	10.0		

ISSUE DATE - MAY 11

CONTRACT FOR ABOVE 40 KW

Interconnection Agreement For the Interconnection of Extended Parallel Distributed Generation Systems with the RPU Distribution System

Rochester Public Utilities Interconnection Agreement For the Interconnection of Extended Parallel Distributed Generation Systems with the RPU Distribution System

This Generating System Interconnection Agreement is entered into by and between Rochester Public Utilities (RPU) and the Interconnection Customer "_____". The Interconnection Customer and RPU are sometimes also referred to in this Agreement jointly as "Parties" or individually as "Party".

In consideration of the mutual promises and obligations stated in this Agreement and its attachments, the Parties agree as follows:

I. SCOPE AND PURPOSE

- A) Establishment of Point of Common Coupling. This Agreement is intended to provide for the Interconnection Customer to interconnect and operate a Generation System with a total Nameplate Capacity of 10MWs or less in parallel with the RPU distribution system at the location identified in Exhibit C and shown in the Exhibit A one-line diagram.
- B) This Agreement governs the facilities required to and contains the terms and condition under which the Interconnection Customer may interconnect the Generation System to the RPU distribution system. This Agreement does not authorize the Interconnection Customer to export power or constitute an agreement to purchased or wheel the Interconnection Customer's power. Other services that the Interconnection Customer may require from RPU, or others, may be covered under separate agreements.
- C) To facilitate the operation of the Generation System, this agreement also allows for the occasional and inadvertent export of energy to RPU. The amount, metering, billing and accounting of such inadvertent energy exporting shall be governed by Exhibit D (Operating Agreement). This Agreement does not constitute an agreement by RPU to purchase or pay for any energy, inadvertently or intentionally exported, unless expressly noted in Exhibit D or under a separately executed power purchase agreement (PPA).
- D) This agreement does not constitute a request for, nor the provision of any transmission delivery service or any local distribution delivery service.
- E) The Technical Requirements for interconnection are covered in a separate Technical Requirements document know as, the "Rochester Public Utilities Distributed Generation Interconnection Requirements", a copy of which has been made available to the Interconnection Customer and incorporated and made part of this Agreement by this reference

II. DEFINITIONS

- A) “Dedicated Facilities” the equipment that is installed due to the interconnection of the Generation System and not required to serve other RPU customers.
- B) “Extended Parallel” means the Generation System is designed to remain connected with RPU for an extended period of time.
- C) “Generation” any device producing electrical energy, i.e., rotating generators driven by wind, steam turbines, internal combustion engines, hydraulic turbines, solar, fuel cells, etc.; or any other electric producing device, including energy storage technologies.
- D) “Generation Interconnection Coordinator” the person or persons designated by RPU to provide a single point of coordination with the Applicant for the generation interconnection process.
- E) “Generation System” the interconnected generator(s), controls, relays, switches, breakers, transformers, inverters and associated wiring and cables, up to the Point of Common Coupling.
- F) “Interconnection Customer” the party or parties who will own/operate the Generation System and are responsible for meeting the requirements of the agreements and Technical Requirements. This could be the Generation System applicant, installer, owner, designer, or operator.
- G) “Local EPS” an electric power system (EPS) contained entirely within a single premises or group of premises.
- H) “Nameplate Capacity” the total nameplate capacity rating of all the Generation included in the Generation System. For this definition the “standby” and/or maximum rated kW capacity on the nameplate shall be used.
- I) “Point of Common Coupling” the point where the Local EPS is connected to the RPU distribution system
- J) “Point of Delivery” the point where the energy changes possession from one party to the other. Typically this will be where the metering is installed but it is not required that the Point of Delivery is the same as where the energy is metered
- K) “Technical Requirements” RPU Requirements for Interconnection of Distributed Generation

III. DESCRIPTION OF INTERCONNECTION CUSTOMER’S GENERATION SYSTEM

- A) A description of the Generation System, including a single-line diagram showing the general arrangement of how the Interconnection Customer’s Generation System is interconnected with RPU’s distribution system, is attached to and made part of this Agreement as Exhibit A. The single-line diagram shows the following;
 - 1) Point of Delivery (if applicable)
 - 2) Point of Common Coupling
 - 3) Location of Meter(s)
 - 4) Ownership of the equipment.
 - 5) Generation System total Nameplate Capacity _____ kW
 - 6) Scheduled operational (on-line) date for the Generation System.

IV. RESPONSIBILITIES OF THE PARTIES

- A) The Parties shall perform all obligations of this Agreement in accordance with all applicable laws and regulations, operating requirements and good utility practices.
- B) Interconnection Customer shall construct, operate and maintain the Generation System in accordance with the applicable manufacture's recommend maintenance schedule, the Technical Requirements and in accordance with this Agreement
- C) RPU shall carry out the construction of the Dedicated Facilities in a good and workmanlike manner, and in accordance with standard design and engineering practices.

V. CONSTRUCTION

The Parties agree to cause their facilities or systems to be constructed in accordance with the laws of the State of Minnesota and to meet or exceed applicable codes and standards provided by the NESC (National Electrical Safety Code), ANSI (American National Standards Institute), IEEE (Institute of Electrical and Electronic Engineers), NEC (National Electrical Code), UL (Underwriter's Laboratory), Technical Requirements and local building codes and other applicable ordinances in effect at the time of the installation of the Generation System.

A) Charges and payments

The Interconnection Customer is responsible for the actual costs to interconnect the Generation System with the RPU distribution system, including, but not limited to any Dedicated Facilities attributable to the addition of the Generation System, RPU labor for installation coordination, installation testing and engineering review of the Generation System and interconnection design. Estimates of these costs are outlined in Exhibit B. While estimates, for budgeting purposes, have been provided in Exhibit B, the actual costs are still the responsibility of the Interconnection Customer, even if they exceed the estimated amount(s). All costs, for which the Interconnection Customer is responsible for, must be reasonable under the circumstances of the design and construction.

- 1) Dedicated Facilities
 - a) During the term of this Agreement, RPU shall design, construct and install the Dedicated Facilities outlined in Exhibit B. The Interconnection Customer shall be responsible for paying the actual costs of the Dedicated Facilities attributable to the addition of the Generation System.
 - b) Once installed, the Dedicated Facilities shall be owned and operated by RPU and all costs associated with the operating and maintenance of the Dedicated Facilities, after the Generation System is operational, shall be the responsibility of RPU, unless otherwise agreed.
 - c) By executing this Agreement, the Interconnection Customer grants permission for RPU to begin construction and to procure the necessary facilities and equipment to complete the installation of the Dedicated Facilities, as outlined in Exhibit B. If for any reason, the Generation System project is canceled or modified, so that any or all of the Dedicated

Facilities are not required, the Interconnection Customer shall be responsible for all costs incurred by RPU, including, but not limited to the additional costs to remove and/or complete the installation of the Dedicated Facilities. The Interconnection Customer may, for any reason, cancel the Generation System project, so that any or all of the Dedicated Facilities are not required to be installed. The Interconnection Customer shall provide written notice to RPU of cancellation. Upon receipt of a cancellation notice, RPU shall take reasonable steps to minimize additional costs to the Interconnection Customer, where reasonably possible.

2) Payments

- a) The Interconnection Customer shall provide reasonable adequate assurances of credit, including a letter of credit or personal guaranty of payment and performance from a creditworthy entity acceptable under RPU credit policy and procedures for the unpaid balance of the estimated amount shown in Exhibit B.
- b) The payment for the costs outlined in Exhibit B, shall be as follows;
 - i. 1/3 of estimated costs, outlined in Exhibit B, shall be due upon execution of this agreement.
 - ii. 1/3 of estimated costs, outlined in Exhibit B, shall be due prior to initial energization of the Generation System, with the RPU distribution system.
 - iii. Remainder of actual costs, incurred by RPU, shall be due within 30 days from the date the bill is mailed by RPU after project completion.

VI. DOCUMENTS INCLUDED WITH THIS AGREEMENT.

- A) This agreement includes the following exhibits, which are specifically incorporated herein and made part of this Agreement by this reference: (if any of these Exhibits are deemed not applicable for this Generation System installation they may be omitted from the final Agreement by RPU.)
 - 1) Exhibit A – Description of Generation System and single-line diagram. This diagram shows all major equipment, including, visual isolation equipment, Point of Common Coupling, Point of Delivery for Generation Systems that intentionally export, ownership of equipment and the location of metering.
 - 2) Exhibit B – Estimated installation and testing costs payable by the Interconnection Customer. Included in this listing shall be the description and estimated costs for the required Dedicated Facilities being installed by RPU for the interconnection of the Generation System and a description and estimate for the final acceptance testing work to be done by RPU.
 - 3) Exhibit C – Engineering Data Submittal – A standard form that provides the engineering and operating information about the Generation System.
 - 4) Exhibit D – Operating Agreement – This provides specific operating information and requirements for this Generation System interconnection. This Exhibit has a separate signature section and may be modified, in writing, from time to time with the agreement of both parties.
 - 5) Exhibit E – Maintenance Agreement – This provides specific maintenance requirements for this Generation System interconnection. This Exhibit has a

separate signature section and may be modified, in writing, from time to time with the agreement of both parties.

VII. TERMS AND TERMINATION

- A) This Agreement shall become effective as of the date when both the Interconnection Customer and RPU have both signed this Agreement. The Agreement shall continue in full force and effect until the earliest date that one of the following events occurs:
- 1) The Parties agree in writing to terminate the Agreement; or
 - 2) The Interconnection Customer may terminate this agreement at any time, by written notice to RPU, prior to the completion of the final acceptance testing of the Generation System by RPU. Once the Generation System is operational then VII.A.3 applies. Upon receipt of a cancellation notice, RPU shall take reasonable steps to minimize additional costs to the Interconnection Customer, where reasonably possible.
 - 3) Once the Generation System is operational the Interconnection Customer may terminate this agreement after 30 days written notice to RPU, unless otherwise agreed to within the Exhibit D, Operating Agreement; or
 - 4) RPU may terminate this agreement after 30 days written notice to the Interconnection Customer if:
 - a) The Interconnection Customer fails to interconnect and operate the Generation System per the terms of this Agreement; or
 - b) The Interconnection Customer fails to take all corrective actions specified in RPU's written notice that the Generation System is out of compliance with the terms of this Agreement, within the time frame set forth in such notice, or
 - c) If the Interconnection Customer fails to complete RPU's final acceptance testing of the generation system within 24 months of the date proposed under section III.A.5.
- B) Upon termination of this Agreement the Generation System shall be disconnected from the RPU distribution system. The termination of this Agreement shall not relieve either Party of its liabilities and obligations, owed or continuing, at the time of the termination.

VIII. OPERATIONAL ISSUES

Each Party will, at its own cost and expense, operate, maintain, repair and inspect, and shall be fully responsible for, the facilities which it now or hereafter may own, unless otherwise specified.

- A) Technical Standards: The Generation System shall be installed and operated by the Interconnection Customer consistent with the requirements of this Agreement; the Technical Requirements; the applicable requirements located in

- the National Electrical Code (NEC); the applicable standards published by the American National Standards Institute (ANSI) and the Institute of Electrical and Electronic Engineers (IEEE); and local building and other applicable ordinances in effect at the time of the installation of the Generation System.
- B) Right of Access: At all times, RPU's personnel shall have access to the disconnect switch of the Generation System for any reasonable purpose in connection with the performance of the obligations imposed on it by this Agreement, to meet its obligation to operate the RPU distribution system safely and to provide service to its customers. If necessary for the purposes of this Agreement, the Interconnection Customer shall allow RPU access to the Local EPS's equipment and facilities located on the premises.
 - C) Electric Service Supplied: RPU will supply the electrical requirements of the Local EPS that are not supplied by the Generation System. Such electric service shall be supplied, to the Interconnection Customer's Local EPS, under the rate schedules applicable to the Customer's class of service as revised from time to time by RPU.
 - D) Operation and Maintenance: The Generation System shall be operated and maintained, by the Interconnection Customer in accordance with the Technical Standards and any additional requirements of Exhibit D and Exhibit E, attached to this document, as amended, in writing, from time to time.
 - E) Cooperation and Coordination: Both RPU and the Interconnection Customer shall communicate and coordinate their operations, so that the normal operation of the RPU distribution system does not unduly effect or interfere with the normal operation of the Generation System and the Generation System does not unduly effect or interfere with the normal operation of the RPU distribution system. Under abnormal operations of either the Generation System or the RPU distribution system, the responsible Party shall provide reasonably timely communication to the other Party to allow mitigation of any potentially negative effects of the abnormal operation of their system.
 - F) Disconnection of Unit: RPU may disconnect the Generation System as reasonably necessary, for termination of this Agreement; non-compliance with this Agreement; system emergency, imminent danger to the public or RPU personnel; routine maintenance, repairs and modifications to the RPU distribution system. When reasonably possible, RPU shall provide prior notice to the Interconnection Customer explaining the reason for the disconnection. If prior notice is not reasonably possible, RPU shall after the fact, provide information to the Interconnection Customer as to why the disconnection was required. It is agreed that RPU shall have no liability for any loss of sales or other damages, including all consequential damages for the loss of business opportunity, profits or other losses, regardless of whether such damages were foreseeable, for the disconnection of the Generation System per this Agreement. RPU shall expend reasonable effort to reconnect the Generation System in a timely manner and to work towards mitigating damages and losses to the Interconnection Customer where reasonably possible.

- G) Modifications to the Generation System – When reasonably possible the Interconnection Customer shall notify RPU, in writing, of plans for any modifications to the Generation System interconnection equipment, including all information needed by RPU as part of the review described in this paragraph, at least twenty (20) business days prior to undertaking such modification(s). Modifications to any of the interconnection equipment, including, all interconnection required protective systems, the generation control systems, the transfer switches/breakers, interconnection protection VT's & CT's, and Generation System capacity, shall be included in the notification to RPU. When reasonably possible the Interconnection Customer agrees not to commence installation of any modifications to the Generating System until RPU has approved the modification, in writing, which approval shall not be unreasonably withheld. RPU shall have a minimum of five (5) business days to review and respond to the planned modification. RPU shall not take longer than a maximum of ten (10) business days, to review and respond to the modification after the receipt of the information required to review the modifications. When it is not reasonably possible for the Interconnection Customer to provide prior written notice, the Interconnection Customer shall provide written notice to RPU as soon as reasonably possible, after the completion of the modification(s).
- H) Permits and Approvals: The Interconnection Customer shall obtain all environmental and other permits lawfully required by governmental authorities prior to the construction of the Generation System. The Interconnection Customer shall also maintain these applicable permits and compliance with these permits during the term of this Agreement.

IX. LIMITATION OF LIABILITY

- A) Each Party shall at all times indemnify, defend, and save the other Party harmless from any and all damages, losses, claims, including claims and actions relating to injury or death of any person or damage to property, costs and expenses, reasonable attorneys' fees and court costs, arising out of or resulting from the Party's performance of its obligations under this agreement, except to the extent that such damages, losses or claims were caused by the negligence or intentional acts of the other Party.
- B) Each Party's liability to the other Party for failure to perform its obligations under this Agreement, shall be limited to the amount of direct damage actually incurred. In no event shall either Party be liable to the other Party for any punitive, incidental, indirect, special, or consequential damages of any kind whatsoever, including for loss of business opportunity or profits, regardless of whether such damages were foreseen.
- C) Notwithstanding any other provision in this Agreement, with respect to RPU's provision of electric service to any customer including the Interconnection Customer, RPU's liability to such customer shall be limited as set forth in the RPU's tariffs and terms and conditions for electric service, and shall not be affected by the terms of this Agreement.

X. DISPUTE RESOLUTION

- A) Each Party agrees to attempt to resolve all disputes arising hereunder promptly, equitably and in a good faith manner.
- B) In the event a dispute arises under this Agreement, and if it cannot be resolved by the Parties within thirty (30) days after written notice of the dispute to the other Party, the Parties agree to submit the dispute to mediation by a mutually acceptable mediator, in a mutually convenient location in the State of Minnesota. The Parties agree to participate in good faith in the mediation for a period of 90 days. If attempted dispute resolution fails, then either Party may exercise whatever rights and remedies it may have in equity or law consistent with the terms of this Agreement.

XI. INSURANCE

- A) At a minimum, In connection with the Interconnection Customer's performance of its duties and obligations under this Agreement, the Interconnection Customer shall maintain, during the term of the Agreement, general liability insurance, from a qualified insurance agency with a B+ or better rating by "Best" and with a combined single limit of not less than:
 - 1) Two million dollars (\$2,000,000) for each occurrence if the Gross Nameplate Rating of the Generation System is greater than 250kW.
 - 2) One million dollars (\$1,000,000) for each occurrence if the Gross Nameplate Rating of the Generation System is between 40kW and 250kW.
 - 3) Three hundred thousand (\$300,000) for each occurrence if the Gross Nameplate Rating of the Generation System is less than 40kW.
 - 4) Such general liability insurance shall include coverage against claims for damages resulting from (i) bodily injury, including wrongful death; and (ii) property damage arising out of the Interconnection Customer's ownership and/or operating of the Generation System under this agreement.
- B) The general liability insurance required shall, by endorsement to the policy or policies, (a) include RPU as an additional insured; (b) contain a severability of interest clause or cross-liability clause; (c) provide that RPU shall not by reason of its inclusion as an additional insured incur liability to the insurance carrier for the payment of premium for such insurance; and (d) provide for thirty (30) calendar days' written notice to RPU prior to cancellation, termination, alteration, or material change of such insurance.
- C) If the Generation System is connected to an account receiving residential service from RPU and its total generating capacity is smaller than 40kW, then the endorsements required in Section XI.B shall not apply.
- D) The Interconnection Customer shall furnish the required insurance certificates and endorsements to RPU prior to the initial operation of the Generation System. Thereafter, RPU shall have the right to periodically inspect or obtain a copy of the original policy or policies of insurance
- E) Evidence of the insurance required in Section XI.A. shall state that coverage provided is primary and is not excess to or contributing with any insurance or self-insurance maintained by RPU.

- F) If the Interconnection Customer is self-insured with an established record of self-insurance, the Interconnection Customer may comply with the following in lieu of Section XI.A – E:
- 1) Interconnection Customer shall provide to RPU, at least thirty (30) days prior to the date of initial operation, evidence of an acceptable plan to self-insure to a level of coverage equivalent to that required under section XI.A.
 - 2) If Interconnection Customer ceases to self-insure to the level required hereunder, or if the Interconnection Customer is unable to provide continuing evidence of its ability to self-insure, the Interconnection Customer agrees to immediately obtain the coverage required under Section XI.A.
- G) Failure of the Interconnection Customer or RPU to enforce the minimum levels of insurance does not relieve the Interconnection Customer from maintaining such levels of insurance or relieve the Interconnection Customer of any liability.
- H) All insurance certificates, statements of self-insurance, endorsements, cancellations, terminations, alterations, and material changes of such insurance shall be issued and submitted to the following:

Rochester Public Utilities
 Attention:
 4000 E River Rd NE
 Rochester, MN 55906

XII. MISCELLANEOUS

A) FORCE MAJEURE

- 1) An event of Force Majeure means any act of God, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any curtailment, order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party's control. An event of Force Majeure does not include an act of negligence or intentional wrongdoing. Neither Party will be considered in default as to any obligation hereunder if such Party is prevented from fulfilling the obligation due to an event of Force Majeure. However, a Party whose performance under this Agreement is hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations hereunder
- 2) Neither Party will be considered in default of any obligation hereunder if such Party is prevented from fulfilling the obligation due to an event of Force Majeure. However, a Party whose performance under this Agreement is hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations hereunder. .

B) NOTICES

- 1) Any written notice, demand, or request required or authorized in connection with this Agreement ("Notice") shall be deemed properly given if delivered in person or sent by first class mail, postage prepaid, to the person specified below:

- a) If to RPU

Rochester Public Utilities
Attention:
4000 E River Rd NE
Rochester, MN 55906

- b) If to Interconnection Customer

A Friendly Interconnection Customer
Attention: Generation Coordinator
12345 Interconnection Drive.
Anytown, MN 55000

- 2) A Party may change its address for notices at any time by providing the other Party written notice of the change, in accordance with this Section.
- 3) The Parties may also designate operating representatives to conduct the daily communications which may be necessary or convenient for the administration of this Agreement. Such designations, including names, addresses, and phone numbers may be communicated or revised by one Party's notice to the other Party.

C) ASSIGNMENT

The Interconnection Customer shall not assign its rights nor delegate its duties under this Agreement without RPU's written consent. Any assignment or delegation the Interconnection Customer makes without RPU's written consent shall not be valid. RPU shall not unreasonably withhold its consent to the Generating Entities assignment of this Agreement.

D) NON-WAIVER

None of the provisions of this Agreement shall be considered waived by a Party unless such waiver is given in writing. The failure of a Party to insist in any one or more instances upon strict performance of any of the provisions of this Agreement or to take advantage of any of its rights hereunder shall not be construed as a waiver of any such provisions or the relinquishment of any such rights for the future, but the same shall continue and remain in full force and effect.

E) GOVERNING LAW AND INCLUSION OF RPU'S TARIFFS AND RULES.

- 1) This Agreement shall be interpreted, governed and construed under the laws of the State of Minnesota as if executed and to be performed wholly within

the State of Minnesota without giving effect to choice of law provisions that might apply to the law of a different jurisdiction.

- 2) The interconnection and services provided under this Agreement shall at all times be subject to the terms and conditions set forth in the tariff schedules and rules applicable to the electric service provided by RPU, which tariff schedules and rules are hereby incorporated into this Agreement by this reference.
- 3) Notwithstanding any other provisions of this Agreement, RPU shall have the right to unilaterally change rates, charges, classification, service, tariff or rule or any agreement relating thereto.

F) AMENDMENT AND MODIFICATION

This Agreement can only be amended or modified by a writing signed by both Parties.

G) ENTIRE AGREEMENT

This Agreement, including all attachments, exhibits, and appendices, constitutes the entire Agreement between the Parties with regard to the interconnection of the Generation System of the Parties at the Point(s) of Common Coupling expressly provided for in this Agreement and supersedes all prior agreements or understandings, whether verbal or written. It is expressly acknowledged that the Parties may have other agreements covering other services not expressly provided for herein, which agreements are unaffected by this Agreement. Each party also represents that in entering into this Agreement, it has not relied on the promise, inducement, representation, warranty, agreement or other statement not set forth in this Agreement or in the incorporated attachments, exhibits and appendices.

H) CONFIDENTIAL INFORMATION

Except as otherwise agreed or provided herein, each Party shall hold in confidence and shall not disclose confidential information, to any person (except employees, officers, representatives and agents, who agree to be bound by this section) unless required to do so by any law or court order. Confidential information shall be clearly marked as such on each page or otherwise affirmatively identified. If a court, government agency or entity with the right, power, and authority to do so, requests or requires either Party, by subpoena, oral disposition, interrogatories, requests for production of documents, administrative order, or otherwise, to disclose Confidential Information, that Party shall provide the other Party with prompt notice of such request(s) or requirements(s) so that the other Party may seek an appropriate protective order or waive compliance with the terms of this Agreement. In the absence of a protective order or waiver the Party shall disclose such confidential information which, in the opinion of its counsel, the party is legally compelled to disclose. Each Party will use reasonable efforts to obtain reliable assurance that confidential treatment will be accorded any confidential information so furnished.

I) NON-WARRANTY

Neither by inspection, if any, or non-rejection, nor in any other way, does RPU give any warranty, expressed or implied, as to the adequacy, safety, or other characteristics of any structures, equipment, wires, appliances or devices owned, installed or maintained by the Interconnection Customer or leased by the Interconnection Customer from third parties, including without limitation the Generation System and any structures, equipment, wires, appliances or devices appurtenant thereto.

J) **NO PARTNERSHIP.**

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 either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

XIII. SIGNATURES

IN WITNESS WHEREOF, the Parties hereto have caused two originals of this Agreement to be executed by their duly authorized representatives. This Agreement is effective as of the last date set forth below.

Interconnection Customer

By: _____

Name: _____

Title: _____

Date: _____

Rochester Public Utilities

Authorized Representative

General Manager

City of Rochester

Mayor

Attest:

City Clerk

Reviewed by:

City Attorney

SAMPLE

EXHIBIT A**GENERATION SYSTEM DESCRIPTION
AND SINGLE-LINE DIAGRAM**

SAMPLE

EXHIBIT B

SUMMARY OF RPU COSTS AND DESCRIPTION OF DEDICATED FACILITIES BEING INSTALLED BY RPU FOR THE INTERCONNECTION OF THE GENERATION SYSTEM

This Exhibit shall provide the estimated total costs that will be the responsibility of the Interconnection Customer. It is assumed that the Initial application has been filed and the engineering studies have been paid for and completed. So those costs are not included on this listing.

What is listed below is a general outline of some of the major areas where costs could occur. Other costs than those listed below may be included by RPU, provided that those costs are a direct result from the request to interconnect the Generation System. The following list is only a guideline and RPU will be creating a unique Exhibit B that is tailored for the specific Generation System interconnection.

- A) Dedicated Facilities (equipment, design and installation labor)
- B) Monitoring & Control System (equipment, design and installation labor)
- C) Design Coordination and Review
- D) Construction Coordination labor costs
- E) Testing (development of tests and physical testing)
- F) Contingency

EXHIBIT C

ENGINEERING DATA SUBMITTAL

Attach a completed Engineering Data Submittal form from Appendix C of “Rochester Public Utilities Interconnection Process for Distributed Generation Systems”.

SAMPLE

EXHIBIT D

OPERATING AGREEMENT

Each Generation System interconnection will be unique and will require a unique Operating Agreement. The following is a listing of some of the possible areas that will be covered in an operating agreement. The following has not been developed into a standard agreement due to the unique nature of each Generation System. It is envisioned that this Exhibit will be tailored by RPU for each Generation System interconnection. It is also intended that this Operating Agreement Exhibit will be reviewed and updated periodically, to allow the operation of the Generation System, to change to meet the needs of both RPU and the Interconnection Customer, provided that the change does not negatively affect the other Party. There may also be operating changes required by outside issues, such as changes in FERC and MISO requirements and/or policies which will require this Operating Agreement to be modified.

The following items are provided to show the general types of items which may be included in this Operating Agreement. The items included in the Operating Agreement shall not be limited to the items shown on this list.

- A) Applicable RPU Tariffs – discussion on which tariffs are being applied for this installation and possibly how they will be applied.
- B) Var Requirements – How will the Generation System be required to operate so as to control the power factor of the energy flowing in either direction across the interconnection?
- C) Inadvertent Energy – This Operating Agreement needs to provide the method(s) that will be used to monitor, meter and account for the inadvertent energy used or supplied by the Generation System. Tariffs and operating rules that apply for this Generation System interconnection shall be discussed in this Operating Agreement.
- D) Control Issues - Starting and stopping of the generation, including the remote starting and stopping, if applicable.
- E) Dispatch of Generation Resources - What are the dispatch requirements for the Generation System, Can it only run during Peak Hours? Are there a limited number of hours that it can run? Is it required to have met an availability percentage? This will greatly depend upon the PPA and other requirements. Is the Interconnection Customer required to coordinate outages of the Generation System, with RPU?
- F) Outages of Distribution System – How are emergency outages handled? How are other outages scheduled? If the Interconnection Customer requires RPU to schedule the outages during after-hours, who pays for RPU's overtime?
- G) Notification / Contacts - Who should be notified? How should they be notified? When should they be notified? For what reasons, should the notification take place?
 - 1) Starting of the Generation
 - 2) Dispatching of Generation
 - 3) Notification of failures (both RPU system and Generation System failures)

- H) Documentation of Operational Settings – How much fuel will the generation System typically have on hand? How long can it run with this fuel capacity? How is the generation system set to operate for a power failure? These may be issues that should be documented in the Operating Agreement. The following are a couple of examples:
- 1) “The Generation System will monitor the RPU distribution system phase voltage and after 2 seconds of any phase voltage below 90% the generation will be started and the load transferred to the generator, if the generation is not already running.”
 - 2) “The Generation System will wait for 30 minutes after it senses the return of the RPU distribution system frequency and voltage, before it will automatically reconnect to the RPU distribution system”
- I) Cost of testing for future failures – If a component of the Generation System fails or needs to be replaced, which effects the interconnection with the RPU distribution system, what is the process for retesting, and for replacement? Who pays for the additional costs of RPU to work with the Interconnection Customer to resolve these problems and/or to complete retesting of the modified equipment?
- J) Right of Access: At all times, RPU shall have access to the disconnect switch of the Generation System for any reasonable purpose in connection with the performance of the obligations imposed on it by this Agreement, to meet its obligation to operate the RPU distribution system safely and to provide service to its customers, at all times. If necessary for the purposed of this Agreement, the Interconnection Customer shall allow RPU access to the RPU’s equipment and facilities located on the premises.

Add Signature Section -The Operating Agreement should be set up so that it is individually signed and dated by both parties.

EXHIBIT E

MAINTENANCE AGREEMENT

Each Generation System interconnection will be unique and will require a unique Maintenance Agreement. It is envisioned that this Exhibit will be tailored for each Generation System interconnection. It is also intended that this Maintenance Agreement Exhibit will be reviewed and updated periodically, to allow the maintenance of the Generation System be allowed to change to meet the needs of both RPU and the Interconnection Customer, provided that change does not negatively affect the other Party. There may also be changes required by outside issues; such as changes in FERC and MISO requirements and/or policies which will require this agreement to be modified.

A) Routine Maintenance Requirements –

- 1) Who is providing maintenance – Contact information
- 2) Periods of maintenance

- II.** Modifications to the Generation System - The Interconnection Customer shall notify RPU, in writing of plans for any modifications to the Generation System interconnection equipment at least twenty (20) business days prior to undertaking such modification. Modifications to any of the interconnection equipment, including all required protective systems, the generation control systems, the transfer switches/breakers, VT's & CT's, generating capacity and associated wiring shall be included in the notification to RPU. The Interconnection Customer agrees not to commence installation of any modifications to the Generating System until RPU has approved the modification, in writing. RPU shall have a minimum of five (5) business days and a maximum of ten (10) business days, to review and respond to the modification, after the receipt of the information required to review the modifications.

Add signature Section

ROCHESTER PUBLIC UTILITIES

Schedule 3a

Interconnection Process For Qualifying Facilities (0 - 40 kW)



March 27, 2018

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Document History and Review

Date	Revision Description	Revised by
Mar 25, 2004	Date of Original Document	
May 11, 2010	Revised Overview, Revised and reversed Step 6 & Step 7, revised System Inspection, revised Insurance, revised Rates #3, added street light fee in Rates #3a, modified Operations to say Operations & Safety	RLA
July 28, 2011	Revised Document title, revised metering diagram ME1MI01 and added as Exhibit 1, Misc formatting changes, added Appendix A & B, added Definitions, changed document name to "...Qualifying Facility". Added proof of insurance requirement. Added Rate Option on Appendix A. Clarified language in Rates section.	RLA
Aug 16, 2011	Modified language in Step 3, Step 5, Appendix A (changed Attachment to Appendix), Appendix B (rate schedule available at office instead of attached)	RLA
Mar 1, 2012	Misc. formatting	RLA
Mar 27, 2018	Revised to be consistent with RPU's latest RPU Distributed Generation Rules and current State common interconnection agreement. Removed sections: Definitions, Billing and Rates which are now covered in rules. Revised Overview which includes reference to RPU Rules Covering Cogeneration and Small Power Production Facilities. In contract, agreements 5, 7, 14, 15, 17, 18, 19, 20 and 21. Added Exhibit 2 to the contract showing inspection checklist.	

Overview

The interconnection of generation to RPU's electric system is covered by RPU's Distributed Generation Rules which can be found on RPU's website. The Distributed Generation Rules are a governing document approved by RPU's board.

The "Interconnection Process for Qualifying Facilities (0 - 40kW)" document is a guide that describes the process and requirements for connecting a Qualifying Facility (QF) generation of 40 kW or less to Rochester Public Utilities' (RPU) distribution system.

This document will provide customers with an understanding of the process and information required allowing RPU to review and accept the applicant's equipment for interconnection in a reasonable and expeditious manner. This document will ensure that customers are aware of the technical interconnection requirements and RPU's interconnection policies and practices. Generation not operating in parallel is not subject to these requirements.

The time required to complete the process will reflect the complexity of the proposed project. Projects using previously submitted designs that have been satisfactorily tested will move through the process more quickly. Several steps may be satisfied with an initial application depending on the detail and the completeness of the application and supporting documentation submitted by the customer. Customers submitting previously tested systems, however, are not exempt from providing RPU with complete design packages necessary for RPU to verify the electrical characteristics of the generator systems, the interconnecting facilities, and the impacts of the customer's equipment on RPU's system.

Application Process

Step 1:

Customer reviews RPU's "Rules Distributed Generation Rules"

A copy of the above mentioned document is available on RPU's website for the customer to review.

Step 2: Potential customer files an application.

The filing must include the completed standard application form (Appendix A), including generator information, and a one-line drawing of the proposed QF and interconnecting system. RPU's application does not include the city's Building Safety requirements e.g. permit(s). The customer /or their installer is required to contact the city's Building and Safety Department for this information.

Step 3: RPU performs a review of customer's proposed interconnection design package.

RPU will review the design package to ensure that the plans and design satisfy the goal of attaining a safe, reliable, and efficient interconnection and satisfy the technical requirements for interconnection. Upon completion of the review, RPU will notify the customer of its final acceptance of the customer's design or an explanation of the technical requirements the design fails to meet.

Step 4: Customer commits to RPU's metering requirements and possible construction of distribution system modifications.

Metering for QF interconnection usually requires a non-standard metering installation. The customer will be responsible for the incremental costs of the metering over standard metering installation for the facility. If any construction on the utility distribution systems is determined to be required for the interconnection, the customer will be required to pay an advance payment for the estimated costs associated with the system modification.

Step 5: Interconnection Agreement is Submitted

The customer submits the contract located on the RPU website. This contract will not become officially authorized until the Mayor and City Clerk have signed the copies of the contract.,

Step 6: Project construction.

The customer can now install their facility in accordance with the previously submitted design, with comments incorporated into the installation design. RPU will commence construction and installation of any system modifications and metering requirements as identified in Step 4, after receipt of estimated system upgrade costs. RPU system modifications will vary in construction time depending on the extent of work and equipment required. The schedule for this work will be discussed with the customer.

Step 7: RPU's cost reconciliation.

RPU will reconcile its actual costs related to the customer's project against any advance payments for utility distribution system construction made by the customer. The customer will receive either a bill for any balance due or a reimbursement for overpayment as determined by

RPU. The customer must have all bills associated with the interconnection paid in full prior to RPU authorizing the operation of the interconnection.

Step 8: Final acceptance and interconnection.

RPU will review the results of its on-site verification and issue to the customer a formal letter of acceptance for interconnection. The customer's QF will be allowed to commence parallel operation upon electrical inspection by agencies having jurisdiction at the location, and satisfactory demonstration to RPU of the safe operation of the customer-owned QF system when interconnected to the RPU distribution system. In addition, the customer must have complied with and must continue to comply with any applicable code, safety, operating, maintenance, and or technical requirements. The customer is strongly urged to follow the manufacturer's maintenance, testing, and operation instructions for the life of the installed generation and associated controls.

Requirements for Interconnection

Metering

Metering for generation interconnection requires a non-standard metering installation. The customer will be responsible for the cost associated with this non-standard facility metering installation. Depending on the nature of the customer's installation, a new meter socket(s) likely will need to be installed which will be the customer's responsibility. See Exhibit 1 for metering details

Generator Service Disconnect

The customer shall provide a visible, lockable manual disconnect switch within ten (10) feet of the meter location which is readily accessible to RPU at all times of the year per Minnesota Rule 7835.5200. This disconnect switch shall be clearly marked, "Generator Disconnect Switch", with permanent half inch or larger letters. The disconnect switch will open all of the phases, but not the neutral.

Permits

The customer will provide RPU with copies of all electrical permits and inspections from agencies having jurisdiction over the location of the installation before interconnection of the generation will be allowed.

System Inspection

The QF will not be allowed to operate in parallel with RPU until the customer provides a satisfactory demonstration to RPU showing the safe operation of the generation system. See Exhibit 2 for details on RPU system inspection checklist and requirements used to demonstrate safe operation.

Insurance

Due to the increased potential liability which can result from an operation of a generating facility, RPU requires a minimum liability umbrella policy of \$300,000, in accordance with Minnesota Rule 7835.2300. The customer should contact their insurance carrier to advise them of the generating interconnected equipment is being added to the home or facility. Proof of \$300,000 liability insurance is required to be provided to RPU.

Operation & Safety

The QF system shall not affect the safety, reliability, or operation of RPU's distribution system or adversely affect the quality of service of any adjacent customers. The QF shall not supply power to RPU during any outages of the distribution system or be used to energize any portion of a de-energized utility circuit for any reason. Islanding is not permitted. RPU may require that the QF discontinue parallel operation due to safety, reliability, operational, and power quality issues. The QF is responsible for providing protection for the installed equipment and must adhere to all applicable national, state, and local codes.



Appendix A

Application for Generation Interconnection (0 - 40 kW)

Customer:

Name: _____

Address: _____

Installation Address (if different from above): _____

Home Phone: _____ Daytime Phone _____

Email: _____

Account Number: _____

System Designer & Installation Contractor Information:

Design Consultant: _____

Address: _____

Phone: _____

Email: _____

Contact Person: _____

Installation Contractor (if different): _____

Address: _____

Phone: _____

Email: _____

Contact Person: _____

Specifications:

Estimated In-Service Date: _____

Existing Electric Service: Amperes Voltage _____ Volts _____

Identify Type of Service: () Solar PV array () Fuel Cell () Wind () Other

If Other Describe: _____

Specific Location of Service Disconnect Equipment on Property: _____

Pre-Incentive Install Cost and Cost Components _____

Attach a single line diagram showing the switchgear, metering and generation facilities.

Generation Equipment Information: (Include copy of product literature)

Manufacturer: _____ Model No: _____
Version No: _____

() Synchronous () Induction () Inverter
() Other _____

Rating: _____ kW(dc) Rating: _____ kW(ac) Rating: _____ kVa

() Single Phase () Three Phase
Generator Connection: () Delta () Wye () Wye Grounded

Interconnection Voltage: _____ Volts

Metering: _____

Interconnection Compliance & Owner Acknowledgement

The electrical system referenced above shall meet RPU's "Interconnection Process For Qualifying Facilities (0 – 40kW)".

Customer shall be solely responsible for obtaining and complying with any and all necessary easements, licenses and permits, or exemptions, as may be required by federal, state, local statutes, regulations, ordinances or other legal mandates.

The customer shall submit and sign RPU's "Contract For Cogeneration And Small Power Production Facilities Rated (0 to 40kW)" prior to RPU inspection of the generating system.

The customer shall submit documentation to RPU that the system has been inspected and approved by the local permitting agency regarding electrical code requirements.

Customer shall not commence parallel operation of the generating system until inspecting written approval of the interconnection has been given by RPU.

I the undersigned have completed this Appendix A for interconnection, which accurately describes the QF equipment to be interconnected and operated in parallel with RPU's distribution system. I have read and understand the "Interconnection Process For Qualifying Facilities (0 – 40kW)" and understand that approval of Appendix A is dependent on compliance with these requirements and the accuracy of the information as included in this Appendix A.

Customer Signature

Date

Exhibit 1

The Average Retail Rate and Roll-over Credit Configuration on the following diagram represents “Net Metering” along with a generation output meter:

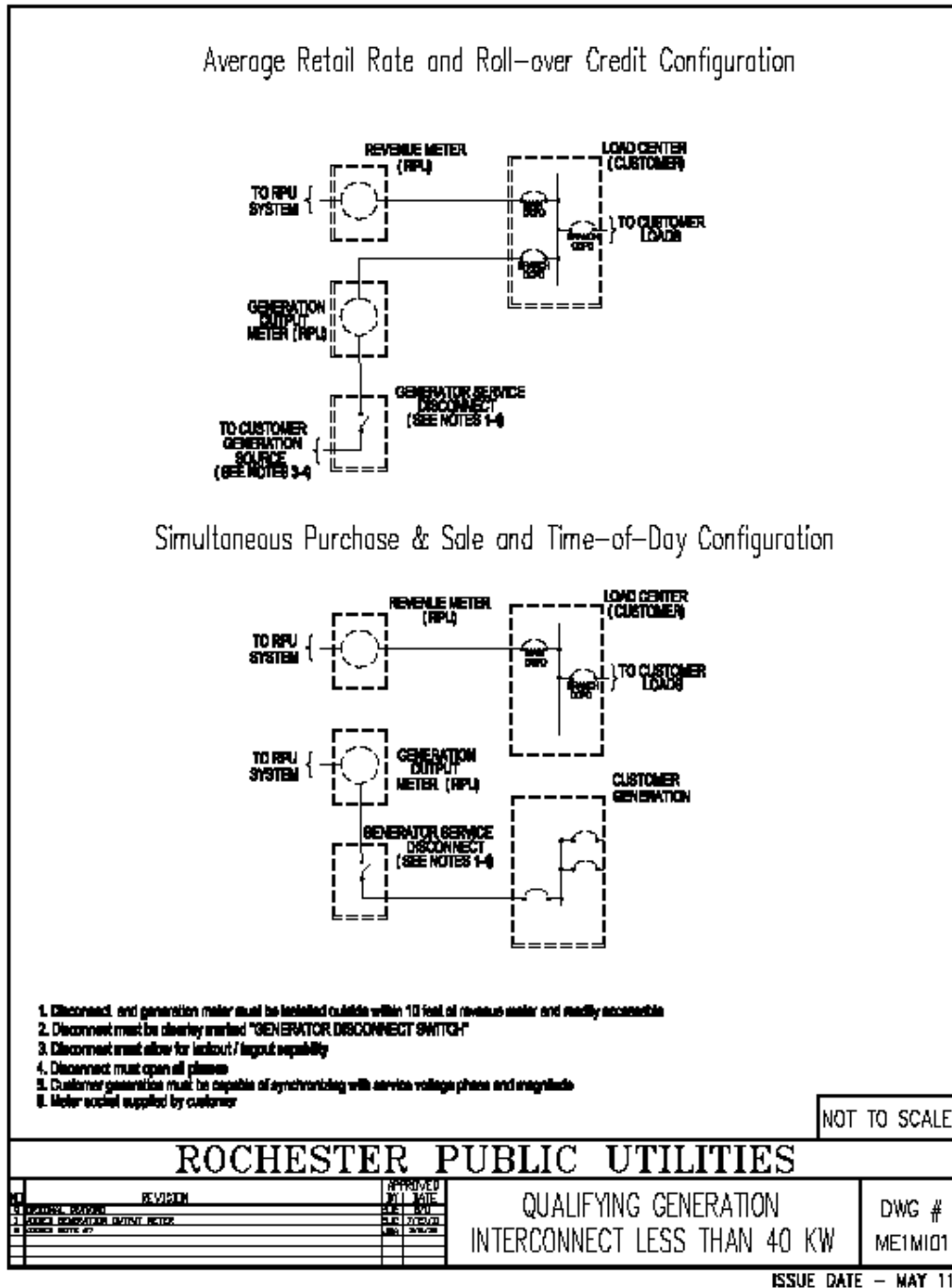


Exhibit 2

The following checklist contains the installation checklist RPU will perform prior to allowing a system to be operated in parallel with RPU's distribution system.

TASK	DATE	PERSON
Interconnection Inspection:		
<input type="checkbox"/> RPU is notified that the customer's system is installed.	_____	_____
<input type="checkbox"/> All electrical permits and inspections received from Building & Safety. Received notification from Building & Safety that the final inspection has been done and approved	_____	_____
<input type="checkbox"/> Customer or owner customer representative is present for the testing. Three phase customers acknowledge that the system will be tested for loss of phase which may cause issues to non-generating equipment and that they accept this risk. Name of representative _____ Signature of representative _____	_____	_____
<input type="checkbox"/> Testing procedure explained to customer or customer representative.	_____	_____
<input type="checkbox"/> Remote Generator Disconnect(s) installed properly and tested.	_____	_____
<input type="checkbox"/> Remote Generator Disconnect(s) labeled properly.	_____	_____
<input type="checkbox"/> Main meter area signage installed identifying location of remote Generator Disconnect(s), if located other than within 10ft of main meter.	_____	_____
<input type="checkbox"/> Disconnect the generator from utility system power and ensure the inverter(s) properly shutdown.	_____	_____
<input type="checkbox"/> Reconnect the generator to utility system power by closing the disconnect switch and ensure the system does not re-parallel with the utility system for at least 5 minute once the switch was closed.	_____	_____
Three phase systems only		
Open cutouts or pull elbows one phase at a time		
<input type="checkbox"/> All generation stopped after one phase was lost	_____	_____
<input type="checkbox"/> All generation stopped after two phases were lost		
<input type="checkbox"/> All generation stopped after three phases were lost		
<input type="checkbox"/> Production meter socket tested and production meter installed.	_____	_____
<input type="checkbox"/> Bi-directional meter installed on the day of the monthly meter read date.	_____	_____
<input type="checkbox"/> Customer notified by Tech Services that system output and disconnects have been tested and accepted as functioning properly by RPU and that an RPU owned lock needs to be installed on the remote disconnect switch cover.	_____	_____

ROCHESTER PUBLIC UTILITIES

Schedule 3b

Distribution Connected
Distributed Generation Systems
(40kW – 10MW)



(Version 1.5)

Revision History

Date	Revision Description	Version #	Revised by
8/2/2011	Original version of the document	1.0	RLA
6/8/12	Modified Cover page, Revision History page, Introduction page, and Sections H&J of General Information, Sec H of XII of Appendix E	1.1	RLA
6/11/12	Additions/modifications made to Appendix B	1.2	RLA/SC
10/28/13	Modified language in X) B), and in XII) E) 3)	1.3	RLA
1/29/14	Typo corrections on page 11 & page 12	1.4	RLA
3/16/2018	Typical Contract moved to Interconnection Contracts for Distributed Generation Document	1.5	SJC

Rochester Public Utilities Interconnection Process

For Distributed Generation Systems

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INTRODUCTION

This document has been prepared to explain the process established in the State of Minnesota, to interconnect a Generation System with the Rochester Public Utility (RPU) distribution system. This document covers the interconnection process for all types of Generation Systems which are rated 10MW's or less of total generation Nameplate Capacity; are planned for interconnection with RPU's distribution system; are not intended for wholesale transactions and aren't anticipated to affect the transmission system. This document does not discuss the interconnection Technical Requirements, which are covered in the "Rochester Public Utilities Interconnection Requirements" document. This other interconnection requirements document also provides definitions and explanations of the terms utilized within this document. To interconnect a Generation System with the RPU distribution system, there are several steps that must be followed. This document outlines those steps and the Parties' responsibilities. At any point in the process, if there are questions, please contact the Generation Interconnection Coordinator at RPU. Since this document has been developed to provide an interconnection process which covers a very diverse range of Generation Systems, the process appears to be very involved and cumbersome. For many Generation Systems the process is streamlined and provides an easy path for interconnection.

The promulgation of interconnection standards for Generation Systems by the Minnesota Public Utilities Commission (MPUC) must be done in the context of a reasonable interpretation of the boundary between state and federal jurisdiction. The Federal Energy Regulatory Commission (FERC) has asserted authority in the area; at least as far as interconnection at the transmission level is concerned. This, however, leaves open the question of jurisdiction over interconnection at the distribution level. The Midwest Independent System Operator's (MISO) FERC Electric Tariff, (first revised volume 1, August 23, 2001) Attachment R (Generator Interconnection Procedures and Agreement) states in section 2.1 that "Any existing or new generator connecting at transmission voltages, sub-transmission voltages, or distribution voltages, planning to engage in the sale for resale of wholesale energy, capacity, or ancillary services requiring transmission service under the Midwest ISO OATT must apply to the Midwest ISO for interconnection service". Further in section 2.4 it states that "A Generator not intending to engage in the sale of wholesale energy, capacity, or ancillary services under the Midwest ISO OATT, that proposes to interconnect a new generating facility to the distribution system of a Transmission Owner or local distribution utility interconnected with the Transmission System shall apply to the Transmission Owner or local distribution utility for interconnection". It goes on further to state "Where facilities under the control of the Midwest ISO are affected by such interconnection, such interconnections may be subject to the planning and operating protocols of the Midwest ISO...."

Through discussions with MISO personnel and as a practical matter, if the Generation System Nameplate Capacity is not greater in size than the minimum expected load on the distribution substation, that is feeding the proposed Generation System, and Generation System's energy is not being sold on the wholesale market, then that installation may be considered as not "affecting" the transmission system and the interconnection may be considered as governed by this process. If the Generation System will be selling energy on the wholesale market or the Generation System's total Nameplate Capacity is greater than the expected distribution substation minimum load,

then the Applicant shall contact MISO (Midwest Independent System Operator) and follow their procedures.

GENERAL INFORMATION

A) Definitions

- 1) "Applicant" is defined as the person or entity who is requesting the interconnection of the Generation System with RPU and is responsible for ensuring that the Generation System is designed, operated and maintained in compliance with the Technical Requirements.
- 2) "Dedicated Facilities" is the equipment that is installed due to the interconnection of the Generation System and not required to serve other RPU customers.
- 3) "Distribution System" is RPU's facilities which are not part of RPU's Transmission System or any Generation System.
- 4) "Extended Parallel" means the Generation System is designed to remain connected with RPU's distribution system for an extended period of time.
- 5) "Generation" is defined as any device producing electrical energy, i.e., rotating generators driven by wind, steam turbines, internal combustion engines, hydraulic turbines, solar, fuel cells, etc.; or any other electric producing device, including energy storage technologies.
- 6) "Generation Interconnection Coordinator" is the person or persons designated by RPU to provide a single point of coordination with the Applicant for the generation interconnection process.
- 7) "Generation System" is the interconnected generator(s), controls, relays, switches, breakers, transformers, inverters and associated wiring and cables, up to the Point of Common Coupling.
- 8) "Interconnection Customer" is the party or parties who will own/operate the Generation System and are responsible for meeting the requirements of the agreements and Technical Requirements. This could be the Generation System applicant, installer, owner, designer, or operator.
- 9) "Local EPS" is an electric power system (EPS) contained entirely within a single premises or group of premises
- 10) "Nameplate Capacity" is the total nameplate capacity rating of all the Generation included in the Generation System. For this definition the "standby" and/or maximum rated kW capacity on the nameplate shall be used.
- 11) "Open Transfer" is a method of transferring the local loads from the RPU distribution system to the generator such that the generator and the RPU distribution system are never connected together.
- 12) "Point of Common Coupling" is the point where the Local EPS is connected to the RPU distribution system
- 13) "Quick Closed" is a method of generation transfer which does not parallel or parallels for less than 100msec with the RPU's distribution system and has utility grade timers which limit the parallel duration to less than 100 msec with the RPU distribution system.
- 14) "RPU" is Rochester Public Utilities
- 15) "Technical Requirements" "is the Rochester Public Utilities Distributed Generation Interconnection Requirements".
- 16) "Transmission System" means those facilities as defined by using the guidelines established by the Minnesota State Public Utilities Commission; "In

the Matter of Developing Statewide Jurisdictional Boundary Guidelines for Functionally Separating Interstate Transmission from Generation and Local Distribution Functions” Docket No. E-015/M-99-1002.

B) Dispute Resolution

The following is the dispute resolution process to be followed for problems that occur with the implementation of this process.

- 1) Each Party agrees to attempt to resolve all disputes arising hereunder promptly, equitably and in a good faith manner.
- 2) In the event a dispute arises under this process, and if it cannot be resolved by the Parties within thirty (30) days after written notice of the dispute to the other Party, the Parties shall submit the dispute to mediation by a mutually acceptable mediator, in a mutually convenient location in the State of Minnesota. The Parties agree to participate in good faith in the mediation for a period of 90 days. If the parties are not successful in resolving their disputes through mediation, then the Parties may refer the dispute for resolution to the Minnesota Public Utilities Commission, which shall maintain continuing jurisdiction over this process

C) RPU Generation Interconnection Coordinator.

RPU shall designate a Generation Interconnection Coordinator(s) and this person or persons shall provide a single point of contact for an Applicant's questions on this Generation Interconnection process. This Generation Interconnection Coordinator will typically not be able to directly answer or resolve all of the issues involved in the review and implementation of the interconnection process and standards, but shall be available to provide coordination assistance with the Applicant.

D) Engineering Studies

During the process of design of a Generation System interconnection between a Generation System and RPU's distribution system, there are several studies which many need to be undertaken. On the Local EPS (Customers side of the interconnection) the addition of a Generation System may increase the fault current levels, even if the generation is never interconnected with the RPU distribution system. The Interconnection Customer may need to conduct a fault current analysis of the Local EPS in conjunction with adding the Generation System. The addition of the Generation System may also affect the RPU distribution system and special engineering studies may need to be undertaken looking at the RPU distribution system with the Generation System included. Appendix D, lists some of the issues that may need to receive further analysis for the Generation System interconnection.

While, it is not a straightforward process to identify which engineering studies are required, we can at least develop screening criteria to identify which Generation Systems may require further analysis. The following is the basic screening criteria to be used for this interconnection process.

- 1) Generation System total Nameplate Capacity does not exceed 5% of the radial circuit expected peak load. The peak load is the total expected load on the radial circuit when the other generators on that same radial circuit are not in operation.
- 2) The aggregate generation's total Nameplate Capacity, including all existing and proposed generation, does not exceed 25% of the radial circuit peak load and that total is also less than the radial circuit minimum load.
- 3) Generation System does not exceed 15% of the Annual Peak Load for the Line Section, which it will interconnect with. A Line Section is defined as that section of the distribution system between two sectionalizing devices in RPU's distribution system.
- 4) Generation System does not contribute more than 10% to the distribution circuit's maximum fault current at the point at the nearest interconnection with RPU's primary distribution voltage.
- 5) The proposed Generation System total Nameplate Capacity, in aggregate with other generation on the distribution circuit, will not cause any distribution protective devices and equipment to exceed 85 percent of the short circuit interrupting capability.
- 6) If the proposed Generation System is to be interconnected on a single-phase shared secondary, the aggregate generation Nameplate Capacity on the shared secondary, including the proposed generation, does not exceed 20kW.
- 7) Generation System will not be interconnected with a "networked" system

E) Scoping Meeting

During Step 2 of this process, the Applicant or RPU has the option to request a scoping meeting. The purpose of the scoping meeting shall be to discuss the Applicant's interconnection request and review the application filed. This scoping meeting is to be held so that each Party can gain a better understanding of the issues involved with the requested interconnection. RPU and Applicant shall bring to the meeting personnel, including system engineers, and other resources as may be reasonably required, to accomplish the purpose of the meeting. The Applicant shall not expect RPU to complete the preliminary review of the proposed Generation System at the scoping meeting. If a scoping meeting is requested, RPU shall schedule the scoping meeting within the 15 business day review period allowed for in Step 2. RPU shall then have an additional 5 days, after the completion of the scoping meeting, to complete the formal response required in Step 2. The Application fee shall cover RPU's costs for this scoping meeting. There shall be no additional charges imposed by RPU for this initial scoping meeting.

F) Insurance

- 1) At a minimum, in connection with the Interconnection Customer's performance of its duties and obligations under this Agreement, the Interconnection Customer shall maintain, during the term of the Agreement, general liability insurance, from a qualified insurance agency with a B+ or better rating by "Best" and with a combined single limit of not less than:
 - a) Two million dollars (\$2,000,000) for each occurrence if the Gross Nameplate Rating of the Generation System is greater than 250kW.
 - b) One million dollars (\$1,000,000) for each occurrence if the Gross Nameplate Rating of the Generation System is between 40kW and 250kW.
 - c) Three hundred thousand (\$300,000) for each occurrence if the Gross Nameplate Rating of the Generation System is less than 40kW.
 - d) Such general liability insurance shall include coverage against claims for damages resulting from (i) bodily injury, including wrongful death; and (ii) property damage arising out of the Interconnection Customer's ownership and/or operating of the Generation System under this agreement.
- 2) The general liability insurance required shall, by endorsement to the policy or policies, (a) include RPU as an additional insured; (b) contain a sever ability of interest clause or cross-liability clause; (c) provide that RPU shall not by reason of its inclusion as an additional insured incur liability to the insurance carrier for the payment of premium for such insurance; and (d) provide for thirty (30) calendar days' written notice to RPU prior to cancellation, termination, alteration, or material change of such insurance.

- 3) If the Generation System is connected to an account receiving residential service from RPU and its total generating capacity is smaller than 40kW, then the endorsements required in Section F.2 shall not apply.
- 4) The Interconnection Customer shall furnish the required insurance certificates and endorsements to RPU prior to the initial operation of the Generation System. Thereafter, RPU shall have the right to periodically inspect or obtain a copy of the original policy or policies of insurance.
- 5) Evidence of the insurance required in Section F.1. shall state that coverage provided is primary and is not excess to or contributing with any insurance or self-insurance maintained by RPU.
- 6) If the Interconnection Customer is self-insured with an established record of self-insurance, the Interconnection Customer may comply with the following in lieu of Section F.1 – 5:
- 7) Interconnection Customer shall provide to RPU, at least thirty (30) days prior to the date of initial operation, evidence of an acceptable plan to self-insure to a level of coverage equivalent to that required under section F.1
- 8) If Interconnection Customer ceases to self-insure to the level required hereunder, or if the Interconnection Customer is unable to provide continuing evidence of its ability to self-insure, the Interconnection Customer agrees to immediately obtain the coverage required under section F.1.
- 9) Failure of the Interconnection Customer or RPU to enforce the minimum levels of insurance does not relieve the Interconnection Customer from maintaining such levels of insurance or relieve the Interconnection Customer of any liability.

G) Pre-Certification

The most important part of the process to interconnect generation with Local EPS and RPU is safety. One of the key components of ensuring the safety of the public and employees is to ensure that the design and implementation of the elements connected to the electrical power system operate as required. To meet this goal, all of the electrical wiring in a business or residence, is required by the State of Minnesota to be listed by a recognized testing and certification laboratory, for its intended purpose. Typically we see this as “UL” listed. Since Generation Systems have tended to be uniquely designed for each installation they have been designed and approved by Professional Engineers. This process has been set up to be able to deal with these uniquely designed systems. As the number of Generation Systems installed increase, vendors are working towards creating equipment packages which can be tested in the factory and then will only require limited field testing. This will allow us to move towards “plug and play” installations. For this reason, this interconnection process recognizes the efficiency of “pre-certification” of Generation System equipment packages that will help streamline the design and installation process.

An equipment package shall be considered certified for interconnected operation if it has been submitted by a manufacture, tested and listed by a nationally recognized testing and certification laboratory (NRTL) for continuous utility interactive operation in compliance with the applicable codes and standards. Presently generation paralleling equipment that is listed by a nationally recognized testing laboratory as having met the applicable type-testing requirements of UL 1741 and IEEE 929 shall be acceptable for interconnection without additional protection system requirements. An "equipment package" shall include all interface components including switchgear, inverters, or other interface devices and may include an integrated generator or electric source. If the equipment package has been tested and listed as an integrated package which includes a generator or other electric source, it shall not required further design review, testing or additional equipment to meet the certification requirements for interconnection. If the equipment package includes only the interface components (switchgear, inverters, or other interface devices), then the Interconnection Customer shall show that the generator or other electric source being utilized with the equipment package is compatible with the equipment package and consistent with the testing and listing specified for the package. Provided the generator or electric source combined with the equipment package is consistent with the testing ad listing performed by the nationally recognized testing and certification laboratory, no further design review, testing or additional equipment shall be required to meet the certification requirements of this interconnection procedure. A certified equipment package does not include equipment provided by RPU.

The use of Pre-Certified equipment does not automatically qualify the Interconnection Customer to be interconnected to the RPU distribution system. An application will still need to be submitted and an interconnection review may still need to be performed, to determine the compatibility of the Generation System with the RPU distribution system.

H) Confidential Information

Except as otherwise agreed, each Party shall hold in confidence and shall not disclose confidential information, to any person (except employees, officers, representatives and agents, who agree to be bound by this section) unless required to do so by any law or court order. Confidential information shall be clearly marked as such on each page or otherwise affirmatively identified. If a court, government agency or entity with the right, power, and authority to do so, requests or requires either Party, by subpoena, oral disposition, interrogatories, requests for production of documents, administrative order, or otherwise, to disclose Confidential Information, that Party shall provide the other Party with prompt notice of such request(s) or requirements(s) so that the other Party may seek an appropriate protective order or waive compliance with the terms of this Agreement. In the absence of a protective order or waiver the Party shall disclose such confidential information which, in the opinion of its counsel, the party is legally compelled to disclose. Each Party will use reasonable efforts to obtain reliable assurance that confidential treatment will be accorded any confidential information so furnished.

I) Non-Warranty.

Neither by inspection, if any, or non-rejection, nor in any other way, does RPU give any warranty, expressed or implied, as to the adequacy, safety, or other characteristics of any structures, equipment, wires, appliances or devices owned, installed or maintained by the Applicant or leased by the Applicant from third parties, including without limitation the Generation System and any structures, equipment, wires, appliances or devices pertinent thereto.

J) Required Documents

The chart below lists the documents required for each type and size of Generation System proposed for interconnection.

Find your type of Generation System interconnection, across the top, then follow the chart straight down, to determine what documents are required as part of the interconnection process.

GENERATION INTERCONNECTION DOCUMENT SUMMARY					
Open Transfer	Quick Closed Transfer	Soft Loading Transfer	Extended Parallel Operation		
			QF facility <40kW	Without Sales	With Sales
Interconnection Process (This document)					
RPU Distributed Generation Interconnection Requirements					
Generation Interconnection Application (Appendix B)					
		Engineering Data Submittal (Appendix C)			
		Interconnection Agreement (Interconnection Contracts)			
		MISO / FERC			
		PPA			

Interconnection Process = "Rochester Public Utilities Interconnection Process" (This document)

Rochester Public Utilities Interconnection Requirements = Rochester Public Utilities document relating to interconnection requirements.

Generation Interconnection Application = The application form in Appendix B of this document.

Engineering Data Submittal = The Engineering Data Form/Agreement, which is attached as Appendix C of this document.

Interconnection Agreement = “Rochester Public Utility Interconnection Agreement for the Interconnection of Extended Parallel Distributed Generation Systems with Electric Utilities”, which is attached contained in Schedule 2, Interconnection Contracts for Distributed Generation.

MISO. = Midwest Independent System Operator, www.midwestiso.org

FERC = Federal Energy Regulatory Commission, www.ferc.gov

PPA = Power Purchase Agreement.

Process for Interconnection

Step 1 Application (By Applicant)

Once a decision has been made by the Applicant, that they would like to interconnect a Generation System with the RPU distribution system, the Applicant shall supply RPU with the following information:

- 1) Completed Generation Interconnection Application (Appendix B), including;
 - a) One-line diagram showing;
 - i. Protective relaying.
 - ii. Point of Common Coupling.
 - b) Site plan of the proposed installation.
 - c) Proposed schedule of the installation.
- 2) Payment of the application fee, according to the following sliding scale.

Generation Interconnection Application Fees

Interconnection Type	< 20kW	>20kW & <250kW	>250kW & <500kW	> 500 kW & <1000kW	>1000 kW
Open Transfer	\$0	\$0	\$0	\$100	\$100
Quick Closed	\$0	\$100	\$100	\$250	\$500
Soft Loading	\$100	\$250	\$500	\$500	\$1000
Extended Parallel (Pre Certified System)	\$0	\$250	\$1000	\$1000	\$1500
Other Extended Parallel Systems	\$100	\$500	\$1500	\$1500	\$1500

This application fee is to contribute to RPU's labor costs for administration, review of the design concept and preliminary engineering screening for the proposed Generation System interconnection.

For the Application Fees chart, above;

The size (kW) of the Generation System is the total maximum Nameplate Capacity of the Generation System.

Step 2 Preliminary Review (By RPU)

Within 15 business days of receipt of all the information listed in Step 1, RPU's Generation Interconnection Coordinator shall respond to the Applicant with the information listed below. (If the information required in Step 1 is not complete, the Applicant will be notified, within 10 business days of what is missing and no further review will be completed until the missing information is submitted. The 15-day clock will restart with the new submittal)

As part of Step 2 the proposed Generation System will be screened to see if additional Engineering Studies are required. The base screening criteria is listed in the general information section of this document.

- 1) A single point of contact with RPU for this project. (Generation Interconnection Coordinator)
- 2) Approval or rejection of the generation interconnection request.
 - a) Rejection – RPU shall supply the technical reasons, with supporting information, for rejection of the interconnection Application.
 - b) Approval - An approved Application is valid for 6 months from the date of the approval. RPU's Generation Interconnection Coordinator may extend this time if requested by the Applicant
- 3) If additional specialized engineering studies are required for the proposed interconnection, the following information will be provided to the Applicant. Typical Engineering Studies are outlined in Appendix D. The costs to the Applicant, for these studies shall not exceed the values shown in the following table for pre-certified equipment.

Generation System Size	Engineering Study Maximum Costs
<20kW	\$0
20kW – 100kW	\$500
100kW – 250kW	\$1000
>250kW or not pre-certified equipment	Actual costs

- a) General scope of the engineering studies required.
 - b) Estimated cost of the engineering studies.
 - c) Estimated duration of the engineering studies.
 - d) Additional information required to allow the completion of the engineering studies.
 - e) Study authorization agreement.
- 4) Comments on the schedule provided.
- 5) If the rules of MISO (Midwest Independent System Operator) require that this interconnection request be processed through the MISO process, the Generation Interconnection Coordinator will notify the Applicant that the generation system is not eligible for review through the State of Minnesota process.

Step 3 Go-No Go Decision for Engineering Studies (By Applicant)

In this step, the Applicant will decide whether or not to proceed with the required engineering studies for the proposed generation interconnection. If no specialized engineering studies are required by RPU, then RPU and the Applicant will automatically skip this step.

If the Applicant decides NOT to proceed with the engineering studies, the Applicant shall notify RPU's Generation Interconnection Coordinator, so other generation interconnection requests in the queue are not adversely impacted. Should the Applicant decide to proceed, the Applicant shall provide the following to RPU's Generation Interconnection Coordinator:

- 1) Payment required by RPU for the specialized engineering studies.
- 2) Additional information requested by RPU to allow completion of the engineering studies.

Step 4 Engineering Studies (By RPU)

In this step, RPU will be completing the specialized engineering studies for the proposed generation interconnection, as outlined in Step 2. These studies should be completed in the time frame provided in step 2, by RPU. RPU shall make all reasonable efforts to complete the Engineering Studies within the time frames shown below. If additional time is required to complete the engineering studies the Generation Interconnection Coordinator shall notify the Applicant and provide the reasons for the time extension. Upon receipt of written notice to proceed, payment of applicable fee, and receipt of all engineering study information requested by RPU in step 2, RPU shall initiate the engineering studies.

Generation System Size	Engineering Study Completion
<20kW	20 working days
20kW – 250kW	30 working days
250kW – 1MW	40 working days
> 1MW	90 working days

Once it is known by RPU that the actual costs for the engineering studies will exceed the estimated amount by more than 25%, then the Applicant shall be notified. RPU shall then provide the reason(s) for the studies needing to exceed the original estimated amount and provide an updated estimate of the total cost for the engineering studies. The Applicant shall be given the option of either withdrawing the application, or paying the additional estimated amount to continue with the engineering studies.

Step 5 Study Results and Construction Estimates (By RPU)

Upon completion of the specialized engineering studies, or if none was necessary, the following information will be provided to the Applicant.

- 1) Results of the engineering studies, if needed.
- 2) Monitoring & control requirements for the proposed generation.
- 3) Special protection requirements for the Generation System interconnection.
- 4) Comments on the schedule proposed by the Applicant.
- 5) Distributed Generation distribution constrained credits available

- 6) Interconnection Agreement (if applicable).
- 7) Cost estimate and payment schedule for required RPU work, including, but not limited to;
 - a) Labor costs related to the final design review.
 - b) Labor & expense costs for attending meetings
 - c) Required Dedicated Facilities and other RPU distribution system modification(s).
 - d) Final acceptance testing costs.

Step 6 Final Go-No Go Decision (By Applicant)

In this step, the Applicant shall again have the opportunity to indicate whether or not they want to proceed with the proposed generation interconnection. If the decision is NOT to proceed, the Applicant will notify RPU's Generation Interconnection Coordinator, so that other generation interconnections in the queue are not adversely impacted. Should the Applicant decide to proceed, a more detailed design, if not already completed by the Applicant, must be done, and the following information is to be supplied to RPU's Generation Interconnection Coordinator:

- 1) Applicable up-front payment required by RPU, per Payment Schedule, provided in Step 5. (if applicable)
- 2) Signed Interconnection Agreement (if applicable).
- 3) Final proposed schedule, incorporating RPU's comments. The schedule of the project should include such milestones as foundations poured, equipment delivery dates, all conduit installed, cutover (energizing of the new switchgear/transfer switch), RPU's work, relays set and tested, preliminary vendor testing, final RPU acceptance testing, and any other major milestones.
- 4) Detailed one-line diagram of the Generation System, including the generator, transfer switch/switchgear, service entrance, lockable and visible disconnect, metering, protection and metering CT's / VT's, protective relaying and generator control system.
- 5) Detailed information on the proposed equipment, including wiring diagrams, models and types.
- 6) Proposed relay settings for all interconnection required relays.
- 7) Detailed site plan of the Generation System.
- 8) Drawing(s) showing the monitoring system (as required per table 5A and section 5 of the "Rochester Public Utilities Distributed Generation Interconnection Requirements". Including a drawing which shows the interface terminal block with RPU's monitoring system.
- 9) Proposed testing schedule and initial procedure, including;
 - a) Time of day (after-hours testing required?).

- b) Days required.
- c) Testing steps proposed.

Step 7 Final Design Review (By RPU)

Within 15 business days of receipt of the information required in Step 6, RPU's Generation Interconnection Coordinator will provide the Applicant with an estimated time table for final review. If the information required in Step 6 is not complete, the Applicant will be notified, within 10 business days of what information is missing. No further review may be completed until the missing information is submitted. The 15-business day clock will restart with the new submittal. This final design review shall not take longer than 15 additional business days to complete, for a total of 30 business days.

During this step, RPU shall complete the review of the final Generation System design. If the final design has significant changes from the Generation System proposed on the original Application which invalidate the engineering studies or the preliminary engineering screening, the Generation System Interconnection Application request may be rejected by RPU and the Applicant may be requested to reapply with the revised design.

Upon completion of this step the Generation Interconnection Coordinator shall supply the following information to the Applicant.

- 1) Requested modifications or corrections of the detailed drawings provided by the Applicant.
- 2) Approval of and agreement with the Project Schedule. (This may need to be interactively discussed between the Parties, during this Step)
- 3) Final review of Distributed Generation Credit amount(s) (where applicable).
- 4) Initial testing procedure review comments. (Additional work on the testing process will occur during Step 8, once the actual equipment is identified)

Step 8 Order Equipment and Construction (By Both Parties)

The following activities shall be completed during this step. For larger installations this step will involve much interaction between the Parties. It is typical for approval drawings to be supplied by the Applicant to RPU for review and comments. It is also typical for RPU to require review and approval of the drawings that cover the interconnection equipment and interconnection protection system. If RPU also requires remote control and/or monitoring, those drawings are also exchanged for review and comment.

By the Applicant's personnel:

- 1) Ordering of Generation System equipment.
- 2) Installing Generation System.
- 3) Submit approval drawings for interconnection equipment and protection systems, as required by RPU.
- 4) Provide final relay settings provided to RPU.
- 5) Submit Completed and signed Engineering Data Submittal form.
- 6) Submit proof of insurance, as required by RPU interconnection agreements.

- 7) Submit required State of Minnesota electrical inspection forms ("blue Copy) filed with RPU.
- 8) Inspecting and functional testing Generation System components.
- 9) Work with RPU personnel and equipment vendor(s) to finalize the installation testing procedure.

By RPU personnel:

- 1) Ordering any necessary RPU equipment.
- 2) Installing and testing any required equipment.
- 3) Monitoring facilities.
- 4) Dedicated Equipment.
- 5) Assisting Applicant's personnel with interconnection installation coordination issues
- 6) Providing review and input for testing procedures.

Step 9 Final Tests (By RPU/ Applicant)

(Due to equipment lead times and construction, a significant amount of time may take place between the execution of Step 8 and Step 9.) During this time the final test steps are developed and the construction of the facilities are completed.

Final acceptance testing will commence when all equipment has been installed, all contractor preliminary testing has been accomplished and all RPU preliminary testing of the monitoring and dedicated equipment is completed. One to three weeks prior to the start of the acceptance testing of the generation interconnection the Applicant shall provide, a report stating;

- that the Generation System meets all interconnection requirements.
- all contractor preliminary testing has been completed.
- the protective systems are functionally tested and ready.
- and provides a proposed date that the Generation System will be is ready to be energized and acceptance tested.

For non-type certified systems a Professional Electrical Engineer registered in the State of Minnesota is required to provide this formal report.

For smaller systems scheduling of this testing may be more flexible, as less testing time is required than for larger systems.

In many cases, this testing is done after hours to ensure no typical business-hour load is disturbed. If acceptance testing occurs after hours, RPU's labor will be billed at overtime wages. During this testing, RPU will typically run three different tests. These tests can differ depending on which type of communication / monitoring system(s) RPU decides to install at the site.

For, problems created by RPU or any RPU equipment that arise during testing, RPU will fix the problem as soon as reasonably possible. If problems arise during testing which are caused by the Applicant or Applicant's vendor or any vendor supplied or installed equipment, RPU will leave the project until the problem is resolved. Having the testing resume will then be subject to RPU personnel time and availability.

Step 10 (By RPU)

After all RPU's acceptance testing has been accomplished and all requirements are met, RPU shall provide written approval for normal operation of the Generation System interconnection, within 3 business days of successful completion of the acceptance tests.

Step 11 (By Applicant)

Within two (2) months of interconnection, the Applicant shall provide RPU with updated drawings and prints showing the Generation System as it were when approved for normal operation by RPU. The drawings shall include all changes which were made during construction and the testing process.

Attachments:

Attached are several documents which may be required for the interconnection process. They are as follows;

Appendix A:

Flow chart showing summary of the interconnection process.

Appendix B:

Generation Interconnection Application Form.

Appendix C:

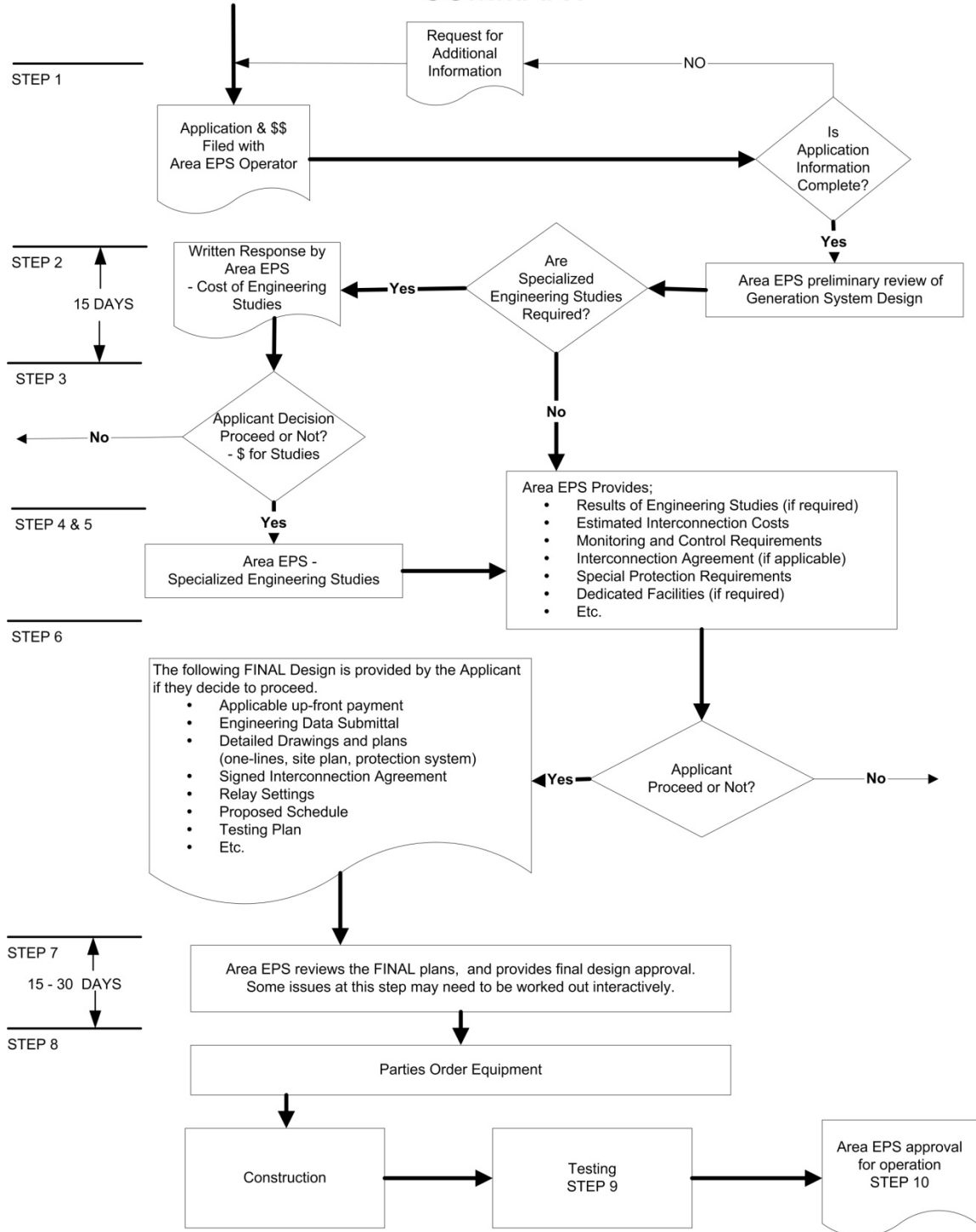
Engineering Data Submittal Form.

Appendix D:

Engineering Studies: Brief description of the types of possible Engineering Studies that may be required for the review of the Generation System interconnection.

Appendix A

DISTRIBUTED GENERATION INTERCONNECTION PROCESS SUMMARY



Appendix B

Generation Interconnection Application

WHO SHOULD FILE THIS APPLICATION: Anyone expressing interest to install generation which will interconnect with the RPU distribution system. This application should be completed and returned to the RPU Generation Interconnection Coordinator, in order to begin processing the request.

INFORMATION: This application is used by RPU to perform a preliminary interconnection review. The Applicant shall complete as much of the form as possible. The fields in BOLD are required to be completed to the best of the Applicant's ability. The Applicant will be contacted if additional information is required. The response may take up to 15 business days after receipt of all the required information.

COST: A payment to cover the application fee shall be included with this application. The application fee amount is outlined in the "Rochester Public Utilities Interconnection Process for Distributed Generation Systems".

OWNER/APPLICANT		
Company / Applicant's Name:		
Representative:	Phone Number:	FAX Number:
Title:		
Mailing Address:		
Email Address:		
LOCATION OF GENERATION SYSTEM INTERCONNECTION		
Street Address, legal description or GPS coordinates:		
PROJECT DESIGN / ENGINEERING (if applicable)		
Company:		
Representative:	Phone:	FAX Number:
Mailing Address:		
Email Address:		
ELECTRICAL CONTRACTOR (if applicable)		
Company:		
Representative:	Phone:	FAX Number:
Mailing Address:		
Email Address:		
GENERATOR (Full Printed Copy of Generator Nameplate Shall be Submitted)		
Manufacturer:		Model:
Type (Synchronous Induction, Inverter, etc):		Phases: 1 or 3
Rated Output (Prime kW):	(Standby kW):	Frequency:
Rated Power Factor (%):	Rated Voltage (Volts):	Rated Current (Amperes):
Max Reactive Gen (kVAR):	Power Factor (pf):	
Positive Sequence Reactance:	Zero Sequence Reactance:	
Positive Sequence Resistance:	Zero Sequence Resistance:	
Subtransient Reactance:	Transient Reactance:	
Energy Source (gas, steam, hydro, wind, etc.)		

[illegible]

With this Application, we are requesting RPU to review the proposed Generation System Interconnection. We request that RPU identifies the additional equipment and costs involved with the interconnection of this system and to provide a budgetary estimate of those costs. We understand that the estimated costs supplied by RPU, will be estimated using the information provided. We also agree that we will supply, as requested, additional information, to allow RPU to better review this proposed Generation System interconnection. We have read the "Rochester Public Utilities Distributed Generation Interconnection Requirements" and will design the Generation System and interconnection to meet those requirements.

Applicant Name (print):

Applicant Signature:

Date:

**SEND THIS COMPLETED & SIGNED APPLICATION AND ATTACHMENTS TO THE
RPU GENERATION INTERCONNECTION COORDINATOR**

Appendix C

Engineering Data Submittal For the Interconnection of Distributed Generation

WHO SHOULD FILE THIS SUBMITTAL: Anyone in the final stages of interconnecting a Generation System with the RPU distribution system. This submittal shall be completed and provided to the RPU Generation Interconnection Coordinator during the design of the Generation System, as established in the "Rochester Public Utilities Interconnection Process for Distributed Generation Systems".

INFORMATION: This submittal is used to document the interconnected Generation System. The Applicant shall complete as much of the form as applicable. The Applicant will be contacted if additional information is required.

OWNER / APPLICANT		
Company / Applicant:		
Representative:	Phone Number:	FAX Number:
Title:		
Mailing Address:		
Email Address:		

PROPOSED LOCATION OF GENERATION SYSTEM INTERCONNECTION
Street Address, Legal Description or GPS coordinates:

PROJECT DESIGN / ENGINEERING (if applicable)		
Company:		
Representative:	Phone:	FAX Number:
Mailing Address:		
Email Address:		

ELECTRICAL CONTRACTOR (if applicable)		
Company:		
Representative:	Phone:	FAX Number:
Mailing Address:		
Email Address:		

TYPE OF INTERCONNECTED OPERATION	
Interconnection / Transfer method: <input type="checkbox"/> Open <input type="checkbox"/> Quick Open <input type="checkbox"/> Closed <input type="checkbox"/> Soft Loading <input type="checkbox"/> Inverter	
Proposed use of generation: (Check all that may apply) <input type="checkbox"/> Peak Reduction <input type="checkbox"/> Standby <input type="checkbox"/> Energy Sales <input type="checkbox"/> Cover Load	Duration Parallel: <input type="checkbox"/> None <input type="checkbox"/> Limited <input type="checkbox"/> Continuous
Pre-Certified System: Yes / No (Circle one)	Exporting Energy Yes / No (Circle one)

GENERATION SYSTEM OPERATION / MAINTENANCE CONTACT INFORMATION		
Maintenance Provider:	Phone #:	Pager #:
Operator Name:	Phone #:	Pager #:
Person to Contact before remote starting of units		
Contact Name:	Phone #:	Pager #:
	24hr Phone #:	

GENERATION SYSTEM OPERATING INFORMATION	
Fuel Capacity (gals):	Full Fuel Run-time (hrs):
Engine Cool Down Duration (Minutes):	Start time Delay on Load Shed signal:
Start Time Delay on Outage (Seconds):	

ESTIMATED LOAD		
The following information will be used to help properly design the interconnection. This Information is not intended as a commitment or contract for billing purposes.		
Minimum anticipated load (generation not operating):	kW:	kVA:
Maximum anticipated load (generation not operating):	kW:	kVA:

REQUESTED CONSTRUCTION START/COMPLETION DATES	
Design Completion:	
Construction Start Date:	
Footings in place:	
Primary Wiring Completion:	
Control Wiring Completion:	
Start Acceptance Testing:	
Generation operational (In-service):	

(Complete all applicable items, Copy this page as required for additional generators)			
SYNCHRONOUS GENERATOR (if applicable)			
Unit Number:	Total number of units with listed specifications on site:		
Manufacturer:	Type:	Phases: 1 or 3	
Serial Number (each)	Date of manufacture:	Speed (RPM):	Freq. (Hz);
Rated Output (each unit) kW Standby:	kW Prime:	kVA:	
Rated Power Factor (%):	Rated Voltage(Volts):	Rated Current (Amperes):	
Field Voltage (Volts):	Field Current (Amperes):	Motoring Power (kW):	
Synchronous Reactance (Xd):	% on	kVA base	
Transient Reactance (X'd):	% on	kVA base	
Subtransient Reactance (X''d):	% on	kVA base	
Negative Sequence Reactance (Xs):	% on	kVA base	
Zero Sequence Reactance (Xo):	% on	kVA base	
Neutral Grounding Resistor (if applicable):			
I 2t or K (heating time constant):			
Exciter data:			
Governor data:			
Additional Information:			

INDUCTION GENERATOR (if applicable)	
Rotor Resistance (Rr): Ohms	Stator Resistance (Rs): Ohms
Rotor Reactance (Xr): Ohms	Stator Reactance (Xs): Ohms
Magnetizing Reactance (Xm): Ohms	Short Circuit Reactance (Xd''): Ohms
Design Letter:	Frame Size:
Exciting Current:	Temp Rise (deg C°):
Rated Output (kW):	
Reactive Power Required:	kVars (no Load) kVars (full load)
If this is a wound-rotor machine, describe any external equipment to be connected (resistor, rheostat, power converter, etc.) to rotor circuit, and circuit configuration. Describe ability, if any, to adjust generator reactive output to provide power system voltage regulation.	
Additional Information:	
PRIME MOVER (Complete all applicable items)	
Unit Number:	Type:
Manufacturer:	
Serial Number:	Date of Manufacture:
H.P. Rated:	H.P. Max: Inertia Constant: lb.-ft.2
Energy Source (hydro, steam, wind, wind etc.):	

INTERCONNECTION (STEP-UP) TRANSFORMER (If applicable)			
Manufacturer:		kVA:	
Date of Manufacture:	Serial Number:		
High Voltage: kV	Connection: delta	Wye	Neutral solidly grounded?
Low Voltage: kV	Connection: delta	Wye	Neutral solidly grounded?
Transformer Impedance (Z):	% on		kVA base
Transformer Resistance (R):	% on		kVA base
Transformer Reactance (X):	% on		kVA base
Neutral Grounding Resistor (if applicable)			

TRANSFER SWITCH (If applicable)	
Model Number:	Type:
Manufacturer:	Rating(amps):

INVERTER (If applicable)		
Manufacturer:		Model:
Rated Power Factor (%):	Rated Voltage (Volts):	Rated Current (Amperes):
Inverter Type (ferroresonant, step, pulse-width modulation, etc.):		
Type of Commutation: forced line	Minimum Short Circuit Ratio required:	
Minimum voltage for successful commutation:		
Current Harmonic Distortion	Maximum Individual Harmonic (%): Maximum Total Harmonic Distortion (%):	
Voltage Harmonic Distortion	Maximum Individual Harmonic (%): Maximum Total Harmonic Distortion (%):	
Describe capability, if any, to adjust reactive output to provide voltage regulation:		
NOTE: Attach all available calculations, test reports, and oscillographic prints showing inverter output voltage and current waveforms.		

POWER CIRCUIT BREAKER (if applicable)					
Manufacturer:			Model:		
Rated Voltage (kilovolts):			Rated Ampacity (Amperes):		
Interrupting Rating (Amperes):			BIL Rating:		
Interrupting Medium (vacuum, oil, gas, etc.):			Insulating Medium (vacuum, oil, gas, etc.):		
Control Voltage (Closing):	(Volts)	AC	DC		
Control Voltage (Tripping):	(Volts)	AC	DC	Battery	Charged Capacitor
Close Energy (circle one):	Spring	Motor	Hydraulic	Pneumatic	
Other					
Trip Energy (circle one):	Spring	Motor	Hydraulic	Pneumatic	
Other					
Bushing Current Transformers (Max. ratio):			Relay Accuracy Class:		
CT'S Multi Ratio? (circle one); No / Yes: (Available taps):					

[illegible]

APPENDIX D

Engineering Studies

For the engineering studies there are two main parts of the study: 1. Does the distributed generator cause a problem? and 2. What would it cost to make a change to handle the problem? The first question is relatively straightforward to determine as the RPU Engineer reviews the proposed installation. The second question typically has multiple alternatives and can turn into an iterative process. This iterative process can become quite large for more complex generation installations. For the Engineer there is no “cook book” solution which can be applied.

For some of the large generation installations and/or the more complex interconnections RPU may suggest dividing up the engineering studies into the two parts; identify the scope of the problems and attempt to identify solutions to resolve the problems. By splitting the engineering studies into two steps, it will allow for the Applicant to see the problems identified and to provide the Applicant the ability to remove the request for interconnection if the problems are too large and expensive to resolve. This would then save the additional costs to the Applicant for the more expensive engineering studies; to identify ways to resolve the problem(s).

This appendix provides an overview of some of the main issues that are looked at during the engineering study process. Every interconnection has its unique issues, such as relative strength of the distribution system, ratio of the generation size to the existing area loads, etc. Thus many of the generation interconnections will require further review of one or several of the issues listed.

- 1) Short circuit analysis – the system is studied to make sure that the addition of the generation will not over stress any RPU equipment and that equipment will still be able to clear during a fault. It is expected that the Applicant will complete their own short circuit analysis on their equipment to ensure that the addition of the generation system does not overstress the Applicant’s electrical equipment.
- 2) Power Flow and Voltage Drop
 - a) Reviews potential islanding of the generation
 - b) Will RPU Equipment be overloaded
 - i) Under normal operation?
 - ii) Under contingent operation? With backfeeds?
- 3) Flicker Analysis –
 - a) Will the operation of the generation cause voltage swings?
 - i) When it loads up? When it off loads?
 - b) How will the generation interact with RPU voltage regulation?
 - c) Will RPU capacitor switching affect the generation while on-line?
- 4) Protection Coordination
 - a) Reclosing issues – this is where the reclosing for the distribution system and transmission system are looked at to see if the Generation System protection

can be set up to ensure that it will clear from the distribution system before the feeder is reenergized.

- b) Is voltage supervision of reclosing needed?
 - c) Is transfer-trip required?
 - d) Do we need to modify the existing protection systems? Existing settings?
 - e) At which points do we need "out of sync" protection?
 - f) Is the proposed interconnection protection system sufficient to sense a problem on the RPU system?
 - g) Are there protection problems created by the step-up transformer?
- 5) Grounding Reviews
- a) Does the proposed grounding system for the Generation System meet the requirements of the NESC (National Electrical Safety Code) and the NEC (National Electric Code)?
- 6) System Operation Impact.
- a) Are special operating procedures needed with the addition of the generation?
 - b) Reclosing and out of sync operation of facilities.
 - c) What limitations need to be placed on the operation of the generation?
 - d) Operational VAR requirements.

March 16, 2018

ROCHESTER PUBLIC UTILITIES

Schedule 3c

INTERCONNECTION REQUIREMENTS

Distribution Connected
Distributed Generation Systems
(40kW – 10MW)

03/27/2018
DRAFT



(Version 1.2)

Attachment: Schedule 3c Interconnection Requirements 3_16_2018 (8702 : Distributed Generation Interconnect Rules)

March 16, 2018

Revision History

Date	Revision Description	Version #	Revised by
8/2/11	Original version of the document	1.0	RLA
6/7/12	Modified Cover page, Revision History page, Forward page and the section on Metering	1.1	RLA
3/16/2018	Made Schedule 3C	1.2	SJC

March 16, 2018

Rochester Public Utilities Interconnection Requirements For Distributed Generation Systems

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March 16, 2018

Foreword

Electric distribution system connected generation units span a wide range of sizes and electrical characteristics. Electrical distribution system design varies widely from that required to serve the rural customer to that needed to serve the large commercial customer. With so many variations possible, it becomes complex and difficult to create one interconnection standard that fits all generation interconnection situations.

In establishing a generation interconnection standard there are three main issues that must be addressed; Safety, Economics and Reliability.

The first and most important issue is safety; the safety of the general public and of the employees working on the electrical systems. This standard establishes the technical requirements that must be met to ensure the safety of the general public and of the Rochester Public Utility (RPU) employees. Typically designing the interconnection system for the safety of the general public will also provide protection for the interconnected equipment.

The second issue is economics; the interconnection design must be affordable to build. The interconnection standard must be developed so that only those items, that are necessary to meet safety and reliability, are included in the requirements. This standard sets the benchmark for the minimum required equipment. If it is not needed, it will not be required.

The third issue is reliability; the generation system must be designed and interconnected such that the reliability and the service quality for all customers of the electrical power systems are not compromised. This applies to all electrical systems not just the RPU distribution system.

Many generation interconnection standards exist or are in draft form. The IEEE, FERC and many states have been working on generation interconnection standards. There are other standards such as the National Electrical Code (NEC) that, establish requirements for electrical installations. The NEC requirements are in addition to this standard. This standard is designed to document the requirements where the NEC has left the establishment of the standard to “the authority having jurisdiction” or to cover issues which are not covered in other national standards.

This standard covers installations, with an aggregated capacity of 10MW's or less. Many of the requirements in this document do not apply to small, 40kW or less generation installations. As an aid to the small, distributed generation customer, these small unit interconnection requirements have been extracted from this full standard and are available as a separate, simplified document.

March 16, 2018

1. Introduction

This standard has been developed to document the technical requirements for the interconnection between a Generation System and RPU's distribution system. This standard covers 3 phase Generation Systems with an aggregate capacity of 10 MW's or less and single phase Generation Systems with a aggregate capacity of 40kW or less at the Point of Common Coupling. This standard covers Generation Systems that are interconnected with RPU's distribution facilities. This standard does not cover Generation Systems that are directly interconnected with RPU's transmission system. Contact RPU for their Transmission System interconnection standards.

While, this standard provides the technical requirements for interconnecting a Generation System with a typical radial distribution system, it is important to note that there are some unique situations which have special interconnection needs. One example of a unique situation would be one operated as a "networked" system. This standard does not cover the additional special requirements of those systems. The Interconnection Customer must contact RPU to make sure that the Generation System is not proposed to be interconnected with a unique situation. If the planned interconnection is with a unique situation, the Interconnection Customer must obtain the additional requirements for interconnecting with RPU.

RPU has the right to limit the maximum size of any Generation System or number of Generation Systems that, may want to interconnect, if the Generation System would reduce the reliability to the other customers connected to the RPU distribution system.

This standard only covers the technical requirements and does not cover the interconnection process from the planning of a project through approval and construction. Please read the companion document "Rochester Public Utilities Interconnection Process for Distributed Generation Systems" for the description of the procedure to follow and a generic version of the forms to submit. It is important to also get copies of RPU's tariff's concerning generation interconnection which will include rates, costs and standard interconnection agreements. The earlier the Interconnection Customer gets RPU involved in the planning and design of the Generation System interconnection the smoother the process will go.

March 16, 2018

A) Definitions

The definitions defined in the “IEEE Standard for Interconnecting Distributed Resources with Electric Power Systems” (1547 Draft Ver. 11) apply to this document as well. The following definitions are in addition to the ones defined in IEEE 1547 , or are repeated from the IEEE 1547 standard.

- i) “Generation” any device producing electrical energy, i.e., rotating generators driven by wind, steam turbines, internal combustion engines, hydraulic turbines, solar, fuel cells, etc.; or any other electric producing device, including energy storage technologies.
- ii) “Generation System” the interconnected Distributed Generation(s), controls, relays, switches, breakers, transformers, inverters and associated wiring and cables, up to the Point of Common Coupling.
- iii) “Interconnection Customer” the party or parties who are responsible for meeting the requirements of this standard. This could be the Generation System applicant, installer, designer, owner or operator.
- iv) “Local EPS” an electric power system (EPS) contained entirely within a single premises or group of premises.
- v) “Point of Common Coupling” the point where the Local EPS is connected to the RPU distribution system.
- vi) “Transmission System”, are those facilities as defined by using the guidelines established by the Minnesota State Public Utilities Commission; “In the Matter of Developing Statewide Jurisdictional Boundary Guidelines for Functionally Separating Interstate Transmission from Generation and Local Distribution Functions” Docket No. E-015/M-99-1002.
- vii) “Type-Certified” Generation paralleling equipment that is listed by an OSHA listed national testing laboratory as having met the applicable type testing requirement of UL 1741. At the time is document was prepared this was the only national standard available for certification of generation transfer switch equipment. This definition does not preclude other forms of type-certification if agreeable to the Area EPS operator.

B) Interconnection Requirements Goals

- i) This standard defines the minimum technical requirements for the implementation of the electrical interconnection between the Generation System and the RPU distribution system. It does not define the overall requirements for the Generation System. The requirements in this standard are intended to achieve the following:
- ii) Ensure the safety of utility personnel and contractors working on the electrical power system.
- iii) Ensure the safety of utility customers and the general public.
- iv) Protect and minimize the possible damage to the electrical power system and other customer’s property.
- v) Ensure proper operation to minimize adverse operating conditions on the electrical power system.

March 16, 2018

C) Protection

The Generation System and Point of Common Coupling shall be designed with proper protective devices to promptly and automatically disconnect the Generation from the RPU distribution system in the event of a fault or other system abnormality. The type of protection required will be determined by:

- i) Size and type of the generating equipment.
- ii) The method of connecting and disconnecting the Generation System from the RPU distribution system.
- iii) The location of generating equipment on the RPU distribution system.

D) RPU Modifications

Depending upon the match between the Generation System, the RPU distribution system and how the Generation System is operated, certain modifications and/or additions may be required to the existing RPU distribution system with the addition of the Generation System. To the extent possible, this standard describes the modifications which could be necessary to the RPU distribution system for different types of Generation Systems. For some unique interconnections, additional and/or different protective devices, system modifications and/or additions will be required by RPU; In these cases RPU will provide the final determination of the required modifications and/or additions. If any special requirements are necessary they will be identified by RPU during the application review process.

E) Generation System Protection

The Interconnection Customer is solely responsible for providing protection for the Generation System. Protection systems required in this standard, are structured to protect the RPU distribution system and the public. The Generation System Protection is not provided for in this standard. Additional protection equipment may be required to ensure proper operation for the Generation System. This is especially true while operating disconnected, from the RPU distribution system. RPU does not assume responsibility for protection of the Generation System equipment or of any portion Local EPS.

F) Electrical Code Compliance

Interconnection Customer shall be responsible for complying with all applicable local, independent, state and federal codes such as building codes, National Electric Code (NEC), National Electrical Safety Code (NESC) and noise and emissions standards. As required by Minnesota State law, RPU will require proof of complying with the National Electrical Code before the interconnection is made, through installation approval by an electrical inspector recognized by the Minnesota State Board of Electricity.

The Interconnection Customer's Generation System and installation shall comply with latest revisions of the ANSI/IEEE standards applicable to the installation, especially IEEE 1547; "Standard for Interconnecting Distributed Resources with Electric Power Systems". See the reference section in this document for a partial list of the standards which apply to the generation installations covered by this standard.

March 16, 2018

2. References

The following standards shall be used in conjunction with this standard. When the stated version of the following standards is superseded by an approved revision then that revision shall apply.

- IEEE Std 100-2000, "IEEE Standard Dictionary of Electrical and Electronic Terms"
- IEEE Std 519-1992, "IEEE Recommended Practices and Requirements for Harmonic Control in Electric Power Systems"
- IEEE Std 929-2000, "IEEE Recommended Practice for Utility Interface of Photovoltaic (PV) Systems".
- IEEE Std 1547, "IEEE Standard for Interconnecting Distributed Resources with Electric Power Systems"
- IEEE Std C37.90.1-1989 (1995), "IEEE Standard Surge Withstand Capability (SEC) Tests for Protective Relays and Relay Systems".
- IEEE Std C37.90.2 (1995), "IEEE Standard Withstand Capability of Relay Systems to Radiated Electromagnetic Interference from Transceivers".
- IEEE Std C62.41.2-2002, "IEEE Recommended Practice on Characterization of Surges in Low Voltage (1000V and Less) AC Power Circuits"
- IEEE Std C62.42-1992 (2002), "IEEE Recommended Practice on Surge Testing for Equipment Connected to Low Voltage (1000V and less) AC Power Circuits"
- ANSI C84.1-1995, "Electric Power Systems and Equipment – Voltage Ratings (60 Hertz)"
- ANSI/IEEE 446-1995, "Recommended Practice for Emergency and Standby Power Systems for Industrial and Commercial Applications".
- ANSI/IEEE Standard 142-1991, "IEEE Recommended Practice for Grounding of Industrial and Commercial Power Systems – Green Book",
- UL Std. 1741 "Inverters, Converters, and Controllers for use in Independent Power Systems"
- NEC – "National Electrical Code", National Fire Protection Association (NFPA), NFPA-70-2002.
- NESC – "National Electrical Safety Code". ANSI C2-2000, Published by the Institute of Electrical and Electronics Engineers, Inc.

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3. Types of Interconnections

- A) The manner in which the Generation System is connected to and disconnected from the RPU distribution system can vary. Most transfer systems normally operate using one of the following five methods of transferring the load from the RPU distribution system to the Generation System.
- B) If a transfer system is installed which has a user accessible selection of several transfer modes, the transfer mode that has the greatest protection requirements will establish the protection requirements for that transfer system.
- i) **Open Transition (Break-Before-Make) Transfer Switch** – With this transfer switch, the load to be supplied from the Distributed Generation is first disconnected from the RPU distribution system and then connected to the Generation. This transfer can be relatively quick, but voltage and frequency excursions are to be expected during transfer. Computer equipment and other sensitive equipment will shut down and reset. The transfer switch typically consists of a standard UL approved transfer switch with mechanical interlocks between the two source contactors that drop the RPU distribution system source before the Distributed Generation is connected to supply the load.
- (1) To qualify as an Open Transition switch and the limited protective requirements, mechanical interlocks are required between the two source contacts. This is required to ensure that one of the contacts is always open and the Generation System is never operated in parallel with the RPU distribution system. If the mechanical interlock is not present, the protection requirements are as if the switch is a closed transition switch.
 - (2) As a practical point of application, this type of transfer switch is typically used for loads less than 500kW. This is due to possible voltage flicker problems created on the RPU distribution system, when the load is removed from or returned to the RPU source. Depending upon RPU's distribution systems stiffness, this level may be larger or smaller than the 500kW level.
 - (3) Figure 1 at the end of this document provides a typical one-line of this type of installation.
- ii) **Quick Open Transition (Break-Before-Make) Transfer Switch** – The load to be supplied from the Distributed Generation is first disconnected from the RPU distribution system and then connected to the Distributed Generation, similar to the open transition. However, this transition is typically much faster (under 500 ms) than the conventional open transition transfer operation. Voltage and frequency excursions will still occur, but some computer equipment and other sensitive equipment will typically not be affected with a properly designed system. The transfer switch consists of a standard UL approved transfer switch, with mechanical interlocks between the two source contacts that drop the RPU distribution system source before the Distributed Generation is connected to supply the load.
- (1) Mechanical interlocks are required between the two source contacts to ensure that one of the contacts is always open. If the mechanical interlock is not present, the protection requirements are as if the switch is a closed transition switch.

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- (2) As a practical point of application this type of transfer switch is typically used for loads less than 500kW. This is due to possible voltage flicker problems created on the RPU distribution system, when the load is removed from or returned to the RPU distribution system source. Depending upon RPU's distribution systems stiffness, this level may be larger or smaller than the 500kW level.
- (3) Figure 2 at the end of this document provides a typical one-line of this type of installation and shows the required protective elements.
- iii) Closed Transition (Make-Before-Break) Transfer Switch – The Distributed Generation is synchronized with the RPU distribution system prior to the transfer occurring. The transfer switch then parallels with the RPU distribution system for a short time (100 msec. or less) and then the Generation System and load is disconnect from the RPU distribution system. This transfer is less disruptive than the Quick Open Transition because it allows the Distributed Generation a brief time to pick up the load before the support of the RPU distribution system is lost. With this type of transfer, the load is always being supplied by the RPU distribution system or the Distributed Generation.
- (1) As a practical point of application this type of transfer switch is typically used for loads less than 500kW. This is due to possible voltage flicker problems created on the RPU distribution system, when the load is removed from or returned to the RPU distribution system source. Depending upon RPU's distribution system stiffness, this level may be larger or smaller than the 500kW level.
- (2) Figure 2 at the end of this document provides a typical one-line of this type of installation and shows the required protective elements. The closed transition switch must include a separate parallel time limit relay, which is not part of the generation control PLC and trips the generation from the system for a failure of the transfer switch and/or the transfer switch controls.
- iv) Soft Loading Transfer Switch
- (1) With Limited Parallel Operation – The Distributed Generation is paralleled with the RPU distribution system for a limited amount of time (generally less than 1-2 minutes) to gradually transfer the load from the RPU distribution system to the Generation System. This minimizes the voltage and frequency problems, by softly loading and unloading the Generation System.
- (a) The maximum parallel operation shall be controlled, via a parallel timing limit relay (62PL). This parallel time limit relay shall be a separate relay and not part of the generation control PLC.
- (b) Protective Relaying is required as described in section 6.
- (c) Figure 3 at the end of this document provide typical one-line diagrams of this type of installation and show the required protective elements.
- (2) With Extended Parallel Operation – The Generation System is paralleled with the RPU distribution system in continuous operation. Special design, coordination and agreements are required before any extended parallel operation will be permitted. The RPU interconnection study will identify the issues involved.

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- (a) Any anticipated use in the extended parallel mode requires special agreements and special protection coordination.
- (b) Protective Relaying is required as described in section 6.
- (c) Figure 4 at the end of this document provides a typical one-line for this type of interconnection. It must be emphasized that this is a typical installations only and final installations may vary from the examples shown due to transformer connections, breaker configuration, etc.

v) Inverter Connection

This is a continuous parallel connection with the system. Small Generation Systems may utilize inverters to interface to the RPU distribution system. Solar, wind and fuel cells are some examples of Generation which typically use inverters to connect to the RPU distribution system. The design of such inverters shall either contain all necessary protection to prevent unintentional islanding, or the Interconnection Customer shall install conventional protection to affect the same protection. All required protective elements for a soft-loading transfer switch apply to an inverter connection. Figure 5 at the end of this document, shows a typical inverter interconnection.

- (1) Inverter Certification – Prior to installation, the inverter shall be Type-Certified for interconnection to the electrical power system. The certification will confirm its anti-islanding protection and power quality related levels at the Point of Common Coupling. Also, utility compatibility, electric shock hazard and fire safety are approved through UL listing of the model. Once this Type Certification is completed for that specific model, additional design review of the inverter should not be necessary by RPU.
- (2) For three-phase operation, the inverter control must also be able to detect and separate for the loss of one phase. Larger inverters will still require custom protection settings, which must be calculated and designed to be compatible with the RPU distribution system.
- (3) A visible disconnect is required for safely isolating the Distributed Generation when connecting with an inverter. The inverter shall not be used as a safety isolation device.
- (4) When banks of inverter systems are installed at one location, a design review by RPU must be performed to determine any additional protection systems, metering or other needs. The issues will be identified by RPU during the interconnection study process

4. Interconnection Issues and Technical Requirements

- A) General Requirements - The following requirements apply to all interconnected generating equipment. RPU shall be the source side and the customer's system shall be the load side in the following interconnection requirements.

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- i) Visible Disconnect - A disconnecting device shall be installed to electrically isolate the RPU distribution system from the Generation System. The only exception for the installation of a visible disconnect is if the generation is interconnected via a mechanically interlocked open transfer switch and installed per the NEC (702.6) "so as to prevent the inadvertent interconnection of normal and alternate sources of supply in any operation of the transfer equipment."

The visible disconnect shall provide a visible air gap between Interconnection Customer's Generation and RPU's distribution system in order to establish the safety isolation required for work on RPU's distribution system. This disconnecting device shall be readily accessible 24 hours per day by RPU field personnel and shall be capable of padlocking by RPU field personnel. The disconnecting device shall be lockable in the open position.

The visible disconnect shall be a UL approved or National Electrical Manufacture's Association approved, manual safety disconnect switch of adequate ampere capacity. The visible disconnect shall not open the neutral when the switch is open. A draw-out type circuit breaker can be used as a visual open.

The visible disconnect shall be labeled, as required by RPU to inform RPU field personnel.

- ii) Energization of Equipment by Generation System – The Generation System shall not energize a de-energized RPU distribution system. The Interconnection Customer shall install the necessary padlocking (lockable) devices on equipment to prevent the energization of a de-energized electrical power system. Lock out relays shall automatically block the closing of breakers or transfer switches on to a de-energized RPU distribution system.

- iii) Power Factor - The power factor of the Generation System and connected load shall be as follows;

- (1) Inverter Based interconnections – shall operate at a power factor of no less than 95%.at the inverter terminals.
- (2) Limited Parallel Generation Systems, such as closed transfer or soft-loading transfer systems shall operate at a power factor of no less than 90%, during the period when the Generation System is parallel with the RPU distribution system, as measured at the Point of Common Coupling.
- (3) Extended Parallel Generation Systems shall be designed to be capable of operating between 90% lagging and 95% leading. These Generation Systems shall normally operate near unity power factor (+/-98%) or as mutually agreed between RPU and the Interconnection Customer.

- iv) Grounding Issues

- (1) Grounding of sufficient size to handle the maximum available ground fault current shall be designed and installed to limit step and touch potentials to safe levels as set forth in "IEEE Guide for Safety in AC Substation Grounding", ANSI/IEEE Standard 80.

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- (2) It is the responsibility of the Interconnection Customer to provide the required grounding for the Generation System. A good standard for this is the IEEE Std. 142-1991 "Grounding of Industrial and Commercial Power Systems"
 - (3) All electrical equipment shall be grounded in accordance with local, state and federal electrical and safety codes and applicable standards
 - v) Sales to RPU or other parties – transportation of energy on the transmission system is regulated by the area reliability council and FERC. Those contractual requirements are not included in this standard. RPU will provide these additional contractual requirements during the interconnection approval process.
- B) For Inverter based, closed transfer and soft loading interconnections - The following additional requirements apply:
- i) Fault and Line Clearing - The Generation System shall be removed from the RPU distribution system for any faults, or outages occurring on the electrical circuit serving the Generation System
 - ii) Operating Limits in order to minimize objectionable and adverse operating conditions on the electric service provided to other customers connected to the RPU distribution system, the Generation System shall meet the Voltage, Frequency, Harmonic and Flicker operating criteria as defined in the IEEE 1547 standard during periods when the Generation System is operated in parallel with the RPU distribution system.
- If the Generation System creates voltage changes greater than 4% on the RPU distribution system, it is the responsibility of the Interconnection Customer to correct these voltage sag/swell problems caused by the operation of the Generation System. If the operation of the interconnected Generation System causes flicker, which causes problems for others customer's interconnected to the RPU distribution system, the Interconnection Customer is responsible for correcting the problem.
- iii) Flicker - The operation of Generation System is not allowed to produce excessive flicker to adjacent customers. See the IEEE 1547 standard for a more complete discussion on this requirement.
- The stiffer the RPU distribution system, the larger a block load change that it will be able to handle. For any of the transfer systems the RPU distribution system voltage shall not drop or rise greater than 4% when the load is added or removed from the RPU distribution system. It is important to note, that if another interconnected customer complains about the voltage change caused by the Generation System, even if the voltage change is below the 4% level, it is the Interconnection Customer's responsibility to correct or pay for correcting the problem. Utility experience has shown that customers have seldom objected to instantaneous voltage changes of less than 2% on the RPU distribution system, so RPU uses a 2% design criteria
- iv) Interference - The Interconnection Customer shall disconnect the Distributed Generation from the RPU distribution system if the Distributed Generation causes radio, television or electrical service interference to other customers, via RPU or interference with the operation of RPU distribution system. The Interconnection

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Customer shall either effect repairs to the Generation System or reimburse RPU for the cost of any required RPU distribution system modifications due to the interference.

v) Synchronization of Customer Generation.

- (1) An automatic synchronizer with synch-check relaying is required for unattended automatic quick open transition, closed transition or soft loading transfer systems.
 - (2) To prevent unnecessary voltage fluctuations on the RPU distribution system, it is required that the synchronizing equipment be capable of closing the Distributed Generation into the RPU distribution system within the limits defined in IEEE 1547 . Actual settings shall be determined by the Registered Professional Engineer establishing the protective settings for the installation.
 - (3) Unintended Islanding – Under certain conditions with extended parallel operation, it would be possible for a part of the RPU distribution system to be disconnected from the rest of the RPU distribution system and have the Generation System continue to operate and provide power to a portion of the isolated circuit. This condition is called “islanding”. It is not possible to successfully reconnect the energized isolated circuit to the rest of the RPU distribution system since there are no synchronizing controls associated with all of the possible locations of disconnection. Therefore, it is a requirement that the Generation System be automatically disconnected from the RPU distribution system immediately by protective relays for any condition that would cause the RPU distribution system to be de-energized. The Generation System must either isolate with the customer’s load or trip. The Generation System must also be blocked from closing back into the RPU distribution system until the RPU distribution system is reenergized and the RPU distribution system voltage is within Range B of ANSI C84.1 Table 1 for a minimum of 1 minute. Depending upon the size of the Generation System it may be necessary to install direct transfer trip equipment from the RPU distribution system source(s) to remotely trip the generation interconnection to prevent islanding for certain conditions
- vi) Disconnection – RPU may refuse to connect or may disconnect a Generation System from the RPU distribution system under the following conditions:
- (1) Lack of approved Standard Application Form and Standard Interconnection Agreement.
 - (2) Termination of interconnection by mutual agreement.
 - (3) Non-Compliance with the technical or contractual requirements.
 - (4) System Emergency or for imminent danger to the public or RPU personnel (Safety).
 - (5) Routine maintenance, repairs and modifications to the RPU distribution system. RPU shall coordinate planned outages with the Interconnection Customer to the extent possible.

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5. Generation Metering, Monitoring and Control

Metering, Monitoring and Control – Depending upon the method of interconnection and the size of the Generation System, there are different metering, monitoring and control requirements Table 5A is a table summarizing the metering, monitoring and control requirements..

Due to the variation in Generation Systems and RPU operational needs, the requirements for metering, monitoring and control listed in this document are the expected maximum requirements that RPU will apply to the Generation System. It is important to note that for some Generation System installations RPU may wave some of the requirements of this section if they are not needed. An example of this is with rural or low capacity feeders which require more monitoring then larger capacity, typically urban feeders.

Another factor which will affect the metering, monitoring and control requirements will be the tariff under which the Interconnection Customer is supplied by RPU. Table 5A has been written to cover most application, but some RPU tariffs may have greater or less metering, monitoring and control requirements then, as shown in Table 5A. .

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TABLE 5A Metering, Monitoring and Control Requirements			
Generation System Capacity at Point of Common Coupling	Metering	Generation Remote Monitoring	Generation Remote Control
< 40 kW with all sales to RPU	Bi-Directional metering at the point of common coupling and a generation output meter.	None Required	None Required
< 40 kW with Sales to a party other than RPU	Recording metering on the Generation System and a separate recording meter on the load	Interconnection Customer supplied direct dial phone line.	None Required
40 – 250kW with limited parallel	Detented RPU Metering at the Point of Common Coupling	None Required	None Required
40 – 250kW with extended parallel	Recording metering on the Generation System and a separate recording meter on the load	Interconnection Customer supplied direct dial phone line. RPU to supply its own monitoring equipment	None Required
250 – 1000 kW with limited parallel	Detented RPU Metering at the Point of Common Coupling	Interconnection Customer supplied direct dial phone line and monitoring points available. See B (i)	None Required
250 – 1000 kW With extended parallel operation	Recording metering on the Generation System and a separate recording meter on the load.	Required RPU remote monitoring system See B (i)	None Required
>1000 kW With limited parallel Operation	Detented RPU Metering at the Point of Common Coupling	Required RPU SCADA monitoring system. See B (i)	None required
>1000 kW With extended parallel operation	Recording metering on the Generation System and a separate recording meter on the load.	Required RPU SCADA monitoring system See B (i)	Direct Control via SCADA by RPU of interface breaker.

“Detented” = A meter which is detented will record power flow in only one direction.

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A) Metering

- i) As shown in Table 5A the requirements for metering will depend up on the type of generation and the type of interconnection. For most installations, the requirement is a single point of metering at the Point of Common Coupling. RPU will install a special meter that is capable of measuring and recording energy flow in both directions, for three phase installations or two detented meters wired in series, for single phase installations. A dedicated - direct dial phone line may be required to be supplied to the meter for RPU's use to read the metering. Some monitoring may be done through the meter and the dedicated – direct dial phone line, so in many installations the remote monitoring and the meter reading can be done using the same dial-up phone line.
- ii) Depending upon which tariff the Generation System and/or customer's load is being supplied under, additional metering requirements may result. Contact RPU for tariff requirements. In some cases, the direct dial-phone line requirement may be waived by RPU for smaller Generation Systems.
- iii) RPU's revenue meters shall be supplied, owned and maintained by RPU. All voltage transformers (VT) and current transformers (CT), used for revenue metering shall be approved and/or supplied by RPU. RPU's standard practices for instrument transformer location and wiring shall be followed for the revenue metering.
- iv) For Generation Systems that sell power and are greater than 40kW in size, separate metering of the generation and of the load is required. A single meter recording the power flow at the Point of Common Coupling for both the Generation and the load is not allowed by the rules under which the area transmission system is operated.
- v) For Generation Systems which are less then 40kW in rated capacity and are qualified facilities under PURPA (Public Utilities Regulatory Power Act – Federal Gov. 1978), net metering is allowed and provides the generation system the ability to back feed the RPU distribution system at some times and bank that energy for use at other times. Some of the qualified facilities under PURPA are solar, wind, hydro, and biomass. For these net-metered installations, RPU may use a single meter to record the bi-directional flow or RPU may elect to use two detented meters, each one to record the flow of energy in one direction.

B) Monitoring (SCADA) is required as shown in table 5A. The need for monitoring is based on the need of the system control center to have the information necessary for the reliable operation of the RPU Distribution system. This remote monitoring is especially important during periods of abnormal and emergency operation.

The difference in Table 5A between remote monitoring and SCADA is that SCADA typically is a system that is in continuous communication with a central computer and provides updated values and status, to RPU, within several seconds of the changes in the field. Remote monitoring on the other hand will tend to provide updated values and status within minutes of the change in state of the field. Remote monitoring is typically less expensive to install and operate.

- i) Where Remote Monitoring or SCADA is required, as shown in Table 5A, the following monitored and control points are required:

- (1) Real and reactive power flow for each Generation System (kW and kVAR). Only required if separate metering of the Generation and the load is required,

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otherwise #4 monitored at the point of Common Coupling will meet the requirements.

- (2) Phase voltage representative of RPU's service to the facility.
- (3) Status (open/close) of Distributed Generation and interconnection breaker(s) or if transfer switch is used, status of transfer switch(s).
- (4) Customer load from RPU service (kW and kVAR).
- (5) Control of interconnection breaker - if required by RPU.

When telemetry is required, the Interconnection Customer must provide the communications medium to RPU's Control Center. This could be radio, dedicated phone circuit or other form of communication. If a telephone circuit is used, the Interconnection Customer must also provide the telephone circuit protection. The Interconnection Customer shall coordinate the RTU (remote terminal unit) addition with RPU. RPU may require a specific RTU and/or protocol to match their SCADA or remote monitoring system.

6. Protective Devices and Systems

A) Protective devices required to permit safe and proper operation of the RPU distribution system while interconnected with customer's Generation System are shown in the figures at the end of this document. In general, an increased degree of protection is required for increased Distributed Generation size. This is due to the greater magnitude of short circuit currents and the potential impact to system stability from these installations. Medium and large installations require more sensitive and faster protection to minimize damage and ensure safety.

If a transfer system is installed which has a user accessible selection of several transfer modes, the transfer mode which has the greatest protection requirements will establish the protection requirements for that transfer system.

The Interconnection Customer shall provide protective devices and systems to detect the Voltage, Frequency, Harmonic and Flicker levels as defined in the IEEE 1547 standard during periods when the Generation System is operated in parallel with the RPU distribution system. The Interconnection Customer shall be responsible for the purchase, installation, and maintenance of these devices. Discussion on the requirements for these protective devices and systems follows:

i) Relay settings

- (1) If the Generation System is utilizing a Type-Certified system, such as a UL listed inverter a Professional Electrical Engineer is not required to review and approve the design of the interconnecting system. If the Generation System interconnecting device is not Type-Certified or if the Type-Certified Generation System interconnecting device has additional design modifications made, the Generation System control, the protective system, and the interconnecting device(s) shall be reviewed and approved by a Professional Electrical Engineer, registered in the State of Minnesota.

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- (2) A copy of the proposed protective relay settings shall be supplied to RPU for review and approval, to ensure proper coordination between the generation system and the RPU distribution system.

ii) Relays

- (1) All equipment providing relaying functions shall meet or exceed ANSI/IEEE Standards for protective relays, i.e., C37.90, C37.90.1 and C37.90.2.
- (2) Required relays that are not “draw-out” cased relays shall have test plugs or test switches installed to permit field testing and maintenance of the relay without unwiring or disassembling the equipment. Inverter based protection is excluded from this requirement for Generation Systems <40kW at the Point of Common Coupling.
- (3) Three phase interconnections shall utilize three phase power relays, which monitor all three phases of voltage and current, unless so noted in the appendix one-lines.
- (4) All relays shall be equipped with setting limit ranges at least as wide as specified in IEEE 1547 , and meet other requirements as specified in the RPU interconnect study. Setting limit ranges are not to be confused with the actual relay settings required for the proper operation of the installation. At a minimum, all protective systems shall meet the requirements established in IEEE 1547 .
 - (a) Over-current relays (IEEE Device 50/51 or 50/51V) shall operate to trip the protecting breaker at a level to ensure protection of the equipment and at a speed to allow proper coordination with other protective devices. For example, the over-current relay monitoring the interconnection breaker shall operate fast enough for a fault on the customer’s equipment, so that no protective devices will operate on the RPU distribution system. 51V is a voltage restrained or controlled over-current relay and may be required to provide proper coordination with the RPU distribution system.
 - (b) Over-voltage relays (IEEE Device 59) shall operate to trip the Distributed Generation per the requirements of IEEE 1547 .
 - (c) Under-voltage relays (IEEE Device 27) shall operate to trip the Distributed Generation per the requirements of IEEE 1547
 - (d) Over-frequency relays (IEEE Device 81O) shall operate to trip the Distributed Generation off-line per the requirements of IEEE 1547 .
 - (e) Under-frequency relay (IEEE Device 81U) shall operate to trip the Distributed Generation off-line per the requirements of IEEE 1547 . For Generation Systems with an aggregate capacity greater than 30kW, the Distribution Generation shall trip off-line when the frequency drops below 57.0-59.8 Hz. typically this is set at 59.5 Hz, with a trip time of 0.16 seconds, but coordination with the RPU distribution system is required for this setting.

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RPU will provide the reference frequency of 60 Hz. The Distributed Generation control system must be used to match this reference. The protective relaying in the interconnection system will be expected to maintain the frequency of the output of the Generation.

- (f) Reverse power relays (IEEE Device 32) (power flowing from the Generation System to the RPU distribution system) shall operate to trip the Distributed Generation off-line for a power flow to the system with a maximum time delay of 2.0 seconds.
- (g) Lockout Relay (IEEE Device 86) is a mechanically locking device which is wired into the close circuit of a breaker or switch and when tripped will prevent any close signal from closing that device. This relay requires that a person manually resets the lockout relay before that device can be reclosed. These relays are used to ensure that a deenergized system is not reenergized by automatic control action, and prevents a failed control from auto-reclosing an open breaker or switch.
- (h) Transfer Trip – All Generation Systems are required to disconnect from the RPU distribution system when the RPU distribution system is disconnected from its source, to avoid unintentional islanding. With larger Generation Systems, which remain in parallel with the RPU distribution system, a transfer trip system may be required to sense the loss of the RPU source. When the RPU source is lost, a signal is sent to the Generation System to separate the Generation from the RPU distribution system. The size of the Generation System vs. the capacity and minimum loading on the feeder will dictate the need for transfer trip installation. The RPU interconnection study will identify the specific requirements.

If multiple RPU distribution system sources are available or multiple points of sectionalizing on the RPU distribution system, then more than one transfer trip system may be required. The RPU interconnection study will identify the specific requirements. For some installations the alternate RPU source(s) may not be utilized except in rare occasions. If this is the situation, the Interconnection Customer may elect to have the Generation System locked out when the alternate source(s) are utilized, if agreeable to RPU.

- (i) Parallel limit timing relay (IEEE Device 62PL) set at a maximum of 120 seconds for soft transfer installations and set no longer than 100ms for quick transfer installations, shall trip the Distributed Generation circuit breaker on limited parallel interconnection systems. Power for the 62 PL relay must be independent of the transfer switch control power. The 62PL timing must be an independent device from the transfer control and shall not be part of the generation PLC or other control system.

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TABLE 6A SUMMARY OF RELAYING REQUIREMENTS								
Type of Interconnection	Over-current (50/51)	Voltage (27/59)	Frequency (81 O/U)	Reverse Power (32)	Lockout (86)	Parallel Limit Timer	Sync-Check (25)	Transfer Trip
Open Transition Mechanically Interlocked (Fig. 1)	—	—	—	—	—	—	—	—
Quick Open Transition Mechanically Interlocked (Fig. 2)	—	—	—	—	Yes	Yes	Yes	—
Closed Transition (Fig. 2)	—	—	—	—	Yes	Yes	Yes	—
Soft Loading Limited Parallel Operation (Fig. 3)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	—
Soft Loading Extended Parallel < 250 kW (Fig. 4)	Yes	Yes	Yes	—	Yes	—	Yes	—
Soft Loading Extended Parallel >250kW (Fig.4)	Yes	Yes	Yes	—	Yes	—	Yes	Yes
Inverter Connection (Fig. 5)								
< 40 kW	Yes	Yes	Yes	—	Yes	—	—	—
40 kW – 250kW	Yes	Yes	Yes	—	Yes	—	—	—
> 250 kW	Yes	Yes	Yes	—	Yes	—	—	Yes

7. Agreements

- A) Interconnection Agreement – This agreement is required for all Generation Systems that parallel with the RPU distribution system. RPU tariffs contain standard interconnection agreements. There are different interconnection agreements depending upon the size and type of Generation System. This agreement contains the terms and conditions upon which the Generation System is to be connected, constructed and maintained, when operated in parallel with RPU. Some of the issues covered in the interconnection agreement are as follows;

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- i) Construction Process
 - ii) Testing Requirements
 - iii) Maintenance Requirements
 - iv) Firm Operating Requirements such as Power Factor
 - v) Access requirements for RPU personnel
 - vi) Disconnection of the Generation System (Emergency and Non-emergency)
 - vii) Term of Agreement
 - viii) Insurance Requirements
 - ix) Dispute Resolution Procedures
- B) Operating Agreement – For Generation Systems that normally operate in parallel with the RPU distribution system, an agreement separate from the interconnection agreement, called the “operating agreement”, is usually created. This agreement is created for the benefit of both the Interconnection Customer and RPU and will be agreed to between the Parties. This agreement will be dynamic and is intended to be updated and reviewed annually. For some smaller systems, the operating agreement can simply be a letter agreement for larger and more intergraded Generation Systems the operating agreement will tend to be more involved and more formal. The operating agreement covers items that are necessary for the reliable operation of the Local EPS and the RPU distribution system. The items typically included in the operating agreement are as follows;
- i) Emergency and normal contact information for both the RPU operations center and for the Interconnection Customer
 - ii) Procedures for periodic Generation System test runs.
 - iii) Procedures for maintenance on the RPU distribution system that affect the Generation System.
 - iv) Emergency Generation Operation Procedures

8. Testing Requirements

A) Pre-Certification of equipment

The most important part of the process to interconnect generation with a Local EPS and RPU is safety. One of the key components of ensuring the safety of the public and employees is to ensure that the design and implementation of the elements connected to the electrical power system operate as required. To meet this goal, all of the electrical wiring in a business or residence, is required by the State of Minnesota to be listed by a recognized testing and certification laboratory, for its intended purpose. Typically we see this as “UL” listed. Since Generation Systems have tended to be uniquely designed for each installation they have been designed and approved by Professional Engineers.

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As the number of Generation Systems installed increase, vendors are working towards creating equipment packages which can be tested in the factory and then will only require limited field testing. This will allow us to move towards “plug and play” installations. For this reason, this standard recognizes the efficiency of “pre-certification” of Generation System equipment packages that will help streamline the design and installation process.

An equipment package shall be considered certified for interconnected operation if it has been submitted by a manufacture, tested and listed by a nationally recognized testing and certification laboratory (NRTL) for continuous utility interactive operation in compliance with the applicable codes and standards. Presently generation paralleling equipment that is listed by a nationally recognized testing laboratory as having met the applicable type-testing requirements of UL 1741 and IEEE 929, shall be acceptable for interconnection without additional protection system requirements. An “equipment package” shall include all interface components including switchgear, inverters, or other interface devices and may include an integrated generator or electric source. If the equipment package has been tested and listed as an integrated package which includes a generator or other electric source, it shall not required further design review, testing or additional equipment to meet the certification requirements for interconnection. If the equipment package includes only the interface components (switchgear, inverters, or other interface devices), then the Interconnection Customer shall show that the generator or other electric source being utilized with the equipment package is compatible with the equipment package and consistent with the testing and listing specified for the package. Provided the generator or electric source combined with the equipment package is consistent with the testing ad listing performed by the nationally recognized testing and certification laboratory, no further design review, testing or additional equipment shall be required to meet the certification requirements of this interconnection procedure. A certified equipment package does not include equipment provided by RPU.

The use of Pre-Certified equipment does not automatically qualify the Interconnection Customer to be interconnected to the RPU distribution system. An application will still need to be submitted and an interconnection review may still need to be performed, to determine the compatibility of the Generation System with RPU.

B) Pre-Commissioning Tests

i) Non-Certified Equipment

(1) Protective Relaying and Equipment Related to Islanding

- (a) Distributed generation that is not Type-Certified (type tested), shall be equipped with protective hardware and/or software designed to prevent the Generation from being connected to a de-energized RPU distribution system.
- (b) The Generation may not close into a de-energized RPU distribution system and protection provided to prevent this from occurring. It is the Interconnection Customer's responsibility to provide a final design and to install the protective measures required by RPU. RPU will review and approve the design, the types of relays specified, and the installation. Mutually agreed upon exceptions may at times be necessary and desirable. It is strongly recommended that the Interconnection Customer obtain written

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approval from RPU prior to ordering protective equipment for parallel operation. The Interconnection Customer will own these protective measures installed at their facility.

- (c) The Interconnection Customer shall obtain prior approval from RPU for any revisions to the specified relay calibrations.

C) Commissioning Testing

The following tests shall be completed by the Interconnection Customer. All of the required tests in each section shall be completed prior to moving on to the next section of tests.

RPU has the right to witness all field testing and to review all records prior to allowing the system to be made ready for normal operation. RPU shall be notified, with sufficient lead time to allow the opportunity for RPU personnel to witness any or all of the testing.

- i) Pre-testing - The following tests are required to be completed on the Generation System prior to energization by the Generator or RPU. Some of these tests may be completed in the factory if no additional wiring or connections were made to that component. These tests are marked with a “*”
- (1) Grounding shall be verified to ensure that it complies with this standard, the NESC and the NEC.
 - (2) CT's (Current Transformers) and VT's (Voltage Transformers) used for monitoring and protection, shall be tested to ensure correct polarity, ratio and wiring.
 - (3) CT's shall be visually inspected to ensure that all grounding and shorting connections have been removed where required.
 - (4) Breaker / Switch tests – Verify that the breaker or switch cannot be operated with interlocks in place or that the breaker or switch cannot be automatically operated when in manual mode. Various Generation Systems have different interlocks, local or manual modes etc. The intent of this section is to ensure that the breaker or switches controls are operating properly.
 - (5) * Relay Tests – All Protective relays shall be calibrated and tested to ensure the correct operation of the protective element. Documentation of all relay calibration tests and settings shall be furnished to RPU.
 - (6) Trip Checks - Protective relaying shall be functionally tested to ensure the correct operation of the complete system. Functional testing requires that the complete system is operated by the injection of current and/or voltage to trigger the relay element and proving that the relay element trips the required breaker, lockout relay or provides the correct signal to the next control element. Trip circuits shall be proven through the entire scheme (including breaker trip).

For factory assembled systems, such as inverters the setting of the protective elements may occur at the factory. This section requires that the complete system including the wiring and the device being tripped or activated is proven to be in working condition through the injection of current and/or voltage.

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- (7) Remote Control, SCADA and Remote Monitoring tests – All remote control functions and remote monitoring points shall be verified operational. In some cases, it may not be possible to verify all of the analog values prior to energization. Where appropriate, those points may be verified during the energization process.
- (8) Phase Tests – the Interconnection Customer shall work with RPU to complete the phase test to ensure proper phase rotation of the Generation and wiring.
- (9) Synchronizing test – The following tests shall be done across an open switch or racked out breaker. The switch or breaker shall be in a position that it is incapable of closing between the Generation System and the RPU distribution system for this test. This test shall demonstrate that at the moment of the paralleling-device closure, the frequency, voltage and phase angle are within the required ranges, stated in IEEE 1547. This test shall also demonstrate that if any of the parameters are outside of the ranges stated; the paralleling-device shall not close. For inverter-based interconnected systems this test may not be required unless the inverter creates fundamental voltages before the paralleling device is closed.
- ii) On-Line Commissioning Test – the following tests will proceed once the Generation System has completed Pre-testing and the results have been reviewed and approved by RPU. For smaller Generation Systems, RPU may have a set of standard interconnection tests that will be required. On larger and more complex Generation Systems the Interconnection Customer and RPU will get together to develop the required testing procedure. All on-line commissioning tests shall be based on written test procedures agreed to between RPU and the Interconnection Customer.

Generation System functionally shall be verified for specific interconnections as follows:

- (1) Anti-Islanding Test – For Generation Systems that parallel with the utility for longer than 100msec.
 - (a) The Generation System shall be started and connected in parallel with the RPU distribution system source
 - (b) The RPU distribution system source shall be removed by opening a switch, breaker etc.
 - (c) The Generation System shall either separate with the local load or stop generating
 - (d) The device that was opened to remove the RPU distribution system source shall be closed and the Generation System shall not re-parallel with the RPU distribution system for at least 5 minutes.
- iii) Final System Sign-off.
 - (1) To ensure the safety of the public, all interconnected customer owned generation systems which do not utilize a Type-Certified system shall be certified as ready to

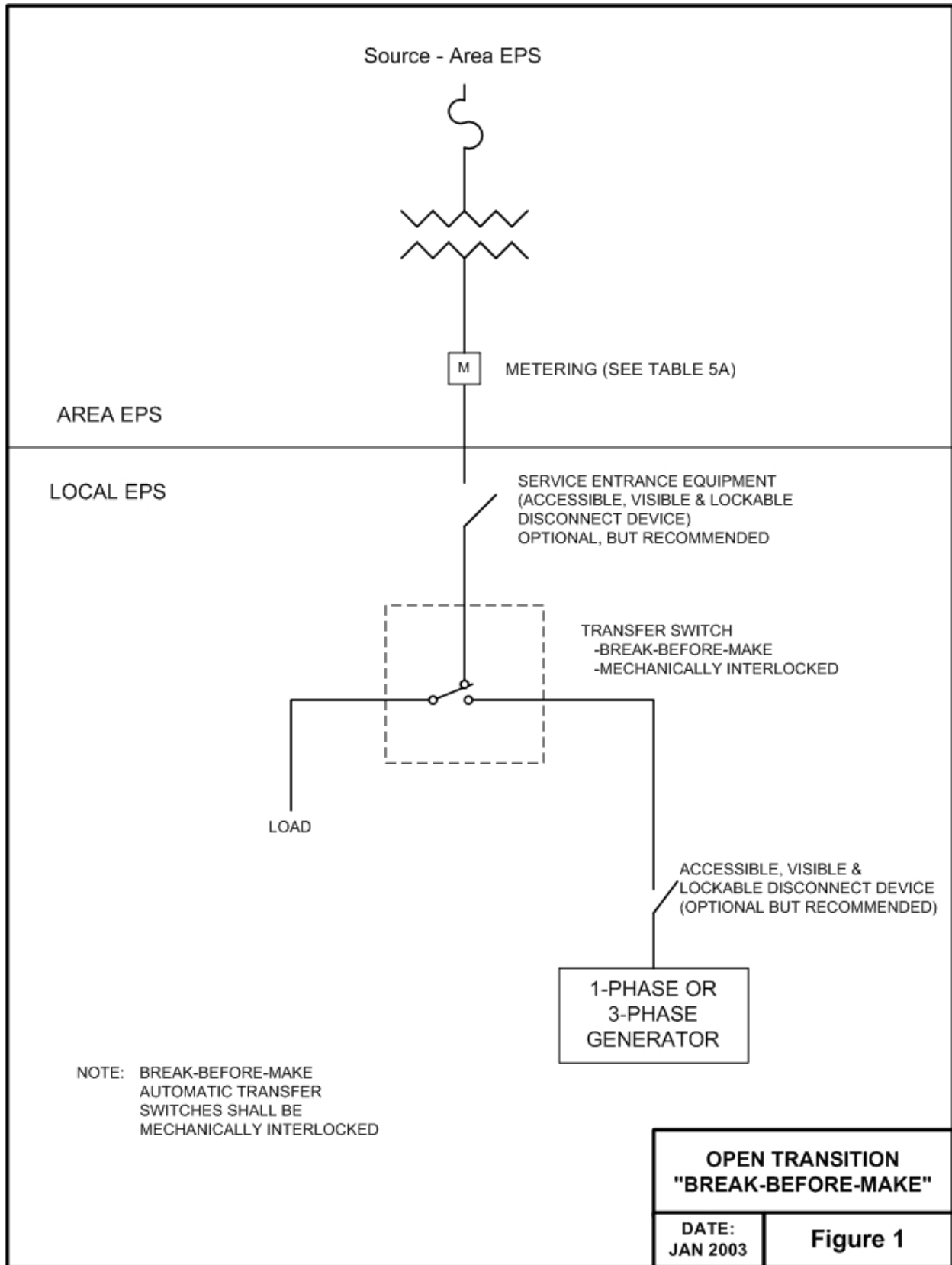
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operate by a Professional Electrical Engineer registered in the State of Minnesota, prior to the installation being considered ready for commercial use.

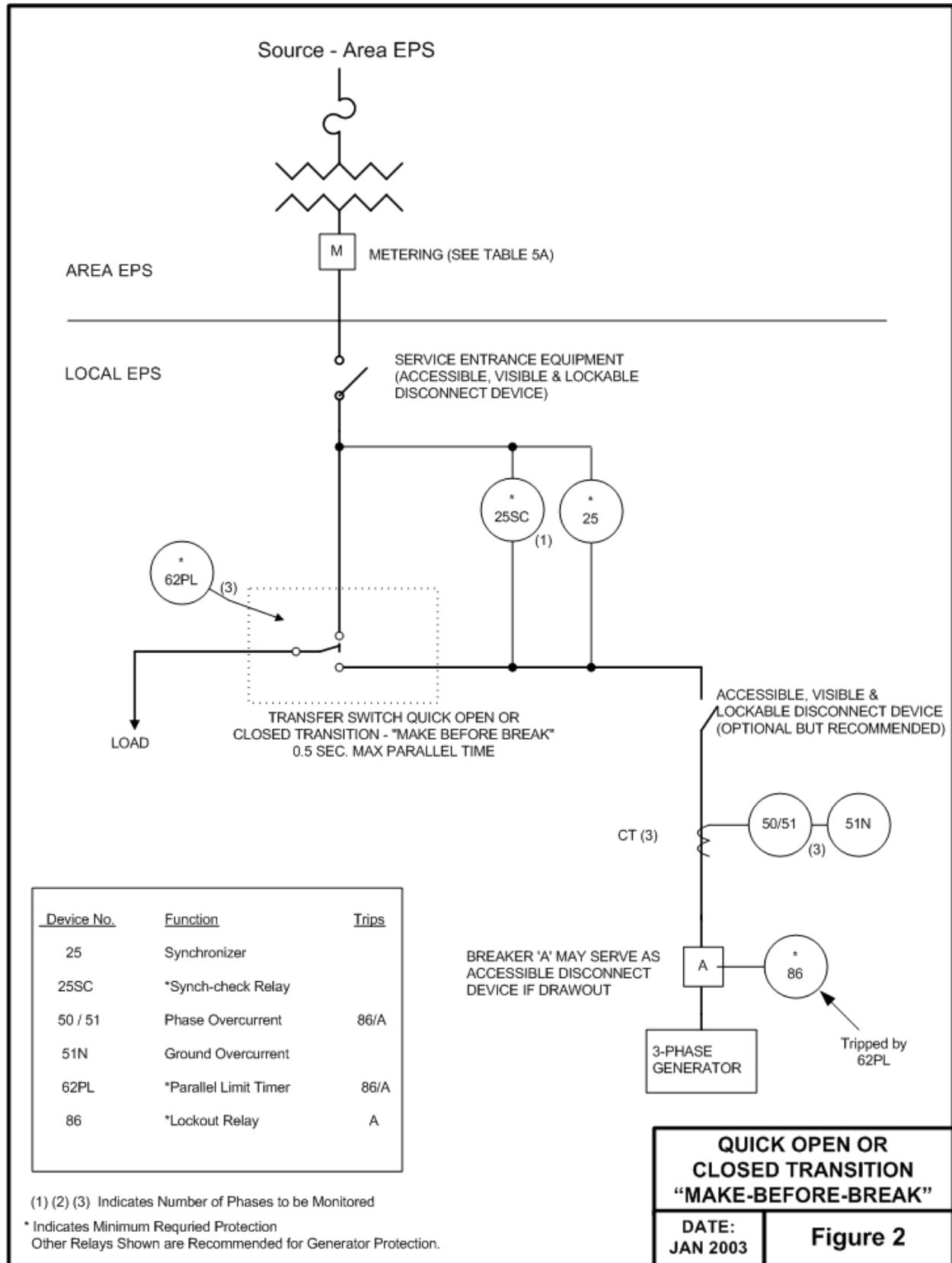
iv) Periodic Testing and Record Keeping

- (1) Any time the interface hardware or software, including protective relaying and generation control systems are replaced and/or modified, RPU shall be notified. This notification shall, if possible, be with sufficient warning so that RPU personnel can be involved in the planning for the modification and/or witness the verification testing. Verification testing shall be completed on the replaced and/or modified equipment and systems. The involvement of RPU personnel will depend upon the complexity of the Generation System and the component being replaced and/or modified. Since the Interconnection Customer and RPU are now operating an interconnected system. It is important for each to communicate changes in operation, procedures and/or equipment to ensure the safety and reliability of the Local EPS and the RPU distribution system.
- (2) All interconnection-related protection systems shall be periodically tested and maintained, by the Interconnection Customer, at intervals specified by the manufacture or system integrator. These intervals shall not exceed 5 years. Periodic test reports and a log of inspections shall be maintained, by the Interconnection Customer and made available to RPU upon request. RPU operator shall be notified prior to the period testing of the protective systems, so that RPU personnel may witness the testing if so desired.
- (3) Verification of inverter connected system rated 15kVA and below may be completed as follows; The Interconnection Customer shall operate the load break disconnect switch and verify the Generator automatically shuts down and does not restart for at least 5 minutes after the switch is close
- (4) Any system that depends upon a battery for trip/protection power shall be checked and logged once per month for proper voltage. Once every four years the battery(s) must be either replaced or a discharge test performed. Longer intervals are possible through the use of "station class batteries" and RPU approval.

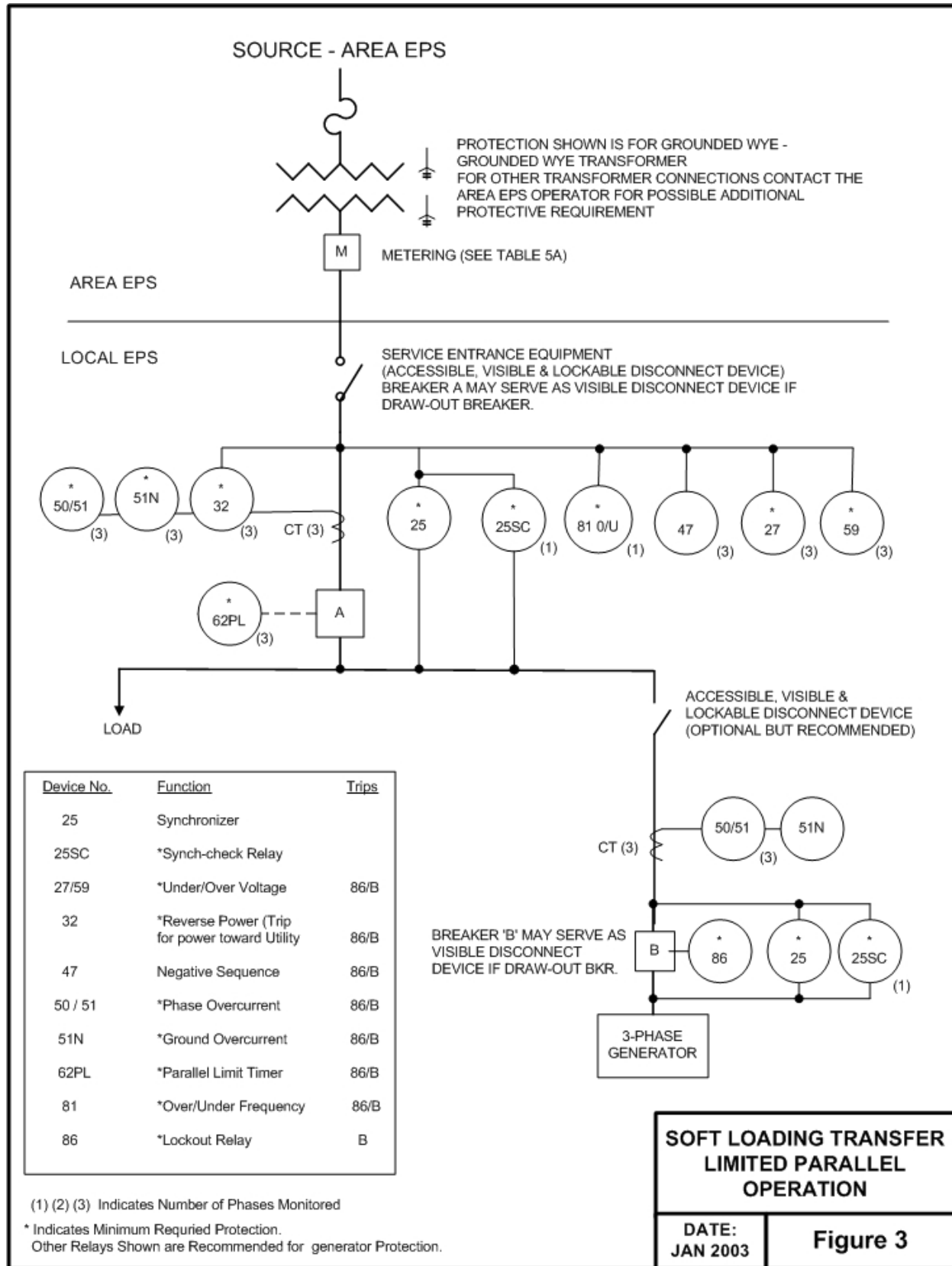
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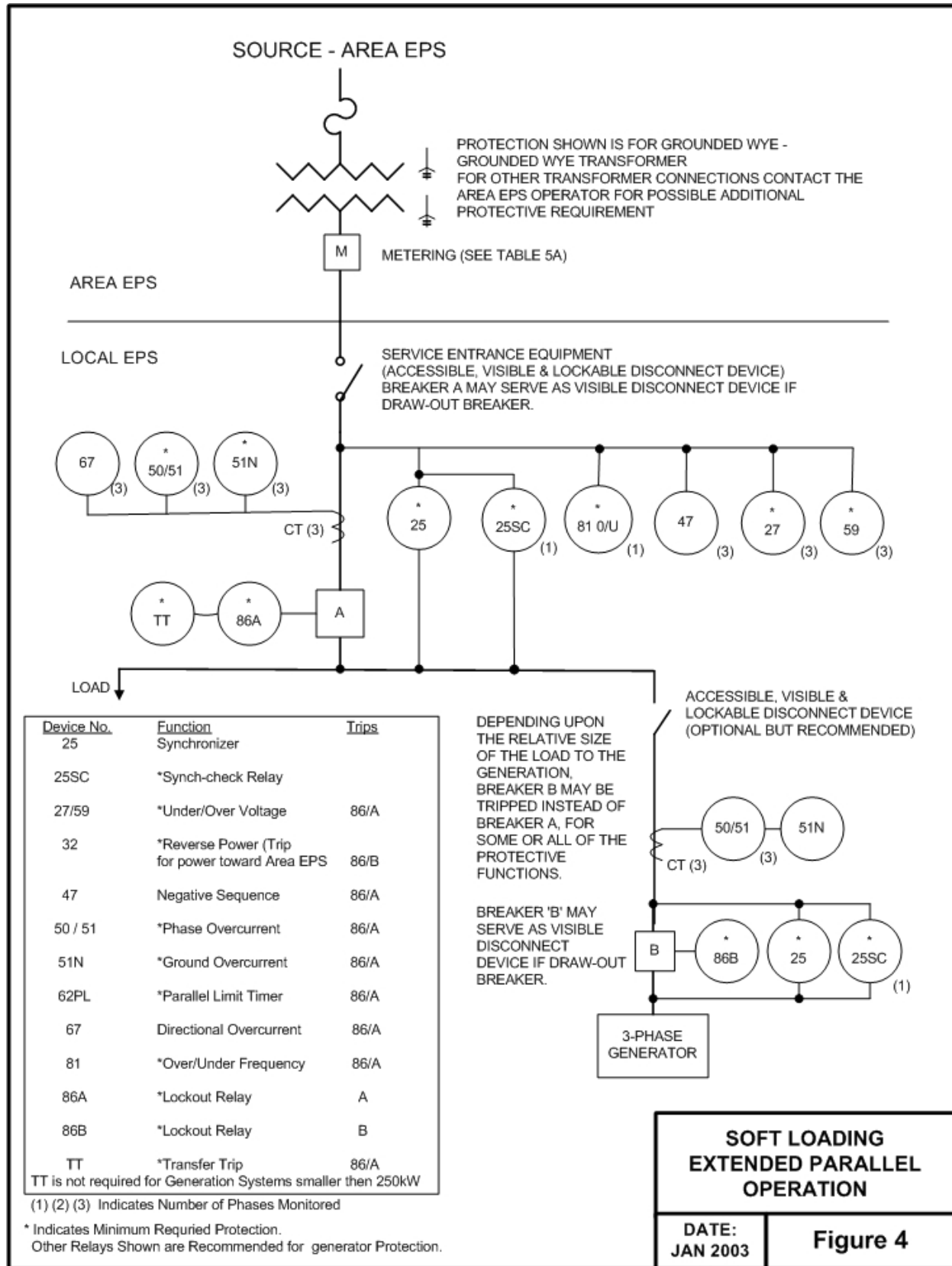
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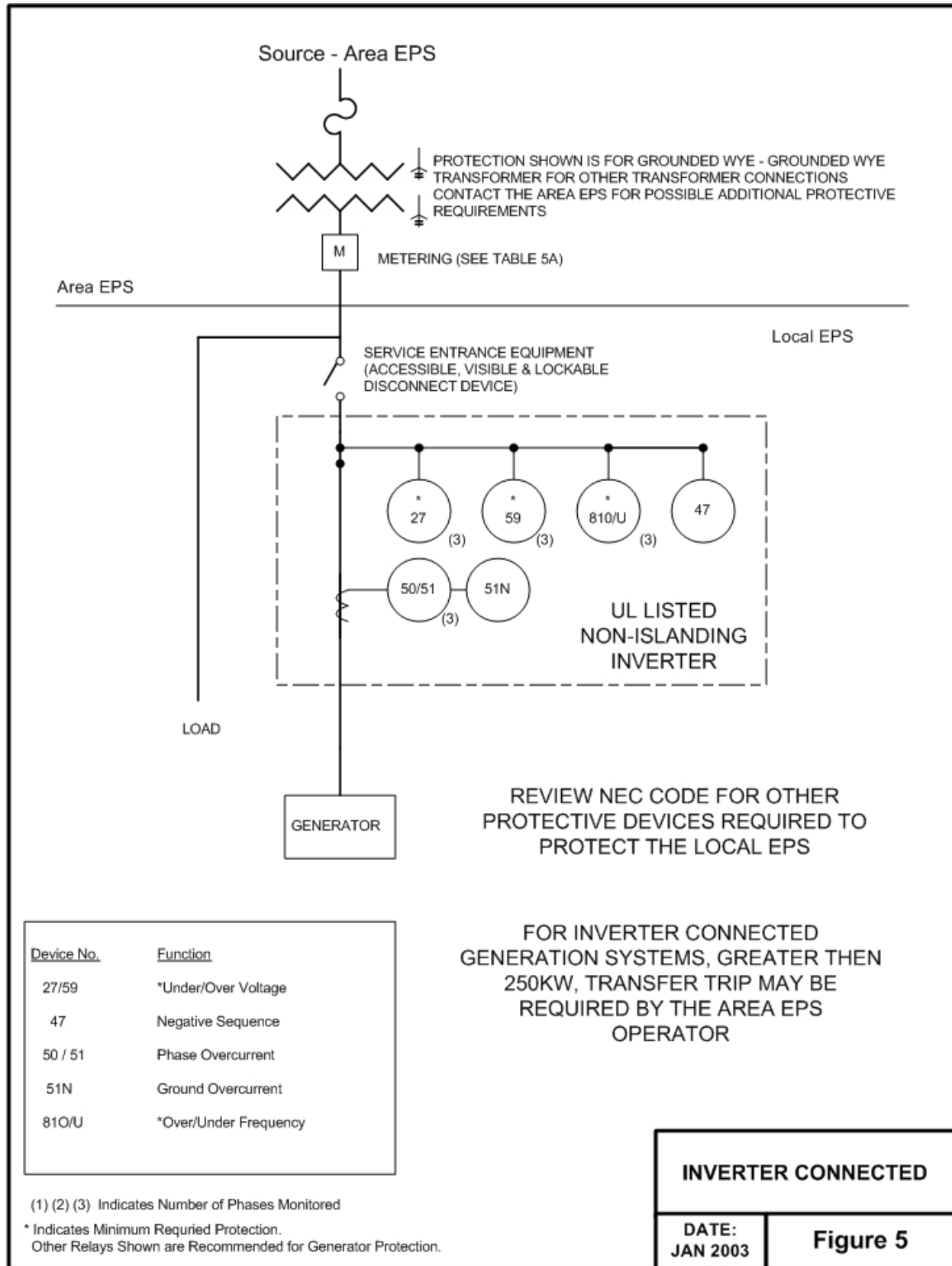
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SCHEDULE 4 – NOTIFICATION PROCEDURE

All QF Systems

RPU does not envision a time when RPU shall stop purchasing energy. However, if such a time occurs, RPU shall notify the QF by mail, phone, email or other forms of electronic communication supplied by the QF to RPU.

03/27/2018
DRAFT

SCHEDULE 5 – AVERAGE INCREMENTAL COST

Estimated Marginal Energy Costs (\$/MWh)						
		2018	2019	2020	2021	2025
Summer	On Peak	26.73	26.26	26.35	25.21	25.63
	Off Peak	16.19	17.02	15.68	16.06	16.20
	All Hours	23.22	23.18	22.78	22.14	22.48
Winter	On Peak	27.31	28.00	28.20	28.66	29.20
	Off Peak	19.37	19.88	20.33	20.34	21.48
	All Hours	24.64	25.28	25.58	25.88	26.63
Annual	On Peak	27.02	27.13	27.27	26.93	27.42
	Off Peak	17.78	18.45	18.00	18.20	18.84
	All Hours	23.93	24.23	24.18	24.01	24.56
Annual # hours on-peak:						
Description of season and on-peak and off-peak periods						
Summer:	April through September					
Winter:	October through March					
On-peak period:	6 am to 10 pm Monday through Friday except holiday (New Years, Memorial Day, Fourth of July, Labor Day, Thanksgiving Day, Christmas Day)					
Off-peak period:	All other hours					

Estimated Marginal Energy Costs

The estimated system average incremental energy costs are calculated by seasonal peak and off-peak periods for each of the next five years. For each seasonal period, system incremental energy costs are averaged during system daily peak hours, system daily off-peak hours, and all hours in the season. The energy costs are increased by a factor equal to 50 percent of the line losses.

The energy needs of the RPU are served through its membership in Southern Minnesota Municipal Power Agency (SMMPA). SMMPA, in turn, is a member of the Midcontinent ISO (MISO). As a result, the municipal's incremental energy cost is equivalent to the MISO hourly Locational Marginal Price (LMP). Actual hourly LMP will vary significantly based on several parameters such as weather, energy demand, and generation availability. The table above represents a forecast of the MISO hourly LMP values averaged over each specific time period at the MISO Minnesota Hub.

Capacity Costs

SMMPA, RPU's wholesale supplier, has neither planned generating facility additions nor planned additional capacity purchases, other than from qualifying facilities, during the ensuing ten years, thus SMMPA and RPU are deemed to have no avoidable capacity costs.

FOR BOARD ACTION

Agenda Item # (ID # 8705)

Meeting Date: 3/27/2018

SUBJECT: Involuntary Disconnection Policy

PREPARED BY: Mark Kotschevar

ITEM DESCRIPTION:

Attached is a red lined and clean version of the revised Involuntary Disconnection Policy. This policy was presented to the Board last month, and since that time provisions regarding active duty military personnel have been added per Minnesota Statute §325E.028. Staff asks that the Board review the revised policy this month, and will bring it back next month for approval.

UTILITY BOARD ACTION REQUESTED:

Informational only

ROCHESTER PUBLIC UTILITIES
BOARD POLICY STATEMENT

POLICY SUBJECT: STATEMENT: RPU Cold Weather Involuntary Disconnection Policy

POLICY OBJECTIVE:

The Board's objective is to ensure that residential customer accounts are protected during ~~the~~ cold weather periods and extreme heat conditions and military service and Rochester Public Utilities (RPU) follows the requirements of as prescribed in Minnesota Statutes

§§ 216B.097, and 216B.0975, and 325E.028.

POLICY STATEMENT:

1. COLD WEATHER RULE

Minnesota Statute ~~§~~ 216B.097 states that RPU a municipal utility must not disconnect and must reconnect the utility service of a residential customer during the period between October 15 and April 15, if the disconnection affects the primary heat source for the residential unit and all of the conditions described in the statute are met. For the purposes of this policy, "disconnection" includes a service or load limiter or any device that limits or interrupts electric service in any way. It is important to note that this protection does not prohibit RPU from disconnecting service, but that it requires several steps to be taken before disconnection.

POLICY STATEMENT:

A. Subdivision 1. Application: notice to residential customer.

Rochester Public Utilities (RPU) will not disconnect or will reconnect the utility service of a residential customer if the disconnection affects the primary heat source for the residential unit and all of the following conditions are met:

- (1) The household income of the customer is at or below 50 percent of the state median household income. RPU may verify income on forms it provides or obtain verification of income from the local energy assistance provider. A customer is deemed to meet the income requirements of this clause if the customer receives any form of public assistance, including energy assistance, that uses an income eligibility threshold set at or below 50 percent of the state median household income.
- (2) A customer enters into and makes reasonably timely payments under a payment agreement that considers the financial resources of the household. "Reasonably timely payment" means payment within five working days of agreed-upon due dates.
- (3) A customer receives referrals to energy assistance, weatherization, conservation, or other programs likely to reduce the customer's energy bills.

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Comment [PH1]: Included verbiage from Office of Attorney General Lori Swanson

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Comment [BB2]: When we drafted this we took this provision from the CWR statute applies to investor-owned utilities, 216B.05 muni statute 216B.097 doesn't define "reasonably timely". I think it's good to have it in the RPU so it isn't open to question. Just wanted to know the background of this.

Attachment: Involuntary Disconnection - revised redlined Draft (8705 : Involuntary Disconnection Policy)

~~RPU will~~ RPU will, ~~between August~~ between August -15 and October -15 each year, notify all residential customers of the provisions of this policy ~~section~~ and Minnesota Statute §216B.097.

B. Subdivision 2. Notice to residential customer facing involuntary disconnection.

Before disconnecting service to a residential customer during the period between October 15 and April 15, RPU will provide the following information to a customer:

- (1) a notice of proposed disconnection;
- (2) a statement explaining the customer's rights and responsibilities;
- (3) a list of local energy assistance providers;
- (4) a form on which to declare inability to pay; and
- (5) a statement explaining available time payment plans and other opportunities to secure continued utility service.

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C. Subdivision 3. Restrictions, if involuntary disconnection is necessary.

(a) If a residential customer must be involuntarily disconnected between October 15 and April 15 for failure to comply with ~~subdivision 4~~ section 1A, the disconnection will not occur:

- (1) on a Friday, unless the customer declines to enter into a payment agreement offered that day in person or via personal contact by telephone by an RPU representative;
- (2) on a weekend, holiday, or the day before a holiday;
- (3) when RPU offices are closed; or
- (4) after the close of business on a day when disconnection is permitted, unless a field representative of RPU who is authorized to enter into a payment agreement, accept payment, and continue service, offers a payment agreement to the customer.

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Further, the disconnection will not occur until at least 20 days after the notice required in ~~subdivision 2~~ section 1B has been mailed to the customer or 15 days after the notice has been personally delivered to the customer.

(b) If a customer does not respond to a disconnection notice, the customer will not be disconnected until RPU investigates whether the residential unit is actually occupied. If the unit is found to be occupied, RPU will immediately inform the occupant of the provisions of this section and allow five working days to comply with this policy or apply for service in the event of a new occupant. If the unit is unoccupied, RPU will give seven days' written notice of the proposed disconnection to the local energy assistance provider before making a disconnection, and RPU will also notify the City of Rochester Building Safety

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notify the City of Rochester Building and Safety Department of an impending disconnection.

(e) If, prior to disconnection, a customer appeals a notice of involuntary disconnection, as provided by RPU's established appeal procedure, RPU will not disconnect until the appeal is resolved.

2. DISCONNECTION DURING EXTREME HEAT CONDITIONS

Minnesota Statute §-216B.0975 states that RPU may not involuntarily disconnect a residential service when an excessive heat watch, heat advisory, or excessive heat warning has been issued by the National Weather Service.

3. UTILITY PAYMENT ARRANGEMENTS FOR MILITARY SERVICE PERSONNEL

Minnesota Statute §325E.028 states that RPU must not disconnect the utility service of a residential customer if a member of the household has been issued orders into active duty, for deployment, or for a permanent change in duty station during the period of active duty, deployment or change in duty station if such a residential customer:

A. Has a household income below the state median household income or is receiving energy assistance and enters into an agreement with RPU under which the residential customer pays ten percent of the customer's gross monthly income toward the customer's bill and the residential customer remains reasonably current with those payments; or

B. Has a household income above the state median household income and enters into an agreement with RPU establishing a reasonable payment schedule that considers the financial resources of the household and the residential customer remains reasonably current with payments under the payment schedule.

C. For purposes of this policy, "household income" means household income measured after the date of the orders specified in section 3.

Annual notice to all customers; inability to pay forms

RPU must notify all residential customers annually of the provisions of this section.

RPU must provide a form to a residential customer to request the protections of this section upon the residential customer's request.

Application to service limiters

For the purposes of this section, "disconnection" includes a service or load limiter or any device that limits or interrupts electric service in any way.

Income verification

Verification of income may be conducted by the local energy assistance provider or RPU unless the customer is automatically eligible for protection against disconnection as a recipient of any form of public assistance, including energy assistance that uses income eligibility in an amount at or below the income eligibility

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Attachment: Involuntary Disconnection - revised redlined Draft (8705 : Involuntary Disconnection Policy)

in section 3A.

Appeal process

RPU shall provide the residential customer with a commission-approved written notice of the right to appeal to the commission or other appropriate governing body when RPU and residential customer are unable to agree on the establishment, reasonableness, or modification of a payment schedule, or on the reasonable timeliness of the payments under a payment schedule, provided for by this section. Any appeal must be made within seven working days after the residential customer's receipt of personally served notice, or within ten working days after RPU has deposited first class mail notice in the United States mail.

RPU shall not disconnect service while a payment schedule is pending appeal, or until any appeal involving payment schedules has been determined by the commission.

Enforcement

This section may be enforced pursuant to chapter 216B.

Rochester Public Utilities will provide notification to the City of involuntary disconnection per Minnesota Statute § 216B.0976.

RELEVANT LEGAL AUTHORITY:

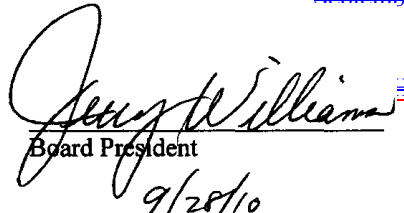
Minnesota Statutes §§ 216B.097, ~~and~~ 216B.0975 and 325E.028.

Effective Date of Policy: Revised: September 10, 1991

Date of Policy Revision: Month Day 2018

Policy Approval: Month Day 2018

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Board President
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ROCHESTER PUBLIC UTILITIES BOARD POLICY STATEMENT

POLICY SUBJECT: Involuntary Disconnection

POLICY OBJECTIVE:

The Board's objective is to ensure that residential customer accounts are protected during cold weather periods extreme heat conditions and military service as prescribed in Minnesota Statutes §§ 216B.097, 216B.0975, and 325E.028.

POLICY STATEMENT:

1. COLD WEATHER RULE

Minnesota Statute § 216B.097 states that RPU must not disconnect and must reconnect the utility service of a residential customer during the period between October 15 and April 15, if the disconnection affects the primary heat source for the residential unit and all of the conditions described in the statute are met. For the purposes of this policy, "disconnection" includes a service or load limiter or any device that limits or interrupts electric service in any way. This protection does not prohibit RPU from disconnecting service, but requires several steps to be taken before disconnection.

A. Application: notice to residential customer

RPU will not disconnect or will reconnect the utility service of a residential customer if the disconnection affects the primary heat source for the residential unit and all of the following conditions are met:

- (1) The household income of the customer is at or below 50 percent of the state median household income. RPU may verify income on forms it provides or obtain verification of income from the local energy assistance provider. A customer is deemed to meet the income requirements of this clause if the customer receives any form of public assistance, including energy assistance, that uses an income eligibility threshold set at or below 50 percent of the state median household income.
- (2) A customer enters into and makes reasonably timely payments under a payment agreement that considers the financial resources of the household. "Reasonably timely payment" means payment within five working days of agreed-upon due dates.
- (3) A customer receives referrals to energy assistance, weatherization, conservation, or other programs likely to reduce the customer's energy bills.

RPU will, between August 15 and October 15 each year, notify all residential customers of the provisions of this policy and Minnesota Statute § 216B.097.

B. Notice to residential customer facing involuntary disconnection

Before disconnecting service to a residential customer during the period between October 15 and April 15, RPU will provide the following information to a customer:

- (1) a notice of proposed disconnection;
- (2) a statement explaining the customer's rights and responsibilities;
- (3) a list of local energy assistance providers;
- (4) a form on which to declare inability to pay; and
- (5) a statement explaining available time payment plans and other opportunities to secure continued utility service.

C. Restrictions, if involuntary disconnection is necessary

If a residential customer must be involuntarily disconnected between October 15 and April 15 for failure to comply with section 1A, the disconnection will not occur:

- (1) on a Friday, unless the customer declines to enter into a payment agreement offered that day in person or via personal contact by telephone by an RPU representative;
- (2) on a weekend, holiday, or the day before a holiday;
- (3) when RPU offices are closed; or
- (4) after the close of business on a day when disconnection is permitted, unless a field representative of RPU who is authorized to enter into a payment agreement, accept payment, and continue service, offers a payment agreement to the customer.

Further, the disconnection will not occur until at least 20 days after the notice required in section 1B has been mailed to the customer or 15 days after the notice has been personally delivered to the customer.

If a customer does not respond to a disconnection notice, the customer will not be disconnected until RPU investigates whether the residential unit is actually occupied. If the unit is found to be occupied, RPU will immediately inform the occupant of the provisions of this section and allow five working days to comply with this policy or apply for service in the event of a new occupant. If the unit is unoccupied, RPU will give seven days' written notice of the proposed disconnection to the local energy assistance provider before making a disconnection, and RPU will also notify the City of Rochester Building Safety

Department of an impending disconnection.

If, prior to disconnection, a customer appeals a notice of involuntary disconnection, as provided by RPU's established appeal procedure, RPU will not disconnect until the appeal is resolved.

2. DISCONNECTION DURING EXTREME HEAT CONDITIONS

Minnesota Statute § 216B.0975 states that RPU may not involuntarily disconnect a residential service when an excessive heat watch, heat advisory, or excessive heat warning has been issued by the National Weather Service.

3. UTILITY PAYMENT ARRANGEMENTS FOR MILITARY SERVICE PERSONNEL

Minnesota Statute § 325E.028 states that RPU must not disconnect the utility service of a residential customer if a member of the household has been issued orders into active duty, for deployment, or for a permanent change in duty station during the period of active duty, deployment or change in duty station if such a residential customer:

- A. Has a household income below the state median household income or is receiving energy assistance and enters into an agreement with RPU under which the residential customer pays ten percent of the customer's gross monthly income toward the customer's bill and the residential customer remains reasonably current with those payments; or
- B. Has a household income above the state median household income and enters into an agreement with RPU establishing a reasonable payment schedule that considers the financial resources of the household and the residential customer remains reasonably current with payments under the payment schedule.
- C. For purposes of this policy, "household income" means household income measured after the date of the orders specified in section 3.

Annual notice to all customers; inability to pay forms

RPU must notify all residential customers annually of the provisions of this section.

RPU must provide a form to a residential customer to request the protections of this section upon the residential customer's request.

Application to service limiters

For the purposes of this section "disconnection" includes a service or load limiter or any device that limits or interrupts electric service in any way.

Income verification

Verification of income may be conducted by the local energy assistance provider or RPU unless the customer is automatically eligible for protection against disconnection as a recipient of any form of public assistance, including energy assistance that uses income eligibility in an amount at or below the income eligibility in section 3A.

Appeal process

RPU shall provide the residential customer with a commission-approved written notice of the right to appeal to the commission or other appropriate governing body when RPU and residential customer are unable to agree on the establishment, reasonableness, or modification of a payment schedule, provided for by this section. Any appeal must be made within seven working days after the residential customer's receipt of personally served notice, or within ten working days after RPU has deposited first class mail notice in the United States mail.

RPU shall not disconnect service while a payment schedule is pending appeal, or until any appeal involving payment schedules has been determined by the commission.

Enforcement

This section may be enforced pursuant to chapter 216B.

Rochester Public Utilities will provide notification to the City of involuntary disconnection per Minnesota Statute § 216B.0976.

RELEVANT LEGAL AUTHORITY:

Minnesota Statutes §§ 216B.097, 216B.0975 and 325E.028

Effective Date of Policy: Revised: September 10, 1991

Date of Policy Revision: Month Day 2018

Policy Approval: Month Day 2018

Board President

Date

FOR BOARD ACTION

Agenda Item # (ID # 8706)

Meeting Date: 3/27/2018

SUBJECT: RPU Index of Board Policies

PREPARED BY: Christina Bailey

ITEM DESCRIPTION:

RPU Index of Board Policies

UTILITY BOARD ACTION REQUESTED:

Informational only

ROCHESTER PUBLIC UTILITIES		
INDEX OF BOARD POLICIES		
	REVISION DATE	RESPONSIBLE BOARD COMMITTEE
BOARD		
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. Board 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
CUSTOMER		
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. Electric Utility 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
ADMINISTRATIVE		
22. Acquisition and Disposal of Interest in Real Property	12/19/2017	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. Utility Compliance	10/24/2017	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
32. Undergrounding Policy	PENDING	Ops & Admin
Red - Currently being worked on		
Yellow - Will be scheduled for revision		