

COMMUNITY ROOM
4000 EAST RIVER ROAD NE
ROCHESTER, MN 55906

4:00 PM

VIEWING AND ATTENDING THE PUBLIC UTILITY BOARD MEETING

View Meeting: Teams, Livestreaming

- The meeting can be livestreamed or viewed after the meeting on Teams via this link: [Teams](#)

- A video of the meeting will be available on the City website to view following the meeting

Calling in to the Teams Meeting:

- Call: 1-347-352-4853

- Conference ID: 102 738 21#

- Press *6 to mute and unmute your phone

Individuals may attend the meeting in person at the RPU Service Center, Community Room. Masks are required. Space is limited.

Call to Order

- 1. Approval of Agenda**
- 2. Recognition: Donn Richardson**
- 3. Safety Moment**
- 4. Consent Agenda**
 1. Public Utility Board - Regular Meeting - Aug 31, 2021 4:00 PM
 2. Review of Accounts Payable
 3. ePlus Enhanced Maintenance Services
Resolution: ePlus Enhanced Maintenance Services
 4. Grid North Partners (GNP) Trust Agreement
Resolution: Grid North Partners (GNP) Trust Agreement
 5. Billing, Credit and Collections Policy
Resolution: Billing, Credit and Collections Policy
 6. Involuntary Disconnection Policy
Resolution: Involuntary Disconnection Policy

NEW BUSINESS

Open Comment Period

(This agenda section is for the purpose of allowing citizens to address the Utility Board. Comments are limited to 4 minutes, total comment period limited to 15

minutes. Any speakers not having the opportunity to be heard will be the first to present at the next Board meeting.)

5. Regular Agenda

1. Request for Additional Manhole Rebuild Funds
Resolution: Request for Additional Manhole Rebuild Funds
2. Preliminary 2022 Electric Utility Budget Update
Resolution: 2022 Proposed Rate Changes Public Notice

6. Board Liaison Reports

1. RPU Index of Board Policies

7. General Managers Report**8. Division Reports & Metrics**

1. Division Reports and Metrics - September 2021

9. Other Business**10. Adjourn**

The agenda and board packet for Utility Board meetings are available on-line at www.rpu.org and <http://rochestercitymn.iqm2.com/Citizens/Default.aspx>



MEETING MINUTES – AUGUST 31, 2021

COMMUNITY ROOM
4000 EAST RIVER ROAD NE
ROCHESTER, MN 55906

4:00 PM

VIEWING AND ATTENDING THE PUBLIC UTILITY BOARD MEETING

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Call to Order

Attendee Name	Title	Status	Arrived
Brett Gorden	Board Vice President	Present	
Patrick Keane	Board Member	Present	
Tim Haskin	Board Member	Present	
Melissa Graner Johnson	Board President	Present	
Brian Morgan	Board Member	Present	

1. Approval of Agenda

1. **Motion to:** approve the agenda as presented

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Brian Morgan, Board Member
SECONDER:	Brett Gorden, Board Vice President
AYES:	Gorden, Keane, Haskin, Johnson, Morgan

2. Safety Moment

Board Member Brian Morgan spoke regarding driver safety when traveling in a new and unfamiliar area.

3. Consent Agenda

Minutes Acceptance: Minutes of Aug 31, 2021 4:00 PM (Consent Agenda)

1. Public Utility Board - Regular Meeting - Jul 27, 2021 4:00 PM
2. Review of Accounts Payable
3. **Motion to:** approve the consent agenda as presented

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Brian Morgan, Board Member
SECONDER:	Patrick Keane, Board Member
AYES:	Gorden, Keane, Haskin, Johnson, Morgan

NEW BUSINESS

Open Comment Period

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

President Johnson opened the meeting for public comment. No one came forward to speak.

4. Consideration Of Bids

1. Site Construction & Control Building - Marion Road Substation

Bids were received on July 14, 2021 for the site construction and control building for the new Marion Road Substation. Two bids were received that were higher than expected, and one bid was double the estimated cost for site construction. Due to the high amount of the bids, as well as concern over the availability and pricing of materials affecting the project schedule, staff chose to put the project on hold for six months. The board was asked to reject the bids for the project. Buyer Mona Hoeft said staff will seek bids again later this year or early 2022. General Manager Mark Kotschevar said engineering for the project will continue as planned, and the bid package will be re-bid in the winter in the hopes of obtaining better pricing.

Resolution: Site Construction & Control Building - Marion Road Substation

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to reject the bids received on July 14, 2021 for site construction and control building.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 31st day of August, 2021.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Patrick Keane, Board Member
SECONDER:	Tim Haskin, Board Member
AYES:	Gorden, Keane, Haskin, Johnson, Morgan

2. Structural Steel Supports Marion Road Substation

Bids were received on July 8, 2021 for the purchase of steel structures and anchor bolts for the new Marion Road Substation. Only one bid was received that was 8% higher than the expected cost. Since staff chose to pause the construction portion of the project due to high bids, and since construction is required prior to the installation of the structural supports, the decision was made

to pause this purchase for six months as well, and re-bid later this year or early 2022, in hopes that steel prices will level off.

Resolution: Structural Steel Supports

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to reject the bids received on July 8, 2021 for structural steel supports.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 31st day of August, 2021.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Brian Morgan, Board Member
SECONDER:	Patrick Keane, Board Member
AYES:	Gorden, Keane, Haskin, Johnson, Morgan

5. Regular Agenda

1. Preliminary 2022 Water and Electric Utility Budgets

Director of Corporate Services Peter Hogan presented the preliminary 2022 Electric and Water Utility Capital Operating Budgets and proposed rate adjustments to the board. The budget was designed to align with the overall strategic plan and priorities of the City of Rochester and RPU's combined vision, said Mr. Hogan, with the goals of providing affordable living, quality city services, economic vibrancy and growth. The financial strategy is based on providing cost-based rates that are regionally competitive and providing quality services that fulfill RPU's commitment to its customers.

For the Water Utility, as no rate increase was implemented in 2021, staff is recommending a 2.5% general rate increase, equating to a 0.57 cents increase per customer per month added to the customer charge. Additionally, a \$1.99 monthly charge will be added for the Service Assured repair program for all customers, with the right to opt-out of the program for those who do not wish to participate. Board Member Patrick Keane asked if increased participation in the program will create a profit for RPU and if staff will do outreach regarding opting out of Service Assured. Staff will provide customer outreach and communication, and annual net revenue from the program, estimated at \$309,000, will be used to offset future rate increases, said Mr. Hogan. Board Member Brian Morgan asked if the bill will be received by owners or renters. The parcel owner will receive the bill, not the renter, the same as is done for the stormwater bill, said General Manager Mark Kotschevar. The rate increase is attributed to a projected 1% growth in water customers for 2022 but no appreciable growth in water consumption due to conservation and assumption of average weather and rainfall, necessary water main replacements, City-planned street reconstruction, expansion of the distribution system and water conservation programs and education.

For the Electric Utility, as no rate increase was implemented in 2020 or 2021, staff is recommending a 2.5% general rate increase, which would amount to \$2.26 per residential customer per month based on an average usage of 586 kilowatt hours per month, from which \$1.10 will be applied to the customer charge for the implementation of an Automated Metering system (AMI). Business drivers behind the rate increase include measures taken to meet RPU's 2030 Energy Resource Plan, the cutting of \$1.35 million in internal capital project requests, \$248k in major maintenance requests and \$210k in RPU cost center

requests in order to keep the rate increase at 2.5%, expenditure of cash reserves to construct the Marion Road Substation and feeder system, an allocation of \$15.4 million set aside for an Automated Metering system (AMI) planned for 2023-2026, and expansion of the distribution system including tree trimming, new services and aging infrastructure.

A residential class electric rate comparison of regional public utilities from January through December 2020 conducted by Owatonna Public Utilities shows that RPU ranks competitively in the same rate range as Xcel Energy and Dakota Electric, and is lower than People's Cooperative.

Board Member Patrick Keane asked for further clarification of the \$2.26 per month increase based on the 2.5%. The overall increase of 2.5% will be spread across all customer classes, with some classes paying a little more and some a little less, said Mr. Hogan. In addition, staff is recommending lowering the demand billing to 25 kilowatts for commercial customers. Mr. Keane asked if the demand adjustment will benefit high energy usage customers or if those with uneven usage will benefit. A consistently-high usage customer will benefit, however someone who only uses a high load once in a while will see a higher bill due to the demand they place on the system, said Mr. Hogan. What policy is that based on, asked Mr. Keane? The primary reasoning is ensuring that people that impart a higher demand pay for that infrastructure and that demand, stated Mr. Hogan. He noted the effective date of the change in demand will be January 2023, which will allow RPU the opportunity to get out and talk to customers to get them in the appropriate rate class. Mr. Kotschevar further explained that these customers whose bills may increase will be identified, and personal visits will be made to these customers to advise them in energy conservation and how to change their operation to reduce their bill. Board Member Brian Morgan stated he views this is a baby step towards a very streamlined capacity or reduction of peak demand, and a shift to demand side management and less infrastructure to purchase.

The rate adjustments take into consideration the Water Utility cost of service study conducted in 2019 and accepted by the board, and the Electric Utility cost of service study completed in 2020 and accepted by the board. The board was asked at this meeting to authorize the issuance of public notice of the proposed rate changes. The board will be asked to give final approval to the proposed operating budgets and rate adjustments at the October 26, 2021 RPU Board Meeting.

A meeting of the board's Rates Committee will be scheduled to review the rate design and adjustments prior to final approval in October.

Resolution: 2022 Proposed Rate Changes Public Notice

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve the issuance of a public notice of the proposed 2022 rate changes for the Water Utility and Electric Utility.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 31st day of August, 2021.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Patrick Keane, Board Member
SECONDER:	Tim Haskin, Board Member
AYES:	Gorden, Keane, Haskin, Johnson, Morgan

6. Board Liaison Reports

The board's Communications Committee has been working with Customer Relations Director Krista Boston to revise the Involuntary Disconnection and Billing, Credit and Collections policies. The revised policies will be brought to the board for review and approval at the September 28, 2021 meeting.

The board's Policy Committee will meet to determine which policies will be next in line for revision.

Board Members Brian Morgan and Tim Haskin of the board's Strategic Planning Committee met with RPU management last week to gauge how RPU's 5 R's strategy (Reliability, Reputation, Responsibility, Rates and Relationships) is reflected in the current daily environment and work flows. Mr. Haskin stated that the committee found no changes to current processes are necessary. Mr. Morgan asked staff to look at priorities addressed in the capital projects plan to ensure the projects encompass the intent of the 5 R's and that one project does not hold more weight than another. He stated that priorities and guidelines were given to staff and the strategic process appears to be working.

7. General Managers Report

General Manager Mark Kotschevar, President Johnson and Board Member Brian Morgan attended the Minnesota Municipal Utilities Association (MMUA) Summer Conference August 16-18, 2021. A presentation from Mark Mitchell of SMMPA was of particular interest to RPU, on the Grid North Partners planning of regional transmission solutions to increase reliability of the grid, said Mr. Kotschevar. RPU is a member of North Grid Partners (formerly CapX2020). There will be substantial investment needed in the transmission system to accommodate the replacement of coal plants and central stations with renewable energy sources, which presents an opportunity for RPU to invest to offset its transmission cost through reimbursement of the investment in the future. More discussion to come on this topic.

Another presentation of note, said Mr. Kotschevar, featured the monitoring and regulation of PFAS, fluorinated organic chemicals that are resistant to environmental degradation that enter the drinking water and wastewater stream. This has become an area of concern for the Pollution Control Agency. RPU tests for the presence of PFAS and will continue to monitor PFAS to ensure there is no impact to Rochester drinking water sources, said Mr. Kotschevar.

Other notable presentations at the conference were on new energy assistance programs by the state department, including the new water assistance program, LIWAP. RPU staff is following this closely. There was also a report on the ECO Act and what qualifies for savings against RPU's savings goal for fuel switching under the act in the areas of electric vehicles, air source heat pumps and other new technologies. A stakeholder group of utilities is being convened to work through these calculations and will present their findings in March 2022.

MMUA CEO Jack Kegel announced his retirement and the new CEO Karleen Kos was introduced at the conference. Ms. Kos expressed interested in touring RPU, and Mr. Kotschevar said RPU looks forward to working with her.

There are two major strategic issues in the RPU budget going forward that will require board decision: the automated metering infrastructure project (AMI) and the 2030 resource plan. Mr. Kotschevar shared a timeline for the AMI project. RPU has funds in this year's budget to prepare a request for proposal for vendors. Evaluation of the vendor proposals would take until mid to third quarter of 2022, at which time staff would ask the board for approval to move forward with an AMI system. If approved, it would then be approximately three years to implement the project for water and electric, getting meters installed and the software implemented for about 90,000 meters. Board Member Patrick Keane asked if there are competing AMI vendors and technologies to choose from. Currently the leading technology used by several vendors is the RF mesh network where meters talk to other meters and information is sent to a collector unit which RPU would communicate with via cellular or fiber network, said Mr. Kotschevar. Completion of the entire project is not expected until at least 2026.

Mr. Kotschevar and Director of Power Resources Jeremy Sutton will meet with consultants Burns and McDonnell next month to review the updated resource plan, and a board study session to review the latest plan is anticipated for fall 2021 or spring 2022. An alternative to the simple cycle gas turbine path (Scenario 3) has been added that proposes partnering with multiple agencies or other utilities on a larger turbine that would serve RPU along with the other partners in the region. This would require utilizing a 400-450 megawatt turbine, of which RPU would own a percentage to accommodate its 200 megawatt need, a potentially cost saving option. The board will be asked to vote on next steps for the resource plan in mid-2022.

RPU's disconnection process for non-payment has been a big undertaking for staff since it resumed on August 2. Director of Customer Relations Krista Boston reported that currently 845 customers have made payment arrangements and are in good standing, representing \$3 million, of which about \$1.5 million will go towards bad debt. She said 495 disconnects were made, which is much lower than the 1600 staff had originally estimated. Customer relations will continue its outreach to delinquent customers through phone calls and emails to set up payment plans and offer energy assistance.

RPU is participating in a City of Rochester initiative to create Diversity, Equity and Inclusion goals, along with all City departments. Those goals will be assembled by Chao Mwatela, the City's Director of Diversity, Equity and Inclusion, who will develop and oversee the goals for RPU and other departments. The goals will be shared with the board in the near future.

- 8. **Division Reports & Metrics**
- 9. **Other Business**
- 10. **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>

Submitted by:

Secretary

Approved by the Board

Board President

Date

Minutes Acceptance: Minutes of Aug 31, 2021 4:00 PM (Consent Agenda)

FOR BOARD ACTION**Agenda Item # (ID # 13898)****Meeting Date: 9/28/2021**

SUBJECT: Review of Accounts Payable

PREPARED BY: Colleen Keuten

ITEM DESCRIPTION:**UTILITY BOARD ACTION REQUESTED:**

ROCHESTER PUBLIC UTILITIES
A/P Board Listing By Dollar Range
For 08/13/2021 To 09/12/2021
Consolidated & Summarized Below 1,000

Greater than 50,000 :

1			
2			
3	SOUTHERN MN MUNICIPAL POWER A	August SMMPA Bill	8,341,630.26
4	MN DEPT OF REVENUE	July Sales and Use Tax	1,020,587.44
5	CONSTELLATION NEWENERGY-GAS D	Gas for SLP	305,282.13
6	S L CONTRACTING INC	Watermain Reconstruction Teton	237,191.64
7	ELCOR CONSTRUCTION INC	Watermain Reconstruction 20th St NW	217,785.62
8	MASTEC NORTH AMERICA INC	Manhole Rebuild 2021	210,492.66
9	MN DEPT OF REVENUE	June Sales & Use Tax Remainder	168,028.47
10	SOUTHERN STATES LLC	16EA-2000 A High Bus Disconnect Switch	123,222.60
11	THE ENERGY AUTHORITY INC	August Transmission	111,170.39
12	MN DEPT OF HEALTH	Q3-Federal Safe Drinking Water Fee	96,828.00
13	CARL BOLANDER & SONS LLC	Marion Rd Sub Grading, Excavation, Fencing	96,086.00
14	KFI ENGINEERS	Marion Rd Duct Bank Design	58,038.75
15	SOUTHERN STATES LLC	8EA-2000 A Low Bus Disconnect Switch	56,053.80
16	SOUTHERN STATES LLC	8EA-1200 A High Bus Disconnect Switch	55,147.50
17	STUART C IRBY CO INC	3EA-Switch, PM, Air, 3ph, 3-600SW/1-200F	54,000.00
18	PAYMENTUS CORPORATION	July Credit/Debit/ACH Processing Fees	52,462.16
19			
20		Price Range Total:	11,204,007.42

5,000 to 50,000 :

22			
23			
24	ELCOR CONSTRUCTION INC	Service Assured Curb Boxes	48,156.45
25	CENTRAL MINNESOTA MUNICIPAL P	August Capacity	44,000.00
26	ASPLUNDH TREE EXPERT LLC (P)	Hourly Tree Trimming	37,111.43
27	ROCHESTER PROPERTY OWNER LLC	Customer Deposit Refund 7613	37,021.52
28	MIDCONTINENT ISO INC	August MISO Bill	33,570.96
29	ITRON INC	FCS/IMA License/Support	30,400.90
30	MAYO CLINIC	CIP-Lighting (C&I)-Incentives/Rebates	27,590.14
31	A & A ELECT & UNDERGROUND CON	2017-2022 Directional Boring	23,731.00
46	PUBLIC WORKS DEPT OLMSTED COU	LIDAR Data Acquisition-QL1 & QL0-Upgrade	23,171.97
32	PEOPLES ENERGY COOPERATIVE (P	August Territory Compensation	22,222.23
33	US BANK - VOYAGER	August Fuel	21,626.37
34	EATON - COOPER POWER SYSTEMS	2EA-Recloser system, 15kV	21,382.48
35	WESCO DISTRIBUTION INC	50EA-Elbow, 15kv, 600A, 350-750 CU/AL	20,672.50
36	STUART C IRBY CO INC	1EA-Trans, PM, 3ph, 750kVA, 13.8/8, 208	19,822.00
37	FORBROOK LANDSCAPING SERVICES	Landscape Work, SLP	19,790.06
38	SAKATA JV HOLDINGS LLC	Customer Deposit Refund 7747	18,480.43
39	N HARRIS COMPUTER CORP	July Services Fee	18,443.95
40	USIC HOLDINGS INC	August 2021 Locating Services	17,618.18
41	HARRIS ROCHESTER INC (HIMEC)	Variable Air Volume Demo/Installaton	16,951.45
42	KANTOLA CONSULTING	Cayenta, Time of Use & SEW Project Meetings	16,380.00
43	ULTEIG ENGINEERS INC	Marion Rd Sub Proposal (3001,7001,8601)	15,130.50
44	SOLID WASTE OLMSTED COUNTY	Electricity Purchased by RPU	15,101.25
45	VISION COMPANIES LLC (P)	Employee Development	14,775.00
47	BURNS & MCDONNELL INC (P)	Demand Response Study	12,380.03
48	WELLS FARGO BANK ACCT ANALYSI	August 2021 Banking Services	11,961.12
49	HILLTOP TRAILER SALES INC	Trailer, Mobile Office and Steps	11,945.00
50	CENTURYLINK (P)	21 Monthly Telecommunications	11,532.06

Attachment: AP Board List Current Month (13898 : Review of Accounts Payable)

ROCHESTER PUBLIC UTILITIES
A/P Board Listing By Dollar Range
For 08/13/2021 To 09/12/2021
Consolidated & Summarized Below 1,000

51	BLACKBERRY CORPORATION	BlackBerry Spark UEM Suite User License	10,445.96
52	SCHWEITZER ENGINEERING LAB IN	2EA-Relay, Transmission	10,420.00
53	BURNS & MCDONNELL INC (P)	Resource Plan 2021	9,956.40
54	ELEMENTAL AIR LLC	Cascade Creek Air Emission Testing	9,476.00
55	ROTO ROOTER INC	1-12.5" Sleeves for Conduit-Mtls & Labor	9,234.00
56	CHS ROCHESTER	3340GAL-Fuel Oil, IBM Gen-Set	9,018.00
57	EPLUS TECHNOLOGY INC	2EA-Transceiver Module	8,958.24
58	ADVANTAGE DIST LLC (P)	4985GAL-Urea 32, WES	7,976.00
59	WARTSILA NORTH AMERICA	1EA-Manifold, Main Gas, A Bank, WS NGS	7,824.00
60	ROTO ROOTER INC	Materials & Labor 5" Conduit Repair	7,695.00
61	VERIZON WIRELESS	2021 Cell & IPad Monthly Service	7,607.87
62	TRAUT COMPANIES	Release of Retainage-Construction Well #42	7,350.00
63	PROPERTY TAXES OLMSTED COUNTY	SolarStone 21 Prop Taxes RP74.19-7 Parcels	6,790.14
64	WARTSILA NORTH AMERICA	Freight	6,779.64
65	SANS INSTITUTE dba	NERC CIP Security Awareness Licenses-100	6,465.94
66	SUMMIT EQUIPMENT OUTLET LLC	3EA-Rollcover	6,345.18
67	ITRON INC	72EA-Itron, 500W Openway Riva Pit ERT	6,264.00
68	SOMA CONSTRUCTION INC	Water Main Break Repair Materials	6,233.38
69	K A A L TV LLC	July Radio Ads	5,800.00
70	HARRIS ROCHESTER INC (HIMEC)	1JOB-Variable Air Volume Control Add A021	5,682.54
71	GRAYBAR ELECTRIC COMPANY INC	10EA-Mast Arm, 9' for 2690	5,542.54
72	WESCO DISTRIBUTION INC	4EA-Metal Sec. Encl, 3ph, 30"x78"x22" 60	5,316.00
73	TWIN CITY SECURITY INC	2021 Security Services	5,194.12
74	BORDER STATES ELECTRIC SUPPLY	20EA-Grd Sleeve, 3ph Encl., 18" x 67" x	5,188.60
75	NESCO LLC	Aug'21 - Hauler Track 5500 and Trailer Rental	5,036.00
76			
77		Price Range Total:	793,568.53
78			
79	<u>1,000 to 5,000 :</u>		
80			
81	CONAX TECHNOLOGIES LLC	2EA-G2, Thermocouple, EGT	4,978.24
82	HAWKINS INC	48EA-Chlorine Gas	4,541.76
83	BARR ENGINEERING COMPANY (P)	Water Quality Database Project	4,458.00
84	CRESCENT ELECTRIC SUPPLY CO	12EA-Luminaire, 108W LED, PC 120-277V, B	4,398.99
85	ROCH PLUMBING & HEATING CO IN	12EA-Sleeve, Fiberglass, 2'	4,320.00
86	ULTEIG ENGINEERS INC	Q2 Engineering along Eastwood Rd. (4002)	4,253.80
87	CITY OF ROCHESTER	Legal Services Fee	4,239.20
88	GDS ASSOCIATES INC	MISO Attachment O Consulting Service	4,182.50
89	N HARRIS COMPUTER CORP	RPU Upgrade Fixed-MP01-CAYPROD90	4,168.12
90	MALLOY ELECTRIC dba	1EA-VFD, 60/50HP	4,016.81
91	IHEART MEDIA dba	July Radio Ads 7/12-7/31/21	4,000.00
92	INSPEC INC.	2017-22 Electric Pavement Assessment	4,000.00
93	ULTEIG ENGINEERS INC	Transmission Relay Coordination Study	3,995.00
94	FORBROOK LANDSCAPING SERVICES	Landscaping Repair	3,922.15
95	BADGER METER INC (P)	24EA-Meter, Bare 1" Badger Disk	3,810.82
96	TRUCKIN' AMERICA	Lift Gate	3,526.88
97	ELEVATE MARKETING SOLUTIONS L	August Advertising	3,502.00
98	STUART C IRBY CO INC	48EA-Pedestal, Dome Cover, Box Style	3,480.00
99	KATS EXCAVATING LLC	Service Assured Service Repair	3,450.00
100	GENERAL REPAIR SERVICE	2EA-Pump, Chemical, Digital Dosing, Grun	3,404.00

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ROCHESTER PUBLIC UTILITIES
A/P Board Listing By Dollar Range
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101	N HARRIS COMPUTER CORP	Adding SSL Security for Web Applications	3,334.50
102	STUART C IRBY CO INC	48EA-Pedestal, Base, Secondary, w/o Cove	3,240.00
103	GLOBAL RENTAL COMPANY INC	Truck Rental-Altec AT41M aerial device	3,206.25
104	THOMAS TOOL & SUPPLY INC	Tools for 665	3,170.18
105	HAWKINS INC	330GAL-Carus 8500 Aqua Mag Phosphate	3,052.50
106	PEAKER SERVICES INC	1EA-Switch	2,962.98
107	SCHWEITZER ENGINEERING LAB IN	1EA-RTAC, SEL-3530	2,950.00
108	GOPHER STATE ONE CALL	July Completed Tickets	2,895.75
109	SOUTHERN MN MUNICIPAL POWER A	RPU OWEF Generation	2,885.65
110	EXPRESS SERVICES INC	2021 Seasonal Staff Facilities	2,857.14
111	MALLOY ELECTRIC dba	1EA-VFD, 40/30HP	2,792.36
112	BORDER STATES ELECTRIC SUPPLY	100EA-Elbow, 15kV, 200A, LB,1/0 Sol,175-	2,772.00
113	CITY OF ROCHESTER	37th Str River Gauge O & M Cost	2,741.13
114	HAWKINS INC	6699LB-Hydrofluosilicic Acid	2,545.62
115	VILLAGES OF ESSEX PARK	Customer refunds 7615	2,498.35
116	ONLINE INFORMATION SERVICES I	August 2021 Utility Exchange Report	2,468.47
117	WARTSILA NORTH AMERICA	3EA-Valve, Solenoid-CV947, WES	2,408.04
118	EPLUS TECHNOLOGY INC	1EA-Transceiver module	2,340.22
119	AMAZON.COM	9EA-Jabra Speakers 710 Wireless Portable	2,287.12
120	ROCHESTER PROPERTY OWNER, LLC	CIP-Heat Pumps (C&I)-Incentives/Rebates	2,286.80
121	VIKING ELECTRIC SUPPLY INC	Transformer for Facilities	2,232.00
122	WINKELS ELECTRIC INC	Replaced Damaged Light Pole	2,228.88
123	EPLUS TECHNOLOGY INC	Substation Network Pilot Project	2,224.00
124	WESCO DISTRIBUTION INC	12EA-Conn, Trans, 1/0-1000, 12-Tap, Bare	2,222.52
125	GFL SOLID WASTE MIDWEST LLC	2021 Waste removal SC	2,204.12
126	EPLUS TECHNOLOGY INC	2EA-CATALYST 9200L 24-PORT DATA, 4 X 1G	2,160.18
127	STUART C IRBY CO INC	30EA-Arrester, 10kV, Dist, Elbow MOV	2,152.50
128	BURNS & MCDONNELL INC (P)	Rate Design and Consulting	2,120.63
129	ELITE CARD PAYMENT CENTER	Registration-SHall,AVO Sub Maint 2 Conf	2,105.00
130	TEC INDUSTRIAL INC	CIP-Lighting (C&I)-Incentives/Rebates	2,080.00
131	SCHMIDT GOODMAN OFFICE PRODUC	Furniture-SLP	2,066.41
132	BORDER STATES ELECTRIC SUPPLY	Freight	2,052.00
133	G & J AUTO BODY	CIP-Lighting (C&I)-Incentives/Rebates	2,044.00
134	IHEART MEDIA dba	7/19-7/31 Radio Ads	2,018.00
135	K A A L TV LLC	August Ads	2,010.00
136	BORDER STATES ELECTRIC SUPPLY	4EA-Meter, FM4S CL20 MRV 2-Way	2,002.75
137	SCHWEITZER ENGINEERING LAB IN	2EA-DPAC, SEL-2440	2,000.00
138	ELITE CARD PAYMENT CENTER	Virtual CEM Training-Josh Mason	1,995.00
139	GERTENS GREENHOUSE & GARDEN C	Herbicides	1,983.98
140	INNOVATIVE OFFICE SOLUTIONS L	Shredder, Office Supplies	1,900.80
141	BORDER STATES ELECTRIC SUPPLY	200EA-Clamp, Hot Tap, 2/0 - #8	1,880.00
142	NEW LINE MECHANICAL	Replace 2" RPZ for New Fill Station in G	1,790.16
143	N HARRIS COMPUTER CORP	RPU Commercial TOD GS (Option 3)	1,760.00
144	SOMA CONSTRUCTION INC	Fill for Water Main Breaks	1,702.50
145	HATHAWAY TREE SERVICE INC	Brush Dump	1,700.00
146	EPLUS TECHNOLOGY INC	2EA-25W AC CONFIG 5 POWER SUPPLY	1,666.64
147	MITSUBISHI POWER AERO LLC (P)	2EA-G2, VDR, SOV1401-SOV1406, Rebuild Ki	1,613.52
148	VERIZON CONNECT NWF INC	August 2021 GPS Fleet Tracking	1,586.62
149	GRAYBAR ELECTRIC COMPANY INC	2EA-Mast Arm, 9' for 2690	1,563.37
150	PALMER JAMES	Customer refunds 7857	1,556.25

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151	WERNER ELECTRIC SUPPLY	10EA-Luminaire, Rental, LED, 30-50W, 120	1,555.99
152	LEAGUE OF MN CITIES INS TRUST	Insurance Claim Settlement	1,549.52
153	STUART C IRBY CO INC	15EA-Conn, Shear, Lug, 350-750 AL/CU	1,514.95
154	LANGUAGE LINE SERVICES INC	August 2021 Phone Interpretation Services	1,502.59
155	RESCO	20EA-Anchor, 14.00" P.S., w/Rod & Twiney	1,500.60
156	BENCHMARK ELECTRONICS INC	CIP-Custom (C&I)-Incentives/Rebates	1,488.20
157	EPLUS TECHNOLOGY INC	2EA-CISCO CATALYST 9200L STACK MODULE	1,488.08
158	ELITE CARD PAYMENT CENTER	Booth for 2022 Home Show	1,460.00
159	FRONTIER PRECISION INC	Trimble Maintenance/Warranty Extension	1,457.24
160	WARTSILA NORTH AMERICA	2KIT-Filter, Service Kit B, AX120 Comp.	1,444.82
161	BADGER METER INC (P)	1EA-Measuring Chamber, 6" Turbo T-2000	1,420.66
162	FIRST SUPPLY (P)	4SET-Flange, Rnd. Thrd. DI, 3"	1,406.08
163	ULTEIG ENGINEERS INC	21 Engineering T&D	1,383.50
164	EPLUS TECHNOLOGY INC	2021 Network Maintenance Services	1,378.00
165	ELITE CARD PAYMENT CENTER	Travel, TBenson, Ragans Social Media Conf	1,349.00
166	BROCK WHITE COMPANY LLC (P)	102EA-Column Forms 24"	1,316.87
167	SOUTHERN STATES LLC	1EA-Switch Hinge Assm, 2000A 161KV SS Ma	1,300.00
168	RONCO ENGINEERING SALES INC	Piping,Body Assembly,Nose Piece Assembly	1,299.67
169	BORDER STATES ELECTRIC SUPPLY	3EA-Junction, NLB, 600A, 3 Position, w/B	1,284.69
170	CITY OF ROCHESTER	July-Workers Comp Admin Fees	1,282.00
171	WSB & ASSOCIATES	Surveying Services	1,244.00
172	KELLER AMERICA (P)	1EA-Microlevel/388' cable	1,218.00
173	N HARRIS COMPUTER CORP	RPU Upgrade Fixed-MP04-CayStone	1,170.00
174	SHOGREN THEODORE	Customer refunds 7784	1,149.79
175	GENTLING LINDA	CIP-AirSrc Heat Pumps-Incentives/Rebates	1,126.00
176	QUALITROL CORPORATION LLC (P)	1EA-Large Pressure Relief Device	1,112.92
177	WESCO DISTRIBUTION INC	10EA-Bracket, Equip Mtg, 3ph, 48", 6 Mtg	1,105.50
178	CULVER COMPANY INC	Lineman Sticker Sheets-Photo Props	1,089.06
179	WESCO DISTRIBUTION INC	30EA-U-Guard, 2.0" Steel Boot	1,085.10
180	RATHBUN VICKI	CIP-Geothermal (R)-Incentives/Rebates	1,074.00
181	STUART C IRBY CO INC	72EA-Conn, Ped, 350, 6-Tap, Deadfront, C	1,069.20
182	FREY DENISE	CIP-AirSrc Heat Pumps-Incentives/Rebates	1,060.12
183	WERNER ELECTRIC SUPPLY	90EA-Coupling, PVC, 3.00 Long 8" ONLY	1,045.15
184	SOUTHERN STATES LLC	1EA-Switch Hinge Assm, 1200A 161KV SS Ma	1,000.00
185			
186		Price Range Total:	238,896.46
187			
188	<u>0 to 1,000 :</u>		
189			
190	ELITE CARD PAYMENT CENTER	Summarized transactions: 65	16,504.95
191	REBATES	Summarized transactions: 73	15,819.77
192	Customer Refunds (CIS)	Summarized transactions: 95	13,372.64
193	EXPRESS SERVICES INC	Summarized transactions: 7	6,277.49
194	BORDER STATES ELECTRIC SUPPLY	Summarized transactions: 27	5,681.35
195	CORE & MAIN LP (P)	Summarized transactions: 13	4,349.49
196	CITY LAUNDERING COMPANY	Summarized transactions: 25	4,132.57
197	RESCO	Summarized transactions: 16	3,988.15
198	VIKING ELECTRIC SUPPLY INC	Summarized transactions: 21	3,982.92
199	STUART C IRBY CO INC	Summarized transactions: 11	3,623.55
200	WARTSILA NORTH AMERICA	Summarized transactions: 13	3,419.34

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201	FIRST CLASS PLUMBING & HEATIN	Summarized transactions: 11	3,396.78
202	WESCO DISTRIBUTION INC	Summarized transactions: 12	3,073.04
203	SOUTHERN STATES LLC	Summarized transactions: 8	2,776.56
204	AMARIL UNIFORM COMPANY	Summarized transactions: 21	2,642.27
205	CRESCENT ELECTRIC SUPPLY CO	Summarized transactions: 37	2,586.28
206	GRAINGER INC	Summarized transactions: 17	2,499.34
207	LAWSON PRODUCTS INC (P)	Summarized transactions: 8	2,402.01
208	EPLUS TECHNOLOGY INC	Summarized transactions: 8	2,178.65
209	BOLTON AND MENK (P)	Summarized transactions: 6	2,175.00
210	SCHWEITZER ENGINEERING LAB IN	Summarized transactions: 8	2,148.49
211	U S A SAFETY SUPPLY	Summarized transactions: 15	2,068.40
212	NETWORK SERVICES COMPANY	Summarized transactions: 10	1,950.50
213	WERNER ELECTRIC SUPPLY	Summarized transactions: 22	1,507.17
214	METRO SALES INC	Summarized transactions: 3	1,449.47
215	DAVIES PRINTING COMPANY INC	Summarized transactions: 4	1,405.07
216	ELITE CARD PAYMENT CENTER	Summarized transactions: 7	1,383.61
217	TOKAY SOFTWARE dba	Summarized transactions: 2	1,217.30
218	BOB THE BUG MAN LLC	Summarized transactions: 2	1,151.05
219	ROCHESTER CHEVROLET CADILLAC	Summarized transactions: 6	1,115.88
220	DUNCAN COMPANY INC	Summarized transactions: 4	1,110.84
221	ROTRONIC INSTRUMENT CORP	Summarized transactions: 7	1,032.13
222	SMART ENERGY SYSTEMS LLC	Summarized transactions: 2	1,024.88
223	SUTTON JEREMY	Summarized transactions: 3	1,022.98
224	IHEART MEDIA dba	Summarized transactions: 2	988.00
225	MCNEILUS STEEL INC	Summarized transactions: 2	982.01
226	ROCHESTER ARMORED CAR CO INC	Summarized transactions: 1	967.82
227	BARRY SCREEN PRINT CO dba	Summarized transactions: 17	958.24
228	ROCHESTER TITLE & ESCROW CO I	Summarized transactions: 2	950.00
229	MCMASTER CARR SUPPLY COMPANY	Summarized transactions: 26	930.16
230	FISHER AARON	Summarized transactions: 4	921.20
231	NEXT DOOR	Summarized transactions: 1	890.27
232	MENARDS ROCHESTER NORTH	Summarized transactions: 12	887.68
233	FASTENAL COMPANY	Summarized transactions: 12	885.97
234	DAKOTA SUPPLY GROUP	Summarized transactions: 7	857.39
235	AMAZON.COM	Summarized transactions: 5	852.49
236	ADVANCE AUTO PARTS	Summarized transactions: 19	848.52
237	A T & T	Summarized transactions: 1	838.99
238	ON SITE SANITATION INC	Summarized transactions: 3	815.57
239	THOMAS TOOL & SUPPLY INC	Summarized transactions: 4	806.84
240	STRUVES PAINT & DECORATING (P	Summarized transactions: 7	804.04
241	HILLTOP TRAILER SALES INC	Summarized transactions: 2	796.81
242	BRAY SALES	Summarized transactions: 5	794.04
243	CENTURYLINK (P)	Summarized transactions: 3	782.74
244	MINNESOTA ENERGY RESOURCES CO	Summarized transactions: 5	780.00
245	CORPORATE WEB SERVICES INC	Summarized transactions: 2	775.34
246	USA BLUE BOOK DBA	Summarized transactions: 7	774.71
247	GLOBAL INDUSTRIAL (P)	Summarized transactions: 11	769.49
248	THE ENERGY AUTHORITY INC	Summarized transactions: 1	753.80
249	UNITED RENTALS INC	Summarized transactions: 1	752.05
250	MODEM EXPRESS INC	Summarized transactions: 2	720.00

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251	GARCIA GRAPHICS INC	Summarized transactions: 8	715.75
252	HAWKINS INC	Summarized transactions: 3	705.74
253	CITY LAUNDERING COMPANY	Summarized transactions: 5	695.40
254	SUMMIT EQUIPMENT OUTLET LLC	Summarized transactions: 1	662.61
255	G A ERNST & ASSOCIATES INC	Summarized transactions: 2	644.83
256	BADGER METER INC (P)	Summarized transactions: 7	603.10
257	MEG CORP	Summarized transactions: 1	585.00
258	WINKELS ELECTRIC INC	Summarized transactions: 3	579.07
259	KREOFSKY BUILDING SUPPLIES	Summarized transactions: 2	571.59
260	KENNEDY & GRAVEN CHARTERED	Summarized transactions: 1	555.00
261	TOTAL SAFETY, SUPPLIES AND SO	Summarized transactions: 2	539.77
262	HARRIS ROCHESTER INC (HIMEC)	Summarized transactions: 1	539.00
263	RONCO ENGINEERING SALES INC	Summarized transactions: 6	537.84
264	TECHNOLOGY FOR ENERGY CORPORA	Summarized transactions: 3	534.38
265	WARREN WILL	Summarized transactions: 1	527.86
266	DYNAMIC LIFECYCLE INNOVATIONS	Summarized transactions: 1	526.84
267	GFL SOLID WASTE MIDWEST LLC	Summarized transactions: 1	518.59
268	NALCO COMPANY LLC	Summarized transactions: 7	516.93
269	GRAYBAR ELECTRIC COMPANY INC	Summarized transactions: 7	495.09
270	OSWEILER TODD	Summarized transactions: 4	455.16
271	PEOPLES ENERGY COOPERATIVE	Summarized transactions: 3	437.62
272	BARR ENGINEERING COMPANY (P)	Summarized transactions: 1	432.00
273	WARNING LITES OF MN INC (P)	Summarized transactions: 1	431.30
274	T E C INDUSTRIAL INC	Summarized transactions: 2	427.70
275	BOSTON KRISTA	Summarized transactions: 3	425.95
276	KOTSCHVAR MARK	Summarized transactions: 4	414.80
277	CDW GOVERNMENT INC	Summarized transactions: 2	412.32
278	MISSISSIPPI WELDERS SUPPLY CO	Summarized transactions: 11	410.48
279	NESCO LLC	Summarized transactions: 2	409.18
280	NICKELS SCOTT	Summarized transactions: 2	402.48
281	BENSON ANTHONY	Summarized transactions: 1	395.40
282	MIDWEST MECHANICAL SOLUTIONS	Summarized transactions: 2	385.94
283	JOHNSON STEVE	Summarized transactions: 2	369.87
284	POMPS TIRE SERVICE INC	Summarized transactions: 1	368.51
285	INNOVATIVE OFFICE SOLUTIONS L	Summarized transactions: 8	368.27
286	WSB & ASSOCIATES	Summarized transactions: 1	360.00
287	FEDEX SHIPPING	Summarized transactions: 15	357.13
288	PEOPLES ENERGY COOPERATIVE	Summarized transactions: 2	344.93
289	JOHNSON MELISSA	Summarized transactions: 2	336.40
290	PUGLEASA COMPANY INC	Summarized transactions: 3	329.20
291	GERTENS GREENHOUSE & GARDEN C	Summarized transactions: 1	320.63
292	IDEAL SERVICE COMPANY INC	Summarized transactions: 2	301.00
293	OPERATIONS-TRAINING SOLUTIONS	Summarized transactions: 1	300.00
294	ROCH PLUMBING & HEATING CO IN	Summarized transactions: 1	297.00
295	CITY OF ROCHESTER	Summarized transactions: 3	296.59
296	CLAREY'S SAFETY EQUIPMENT dba	Summarized transactions: 1	277.50
297	BOWMANS DOOR SOLUTIONS	Summarized transactions: 1	275.00
298	VANCO SERVICES LLC	Summarized transactions: 1	270.52
299	JETTER CLEAN INC	Summarized transactions: 1	267.19
300	PAAPE ENERGY SERVICE INC	Summarized transactions: 1	264.00

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301	ALTERNATIVE TECHNOLOGIES INC	Summarized transactions: 1	260.00
302	WABASHA IMPLEMENT	Summarized transactions: 4	256.10
303	NYHUS STEVE	Summarized transactions: 2	255.76
304	BROCK WHITE COMPANY LLC (P)	Summarized transactions: 2	253.18
305	EATON - COOPER POWER SYSTEMS	Summarized transactions: 1	250.09
306	CULVER COMPANY INC	Summarized transactions: 1	248.48
307	CANON SOLUTIONS AMERICA INC (Summarized transactions: 3	246.95
308	FRANZ REPROGRAPHICS INC	Summarized transactions: 2	234.91
309	SCHWEITZER ENGINEERING LAB IN	Summarized transactions: 10	227.80
310	LYLES SALES & SERVICE	Summarized transactions: 2	227.05
311	HOGAN PETER	Summarized transactions: 1	226.24
312	BAUER BUILT INC (P)	Summarized transactions: 1	222.32
313	PEAKER SERVICES INC	Summarized transactions: 2	221.28
314	ARNOLDS, A KLEEN-TECH COMPANY	Summarized transactions: 3	218.09
315	K & M GLASS INC	Summarized transactions: 1	205.20
316	LIFELINE INCORPORATED	Summarized transactions: 2	204.67
317	ADVANTAGE DIST LLC (P)	Summarized transactions: 2	203.90
318	MN SUPPLY COMPANY INC (P)	Summarized transactions: 3	195.00
319	FRONTIER	Summarized transactions: 1	191.01
320	VERIZON WIRELESS	Summarized transactions: 1	190.92
321	HI LINE UTILITY SUPPLY CO (P)	Summarized transactions: 3	185.82
322	HIGH FOREST BOBCAT SERVICE LL	Summarized transactions: 1	180.00
323	SEMA EQUIPMENT INC	Summarized transactions: 1	176.49
324	ALL SEASONS POWER & SPORT INC	Summarized transactions: 3	166.64
325	EARLS SMALL ENGINE REPAIR INC	Summarized transactions: 3	162.30
326	RDO EQUIPMENT COMPANY (P)	Summarized transactions: 2	150.59
327	SOUND AND MEDIA SOLUTIONS	Summarized transactions: 1	144.28
328	VIKING ELECTRIC SUPPLY INC	Summarized transactions: 2	136.87
329	FIRST SUPPLY (P)	Summarized transactions: 2	123.88
330	QUALITROL CORPORATION LLC (P)	Summarized transactions: 2	121.97
331	NORTH CENTRAL INTERNATIONAL L	Summarized transactions: 1	113.29
332	PLANNING DEPT OLMSTED COUNTY	Summarized transactions: 1	112.00
333	REBATES	Summarized transactions: 3	100.00
334	MCMASTER CARR SUPPLY COMPANY	Summarized transactions: 2	91.92
335	SWAGELOK MN INC (P)	Summarized transactions: 3	88.58
336	GENERAL REPAIR SERVICE	Summarized transactions: 1	88.38
337	MENARDS ROCHESTER SOUTH	Summarized transactions: 2	87.56
338	NORTHERN / BLUETARP FINANCIAL	Summarized transactions: 4	86.68
339	SLEEPY EYE TELEPHONE CO	Summarized transactions: 1	84.76
340	MENARDS ROCHESTER NORTH	Summarized transactions: 2	79.43
341	MITSUBISHI POWER AERO LLC (P)	Summarized transactions: 7	74.34
342	RONCO ENGINEERING SALES INC	Summarized transactions: 1	73.60
343	SHERWIN WILLIAMS CO	Summarized transactions: 2	70.10
344	FASTENAL COMPANY	Summarized transactions: 1	70.02
345	CENTRAL FINANCE OLMSTED COUNT	Summarized transactions: 2	67.48
346	BECKLEYS OFFICE PRODUCTS INC	Summarized transactions: 1	66.10
347	JASPER ENGINEERING & EQUIP CO	Summarized transactions: 2	65.34
348	SOLID WASTE OLMSTED COUNTY	Summarized transactions: 2	63.60
349	TOTAL RESTAURANT SUPPLY	Summarized transactions: 2	51.39
350	BATTERIES PLUS	Summarized transactions: 1	46.76

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351	HANSON PATRICIA S	Summarized transactions: 1	41.97
352	BATTERIES PLUS	Summarized transactions: 1	41.67
353	NORTHERN / BLUETARP FINANCIAL	Summarized transactions: 1	37.98
354	GLOBAL RENTAL COMPANY INC	Summarized transactions: 2	36.16
355	ITRON INC	Summarized transactions: 1	28.32
356	MINNESOTA ENERGY RESOURCES CO	Summarized transactions: 1	24.12
357	NORTH AMERICAN ELECTRIC RELIA	Summarized transactions: 1	23.72
358	KLUG JERROD	Summarized transactions: 1	21.60
359	A T & T MOBILITY	Summarized transactions: 1	20.99
360	FEDEX SHIPPING	Summarized transactions: 1	20.24
361	GREAT RIVER ENERGY	Summarized transactions: 1	18.33
362	CONAX TECHNOLOGIES LLC	Summarized transactions: 1	17.31
363	KELLER AMERICA (P)	Summarized transactions: 1	17.01
364	ARROW ACE HARDWARE (P)	Summarized transactions: 1	10.24
365			
366		Price Range Total:	177,581.33
367			
368			
369		Grand Total:	12,414,053.74

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FOR BOARD ACTION

Agenda Item # (ID # 13863)

Meeting Date: 9/28/2021

SUBJECT: ePlus Enhanced Maintenance Services

PREPARED BY: Phil Teng

ITEM DESCRIPTION:

ePlus Technology, Inc. has previously provided support services for RPU's IT infrastructure including switching, routing, firewalls, security, and telephony. These are standard services required to maintain the performance, reliability and security of the hardware and software during their life-time. Some examples are updates, upgrades, troubleshooting, break-fix, replacements due to defects, etc. Staff has negotiated a new three-year agreement at a cost of \$204,480.13 each year, billed annually, for a 3-year total of \$613,440.39. The annual expense is included in the 2021 budget and will continue to be funded through the annual approval of the budget. The City Attorney has reviewed the agreement.

UTILITY BOARD ACTION REQUESTED:

Staff recommends the Board approve the multi-year agreement with ePlus Technology, Inc. in the amount of \$613,440.39 and authorize the Mayor and City Clerk to execute the Agreement with future funding subject to Board and Common Council approval of the annual budget.

RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve a multi-year agreement with ePlus Technology, Inc. in the amount of \$613,440.39, and authorize the Mayor and the City Clerk to execute the agreement with future funding subject to Board and Common Council approval of the annual budget.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 28th day of September, 2021.

President

Secretary

FOR BOARD ACTION

Agenda Item # (ID # 13858)

Meeting Date: 9/28/2021

SUBJECT: Grid North Partners (GNP) Trust Agreement

PREPARED BY: Randy Anderton

ITEM DESCRIPTION:

In 2007, the CapX 2020 partners created a Trust for the CapX 2020 Transmission Capacity Expansion Initiative. RPU was a partner at that time and still is at this present day. Recently the CapX Vision Team voted to change the name of CapX 2020 to Grid North Partners (GNP). After deciding to make the name change, it has also become necessary to make an amendment of the original Trust from 2007 to recognize the new Grid North Partners name. The city attorney has reviewed and approves of the amendment language.

During a Grid North Partners Vision Team meeting on 8/24/21, RPU cast its vote to approve this amendment to the 2007 Trust, but informed the other partners that the vote cast was contingent upon RPU Board approval. This FBA is intended to provide official approval for the Amendment No 1 to Declaration of Delaware Statutory Trust.

UTILITY BOARD ACTION REQUESTED:

Approve Amendment No. 1 to Declaration of Delaware Statutory Trust in the agreement between City of Rochester, beneficial owners, custodial trustees and Grid North Partners Initiative.

AMENDMENT NO. 1
TO
DECLARATION OF DELAWARE STATUTORY TRUST

This AMENDMENT NO. 1 TO DECLARATION OF DELAWARE STATUTORY TRUST, dated as of August 24, 2021 (this "**Amendment**") amends the Declaration of Delaware Statutory Trust of the CAPX 2020 Transmission Capacity Expansion Initiative Trust, dated August 30, 2007 (the "**Trust**").

RECITALS

- A. The Trust was established as a Delaware business trust to hold certain property ("**Trust Property**") of the CapX 2020 Initiative for the benefit of the Beneficial Owners, as the Trust Property is authorized and designated by the Vision Team pursuant to its powers and authority under the CapX 2020 Participation Agreement (also referred to herein as the "**Participation Agreement**").
- B. Pursuant to the Participation Agreement, the Vision Team has established a new initiative, known as the Grid North Partners Initiative. This Amendment expands the purpose of the Trust to additionally hold certain property of the Grid North Partners Initiative as Trust Property for the benefit of the Beneficial Owners, as authorized and designated by the Vision Team pursuant to the Participation Agreement.
- C. The Beneficial Owners are the "Participants" to the Participation Agreement. This Amendment documents the current Beneficial Owners.
- D. Since the initial establishment of the Trust, certain of the Beneficial Owners have designated replacement Custodial Trustees. This Amendment provides a revised Appendix A which lists all the current Beneficial Owners and their currently designated Custodial Trustees.

AMENDMENT

NOW, THEREFORE, the Custodial Trustees agree to amend the Trust as follows:

1. Name. Section 1.1 of the Trust is hereby amended to read as follows:

“The name of the Trust is the Grid North Partners Trust.”

2. Purpose of Trust. Section 1.2 is hereby amended to read as follows:

“The purpose of the Trust is to operate as a Delaware statutory trust, and the Trust shall be operated exclusively to (i) hold, manage, administer, control, maintain, preserve, purchase and alienate specific property and rights (tangible, intangible and mixed) of the CapX 2020 Initiative and the Grid North Partners Initiative (the "**Trust Property Rights**") that are designated by the Vision Team from time to time to be held in trust by

the Trust for the benefit of the Beneficial Owners of the Trust in furtherance of the CapX 2020 Initiative and the CapX 2020 Projects, and in furtherance of the Grid North Partners Initiative and the Grid North Partners Projects, including the development work and the joint development work contemplated by the CapX 2020 Participation Agreement, each CapX 2020 Project Development Agreement and each Grid North Project Development Agreement, and (ii) in clarification and furtherance of the foregoing, grant interests, rights and licenses of use, pursuant to lease, license or other forms of grant, as deemed appropriate to the nature of the Trust Property Rights so granted.

3. Directed Powers of the Custodial Trustees.

Section 2.3(i) is hereby amended to read as follows:

“To exercise all powers necessary or incidental to, or in support of, the activities of the Trust (including but not limited to any such powers specifically described herein), including the powers to support the CapX 2020 Initiative and any CapX 2020 Project, and to support the Grid North Partners Initiative and any Grid North Partners Project.”

Section 2.3 (xv) is hereby amended to read as follows:

“In general to carry on any other business incidental to, or in support of, the activities and purposes of the Trust, the CapX 2020 Initiative and the CapX 2020 Projects, and the Grid North Partners Initiative and the Grid North Partners Projects, and to do everything necessary, suitable or proper for the accomplishment of any purpose or the furtherance of any power herein set forth, either alone or in association with others, which is incidental to, or in support of, the Trust’s intended activities.

4. Trust Property. Section 3.1.1 is hereby amended to read as follows:

“All tangible, intangible and mixed property interests (which include any and all rights and licenses, express or implied) that are originated by or transferred to this Trust from any Person shall be owned by the Trust. The Trust Property under this Trust shall be used for the benefit of the CapX 2020 Initiative and the CapX 2020 Projects, and for the Grid North Partners Initiative and the Grid North Partners Projects, including the development work and joint development work contemplated by the CapX 2020 Participation Agreement and each CapX 2020 Project Development Agreement and each Grid North Partners Project Development Agreement, on such terms and as approved and permitted by, this Trust (and to the extent empowered hereunder, by the Custodial Trustees).

5. Confidentiality.

Section 3.2.2 is hereby amended to add “and Grid North Partners Initiative” after each instance of “CapX 2020 Initiative.”

Section 3.2.6 is hereby amended to read as follows:

“A Custodial Trustee shall not make, directly or indirectly, any material public comments, statement, or communication (such as a press release) with respect to, or otherwise to disclose or to permit the disclosure of a material non-public aspect of the CapX 2020 Initiative or the Grid North Partners Initiative or any of the material terms, conditions or other material aspects of the CapX 2020 Initiative or a CapX 2020 Project, or the Grid North Partners Initiative or a Grid North Partners Project.”

6. Effect of Termination. Section 7.3 is hereby amended to add “or any potential Grid North Partners Projects” after “CapX 2020 Projects.”
7. Location of Trust Instruments and Resolutions. Section 9.5 shall be amended to replace “the CapX 2020 Transmission Capacity Expansion Initiative” with the “Grid North Partners Initiative or such other location as is mutually agreed by the Beneficial Owners.”
8. Use of Name. Section 9.9 is hereby amended to read as follows:

“The name “CapX 2020 Transmission Capacity Expansion Initiative” and any derivative thereof, including without limitation “CapX 2020,” “CapX 2020 Initiative” or “CapX 2020 Transmission Initiative,” and all rights to use such name or names belongs to the Beneficial Owners. The name “Grid North Partners” and any derivative thereof and all rights to use such name or names, belongs to the Beneficial Owners. The Beneficial Owners have consented to the use by the Trust of the name or names and have granted to the Trust a perpetual, royalty free, non-exclusive license to use the name or names as part of the name of the Trust.

9. Definitions. Article X is hereby amended to add the following definitions:

“**Grid North Partners Initiative**” shall mean the cooperative efforts of certain Beneficial Owners and other Persons designated as “Participants” in the CapX 2020 Participation Agreement to engage in electric transmission projects designed to serve reliably the projected growth of electricity requirements in the transmission grid in Minnesota and the immediately surrounding regions, which efforts are anticipated to include, in the aggregate over a long-term period, the study, planning, coordination, development, construction and ownership of electric transmission facilities.

“**Grid North Partners Project(s)**” shall mean the proposed facilities relating to electric transmission arising from the Grid North Partners Initiative.

“**Grid North Partners Project Development Agreement**” shall mean one or more of the project development agreements entered into by Persons participating in the development of the Grid North Partners Initiative electric transmission projects.

10. Beneficial Owners; Custodial Trustees. Appendix A is hereby deleted and replaced with the attached Appendix A.

11. General. Capitalized terms not defined herein will have the meaning set forth in the Trust. Except as specifically set forth in this Amendment, the terms and conditions of the Trust remain in full force and effect.

APPENDIX A
CUSTODIAL TRUSTEES

Jay Anderson
Central Municipal Power Agency/Services
7550 Corporate Way, Suite 100
Eden Prairie, MN 55344
jaya@cmpas.org

Randy Anderson
City of Rochester
4000 East River Rd. NE
Rochester, MN 55906-2813
randerton@rpu.org

Dan Gunderson
ALLETE, Inc.
30 West Superior Street
Duluth, MN 55802
dwgunderson@mnpower.com

Michael Lamb
Northern States Power Company (Minnesota), and
Northern States Power Company (Wisconsin), jointly
414 Nicollet Mall
Minneapolis, MN 55401
michael.g.lamb@xcelenergy.com

Mark Mitchell
Southern Minnesota Municipal Power Agency
500 First Avenue Southwest
Rochester, MN 55902-3303
ms.mitchell@smmpa.org

Tim Noeldner
WPPI Energy
1425 Corporate Center Drive
Sun Prairie, WI 53590-9109
tnoeldner@wppienergy.org

Priti Patel
Great River Energy
12300 Elm Creek Boulevard
Maple Grove, MN 55369
PPatel@GREnergy.com

Ben Porath
Dairyland Power Cooperative
1925 Ridgeway St.
Hammond, WI 54015
blp@dairynet.com

JoAnn Thompson
Otter Tail Power Company
215 S. Cascade St.
Fergus Falls, MN 56537
jthompson@otpc.com

Terry Wolf
Missouri River Energy Services
3724 West Avera Drive
P.O. Box 88920
Sioux Falls, SD 57109-8920
twolf@mrenergy.com

BENEFICIAL OWNERS

Central Municipal Power Agency/Services
7550 Corporate Way, Suite 100
Eden Prairie, MN 55344

City of Rochester
4000 East River Rd. NE
Rochester, MN 55906-2813

ALLETE, Inc.
30 West Superior Street
Duluth, MN 55802

Northern States Power Company (Minnesota), and
Northern States Power Company (Wisconsin), jointly
414 Nicollet Mall
Minneapolis, MN 55401

UNEXECUTED VERSION

Southern Minnesota Municipal Power Agency
500 First Avenue Southwest
Rochester, MN 55902-3303

Attachment: Trust Amendment UNEXECUTED_083021 (13858 : Grid North Partners (GNP) Trust Agreement)

UNEXECUTED VERSION

WPPI Energy
1425 Corporate Center Drive
Sun Prairie, WI 53590-9109

Great River Energy
12300 Elm Creek Boulevard
Maple Grove, MN 55369

Dairyland Power Cooperative
1925 Ridgeway St.
Hammond, WI 54015

Otter Tail Power Company
215 S. Cascade St.
Fergus Falls, MN 56537

Missouri River Energy Services
3724 West Avera Drive
P.O. Box 88920
Sioux Falls, SD 57109-8920

Attachment: Trust Amendment UNEXECUTED_083021 (13858 : Grid North Partners (GNP) Trust Agreement)

IN WITNESS WHEREOF, the Custodial Trustees hereto have caused this Agreement to be executed on the date set forth below and to be effective as of the day and year first above written.

ALLETE, INC., D/B/A MINNESOTA POWER

By: _____
Title: _____
Date: _____, 2021

CENTRAL MUNICIPAL POWER AGENCY/SERVICES

By: _____
Title: _____
Date: _____, 2021

DAIRYLAND POWER COOPERATIVE

By: _____
Title: _____
Date: _____, 2021

GREAT RIVER ENERGY

By: _____
Title: _____
Date: _____, 2021

MISSOURI RIVER ENERGY SERVICES

By: _____
Title: _____
Date: _____, 2021

NORTHERN STATES POWER COMPANY, A MINNESOTA CORPORATION

By: _____
Title: _____
Date: _____, 2021

NORTHERN STATES POWER COMPANY, A WISCONSIN CORPORATION

By: _____
Title: _____
Date: _____, 2021

SOUTHERN MINNESOTA MUNICIPAL POWER AGENCY

By: _____
Title: _____
Date: _____, 2021

OTTER TAIL POWER COMPANY

By: _____
Title: _____
Date: _____, 2021

WPPI ENERGY

By: _____
Title: _____
Date: _____, 2021

CITY OF ROCHESTER

Attachment: Trust Amendment UNEXECUTED_083021 (13658 : Grid North Partners (GNP) Trust Agreement)

UNEXECUTED VERSION

Signature – Mark Kotschevar
General Manager RPU

Signature – Kim Norton
Mayor – City of Rochester

Signature – Kelly Geistler
City Clerk – City of Rochester

Approved:

Signature: Michael Spindler Krage
City Attorney

Attachment: Trust Amendment UNEXECUTED_083021 (13858 : Grid North Partners (GNP) Trust Agreement)

RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve Amendment No. 1 to Declaration of Delaware Statutory Trust in the agreement between City of Rochester, beneficial owners, custodial trustees and Grid North Partners Initiative, and authorize the Mayor and the City Clerk to execute the amendment.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 28th day of September, 2021.

President

Secretary

FOR BOARD ACTION

Agenda Item # (ID # 13889)

Meeting Date: 9/28/2021

SUBJECT: Billing, Credit and Collections Policy

PREPARED BY: Peter Hogan

ITEM DESCRIPTION:

Staff and the board finance committee have worked to update the board's Billing, Credit and Collections policy to add further detail regarding customer deposits, and adds new sections for utility payment arrangements for military and non-military customers (taken from the Involuntary Disconnection policy). Payment arrangements have become more common since the onset of the pandemic, and are being utilized across customer classes in an attempt to recover lost revenue and bring customers current.

The added detail in the customer deposit section of the policy includes definitions of "deposit" and "arrearages". The new payment arrangements sections were added to differentiate customer payment plans from the budget billing plan, and to establish parameters around how payment plans will be managed.

Staff will be available at the meeting to answer any questions regarding the changes to the policy. If the board is in agreement, staff requests the board approve the attached amended Billing, Credit and Collections Policy.

UTILITY BOARD ACTION REQUESTED:

Approve the revised Billing, Credit and Collections policy.

ROCHESTER PUBLIC UTILITIES BOARD POLICY STATEMENT

POLICY SUBJECT: Billing, Credit, and Collections

POLICY OBJECTIVE

To protect the rights of all our customers, the following policies have been established for the billing, credit and collection of reliable electric and water services provided by Rochester Public Utilities (RPU), as well as any billings on behalf of the City or any other City departments.

BILLING

Monthly bills are issued for the following utility services; electric, water, and/or any billings on behalf of the City or other City Departments. Each utility meter is read on or near the same day each month so that approximately 28-30 days of usage is recorded. Bills are created, on average, within four (4) working days of the meter being read. The date the bill is created is known as the Billing Date. Customers have the option of receiving their bill via the US Postal service or electronically.

All utility charges for the services RPU provides are calculated in accordance with the *Rate Schedule* approved by the RPU Board of Directors and Rochester City Council. All utility charges for the services Rochester Public Works provides are calculated in accordance with City Ordinances that have been approved by the Rochester City Council. Additional charges such as the Disconnection or Meter Tampering fees are included in the *Miscellaneous Fees Schedule*.

FINAL BILL

It is the Customer's responsibility to notify RPU that service to an account address is ending at least three business days prior to the date of final service. A forwarding address must be provided. On the first business day or after the date specified by the Customer (excluding weekends and holidays), a reading will be made and a final bill will be calculated.

MISCELLANEOUS BILL

A Miscellaneous billing may include charges for materials, vendor-provided services, RPU labor and equipment and related overhead charges for service work, customer contributions in aid of capital construction, and/or the costs to repair damage to utility property. Miscellaneous charges billed will follow the same collection procedures as a monthly utility bill. An account will be created for those Customers without a utility account and will fall under the same collection procedures.

CREDIT AND COLLECTIONS

PAYMENT TERMS

All billing statements will have a Due Date for payment approximately three weeks after the Billing Date. RPU allocates standard payments over all unpaid charges, paying the oldest charges first, and then in order of service; Water, Electric, Waste Water, Storm Water, Service Assured and any other miscellaneous fees. Assistance payments from third parties will be applied per the agreement with the third-party assistance provider.

LATE PAYMENT FEE

All billing statements are due and payable on or before the Due Date. Bills not paid by the Due Date are subject to a late payment fee equal to 1.0% of the average outstanding balance for the current billing period or \$5, whichever is greater. The late fee will be added to the Customer's outstanding account balance. If the average outstanding balance amount is \$20 or less, a late payment fee will not be added. In the event of a billing error, late payment fees will be removed from the account as determined by RPU staff.

PAYMENT OPTIONS

Budget Payment Plan

RPU offers a voluntary ***Budget Payment Plan*** as a convenience for qualifying Residential and Small General Service Customers. The Customer must have at least 12 months of utility bills at the service address and their account must be paid in full before signing up for this program. Upon annual reconciliation, credit balances or arrearage may be rolled over into the averaging amount for the upcoming year.

If the Customer becomes delinquent on the ***Budget Payment Plan***, the account will be removed from the ***Budget Payment Plan*** and returned to a regular payment status. Delinquencies may result in further collection action, if the account is not brought current. Customers that voluntarily remove themselves from their ***Budget Payment Plan*** will need 12 months of acceptable credit history to be eligible to go back on the ***Budget Payment Plan***.

The ***Budget Payment Plan*** is a pre-arranged payment schedule and therefore no other payment arrangements are available. Customers disconnected for non-payment are not eligible for the ***Budget Payment Plan***. Customers may become eligible to participate in the ***Budget Payment Plan*** program again after achieving an acceptable credit history as defined below.

Automatic Bill Payments

RPU will accept ***Automatic Bill Payments*** made directly from a Customer's checking or savings account or from a credit/debit card. These payments are withdrawn on the bill Due Date. The customer must fill out a ***Billing Options*** form supplied by RPU Customer Care advisors or online at www.rpu.org. The Customer will receive their monthly utility billing statement showing the payment amount to be withdrawn. The Customer may contact RPU's Customer Care advisors before the amount is withdrawn, if they do not agree with the billing or have questions.

If a Customer's payment is returned for insufficient funds or declined two times within 12 consecutive months, the Customer may be removed from the *Automatic Bill Payments* program. All conditions in the *RETURNED PAYMENTS* section will apply.

Payments on Disputed Amounts

Payments for disputed bills must be sent to or made at the RPU Service Center at 4000 East River Rd NE, Rochester, MN 55906. Payments received through the standard PO Box address that appears on the remittance stub may be returned to the Customer if payments and account balances per the remittance stub(s) do not match.

DEPOSITS

"Deposit" means ~~is an~~ amount that is paid by the Customer to assure payment on their account. ~~If~~ A deposit may be required, it will be based on ~~their~~ a customer's credit rating or previous credit history with RPU and will be set at the time the customer establishes an account or when a disconnect occurs.

~~The deposit amount shall not exceed an estimated two months' gross bill or existing two months' bill where applicable. All deposits shall be in addition to payment of an outstanding bill or a part of such bill as has been resolved to the satisfaction of the utility except where such bill has been discharged in bankruptcy. Deposits may be required for a new Customer, returning Customer or for reconnection of service if it was disconnected for a delinquent balance that is in arrears delinquent amount not paid. A delinquent amount or an arrearage "Arrears" means ~~means~~ the portion of the Customer's account representing charges for utility services or services past due that are past due. RPU considers these amounts past due on the calendar day following the due date on the billing. Payment of arrears is applied to the oldest delinquent balance.~~

All Residential and Commercial Customers are required to pay a Deposit when initiating a new electric and/or water service(s) account or adding a new service to their existing account. The Deposit requirement for Customers will only be waived, if;

- 1) the Customer's credit rating meets the established criteria verified by a third party ~~or~~;
- 2) the Customer has an existing account with an acceptable credit history as defined below ~~or~~;
- 3) the Commercial Customer provides a guarantee. A non-revocable letter of credit can be provided if it is for 36 months and equal to the deposit amount.

The customer must provide and authorize the use of their full and legitimate identity information, including a Social Security Number for an individual, proprietorship, or partnership; or a Federal Employer Identification Number for all persons or entities applying for or guaranteeing payment, to facilitate a credit check. If the customer is unable or unwilling to provide this information, a deposit in accordance with this deposit policy will be required.

The Deposit for Residential Customers will be calculated using the average of the previous 12 month's billing times two at the service address. If the service has been vacant, usage from previous years may be used to calculate the Deposit amount. If a prior history is not available for the service address, a Deposit will be based on use of a like type of Customer.

The Deposit for Commercial Customers will be calculated using the two highest month's bills from the previous 12 months at the service address if this is representative of the anticipated future use. If the service has been vacant, usage from previous years may be used to calculate the Deposit amount. If a prior history is not available for the service address, a Deposit will be based on use of a like type of Customer.

The Deposit payment is due before the service connection date. Refusal or failure by a Customer to satisfy the Deposit requirement(s) will result in discontinuance of service until such time as the Deposit has been paid. When payment is received for the Deposit, a communication will be delivered to the Customer specifying the conditions of when the Deposit will be refunded.

Deposit requirements for previous or existing Customers;

- 1) if a Customer has a previous balance written off as uncollectible and requests new service, the uncollected amount and the Deposit is due on or before the service connection date.

- 2) if a previous Customer, with no service currently, requests new service and they have more than one delinquent payment from their previous service within the most recent 24 months of account history for a Residential Customer or the most recent 36 months of account history for a Commercial Customer, a Deposit is due on or before the service connection date.
- 3) if a person is transferring service from one service address to another and a Deposit is required because of past payment history, the Deposit payment is due on or before the service connection date.
- 4) an existing Customer disconnected for non-payment may have a Deposit or Deposit upgrade required to be paid prior to the service reconnection.

ACCEPTABLE CREDIT HISTORY

An acceptable credit history is defined as meeting all of the requirements defined below within the past 24 months of account history for a Residential account and within the past 36 months of account history for all other accounts:

- No non-pay disconnections
- No more than 1 delinquent notices
- No more than 1 late payments
- No returned checks or declined electronic payments because of insufficient funds or closed accounts
- No delinquent outstanding balance(s) from a prior account
- No bankruptcies within 7 years
- No uncollectible balances outstanding
- No unpaid miscellaneous billings

BANKRUPTCY

Customers who file for bankruptcy will be subject to the bankruptcy law, in effect, at the time of their filing. Customers filing for bankruptcy will be required to provide a Deposit in order to continue service.

INTEREST

Interest on the Deposit will be applied to the Customer's account as a credit on their monthly billing statement at least once each calendar year. The interest rate is calculated and published as provided in Minnesota Statutes, Section 325E.02.

TRANSFERS

Deposits are non-transferable from one applicant to another and are only payable to the original applicant.

REFUNDS

Residential Deposits will be applied as a credit to the Customer's account at the end of 24 consecutive months, if an acceptable credit history has been established.

Commercial Deposits will be applied as a credit to the Customer's account at the end of 36 consecutive months, if an acceptable credit history has been established.

For Customers without an active service, the Deposit and interest will be applied to their final bill. Remaining credit balances will be refunded within 45 days after the termination of service.

RETURNED PAYMENTS

Payments by check or ACH that are returned for non-sufficient funds (NSF), account closed or credit/debits that are declined, may result in the Customer’s account becoming delinquent. The Customer’s account will be assessed a return fee, as established by the *Miscellaneous Fees Schedule*, and *Late Payment Fee*, if applicable.

The account will immediately be subject to the *Disconnection Procedure*. If the Customer has already been notified of a pending disconnection and their payment is returned by their bank, service will be disconnected without further notice.

A Customer with more than two (2) of any combination of the following: NSF or account closed checks, declined ACH payments, or declined credit/debit card payments; within a twelve (12) month period, will be required to make future payments in cash, money order, cashier’s check, wire transfer or credit card until achieving an acceptable credit history as defined above.

OVERPAYMENT & UNDERPAYMENT

In the event a Customer overpays their utility bill, and is not delinquent, the overpaid amount will remain on the account and be applied to the next bill. Overpayments caused by payments made via check or ACH may be subject to a waiting period before a refund is issued to ensure funds clear the Customer’s bank.

For overpayments and underpayments as a result of a billing error, refer to *Adjustment of Utility Services Billed-Adjustment of Utility Services Billed*

Partial payments, although accepted, will not prevent disconnection of utility service(s) unless other payment arrangements are made with RPU staff.

UTILITY PAYMENT ARRANGEMENTS FOR RESIDENTIAL AND COMMERCIAL CUSTOMERS (NON MILITARY PERSONNEL)

Payment arrangements for past due balances are slightly different from a budget billing plan, because your average usage is not calculated. Under a payment arrangement, you will continue to pay for your monthly usage but will have to include an additional amount to go toward the past due balance.

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Attachment: Billing Credit and Collections Policy_updates_92021 KB (13889 : Billing, Credit and Collections Policy)

- A. Commercial Customers. Commercial customers that are disconnected for non-payment may request a payment arrangement. Payment arrangements for commercial customers shall be negotiated using a reasonable amount of time - not to exceed six months - for a commercial customer. Requests to exceed six months shall be escalated to the Chief Financial Officer or the Chief Customer Relations Officer for approval.
- B. Residential Customers. Minnesota Statute Section 216B.098 Subd. 3. states the RPU shall offer a payment agreement for the payment of arrears to all residential customers of public utilities. Customers that are disconnected for non-payment may request a payment arrangement that shall be negotiated using a reasonable amount of time not to exceed six months. Requests to exceed six months shall be escalated to the Chief Financial Officer ofr the Chief Customer Relations Officer. As set forth in the statute, RPU personnel negotiating payment agreements will consider a customer's financial circumstances and any extenuating circumstances of the household. All payment arrangements shall include a reconnection fee and a minimum payment of three months of arrears.
- C. No additional service deposit may be charged as a consideration to continue service to a customer who has entered into and maintains an accepted payment agreement in a reasonable fashion. A customer who is disconnected for non-payment and has broken a payment arrangement, will be charged a deposit to reconnect the service, in accordance with the Billing, Credit and Collections policy.

~~d. Customers that break a payment arrangement two times will pay the full balance due before reconnection.~~

E. If a customer defaults on the agreed upon payment arrangement, their account will be flagged and the customer will be given one additional opportunity within the term (period) of the original payment arrangement to set up a new payment arrangement on the outstanding balance. If the customer does not make the payments as determined in the payment arrangement agreement, RPU has the option to disconnect their service for nonpayment following the normal disconnection process in place. Once service is disconnected, we may require full past due amounts, additional deposit and a disconnection/reconnection fee in order to restore services.

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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.

DELINQUENT ACCOUNTS AND DISCONNECTION OF SERVICE

PAST DUE ACCOUNTS

Unpaid accounts shall be considered past due on the first calendar day following the Due Date. _

COLLECTION OF PAST DUE ACCOUNTS

When all administrative efforts at collecting a past due account have been exhausted, alternative collection methods may be used, including but not limited to legal action, utilizing collection agencies, and/or submitting a claim to the Local, State or Federal Revenue Recapture Programs.

RPU also reserves the right to assess delinquent electric, water, and/or any billings on behalf of the City or other City Department charges incurred by the property owner, against the property,

with Olmsted County through approved legal process for assessment, according to all state and local laws.

DISCONNECTION OF SERVICE

RPU shall attempt to collect delinquent accounts promptly. Where satisfactory arrangements for payment have not been made, and after notification requirements have been complied with, utility services will be disconnected. [Please refer to the Involuntary Disconnection Policy for more detailed information.](#)

Emergency Situations

Where it is necessary that the utility service be temporarily disconnected or connected to protect health, life or property, RPU will, at its discretion, take such action without charge or notice to the Customer.

COLD WEATHER RULE

From October ~~15-1~~ to April ~~15~~30, RPU acknowledges and complies with the State of Minnesota Cold Weather Rule for Municipal Utilities under Minnesota Statutes, Section 216B.097.

DECEASED CUSTOMER

Upon death of a Customer, the service will be removed from that person's name as quickly as possible. As soon as the death of a Customer is known, RPU will send the family a letter giving them a sixty (60) day notice that the name needs to be changed on the account. In the event that service is not transferred within sixty (60) days, RPU reserves the right to discontinue service and apply the Deposit (if applicable) to all outstanding balances owed to RPU in the name of the deceased individual's account.

DISPUTES AND APPEAL

DISPUTED PROCESS

The Customer may dispute a bill that they feel is in error by calling or writing to RPU. We will investigate all disputes. We will not disconnect a service for non-payment of a disputed bill provided: (1) the Customer notifies us before the bill is delinquent and (2) the Customer pays all other undisputed charges when due.

APPEAL PROCESS

When a Customer is dissatisfied with action taken on his or her dispute, he or she has the right to appeal. A detailed written notice of the issue must be received by RPU within 30 days of the initial dispute. The appeal will be reviewed by RPU management to decide whether or not RPU policies and procedures have been administered properly on the Customer's behalf. Management will respond to the Customer with their findings and any further course of action, if needed.

METER TAMPERING

TAMPERING/THEFT

RPU follows Minnesota Statutes, Sections 325E.026 and 609.52 with regards to the unauthorized use of Utility meters and theft of service.

All connections to RPU’s service equipment shall be made by RPU or RPU authorized personnel only. Unauthorized connections to or tampering with any RPU meter, associated equipment or meter seals, or indications or evidence thereof subjects the Customer to immediate discontinuance of service, prosecution under the laws of Minnesota, adjustment of prior bills for services rendered, and reimbursement to RPU for all legal and other expenses incurred on the account. Prior to service reconnection, Customer will be required to have an inspection of the meter completed at their own expense.

EFFECTIVE DATE OF POLICY: July 24, 1990

DATE OF POLICY REVISION: ~~December 17, 2019~~
September 28, 2021

~~POLICY APPROVAL~~ ~~May 25, 2021~~
September 28, 2021

~~POLICY APPROVAL:~~

Board President

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Attachment: Billing Credit and Collections Policy_updates_92021 KB (13889 : Billing, Credit and Collections Policy)

ROCHESTER PUBLIC UTILITIES BOARD POLICY STATEMENT

POLICY SUBJECT: Billing, Credit, and Collections

POLICY OBJECTIVE

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Budget Billing Plan

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If the customer becomes delinquent on the ***Budget Billing Plan***, the account will be removed from the ***Budget Billing Plan*** and returned to a regular payment status. Delinquencies may result in further collection action, if the account is not brought current. Customers that voluntarily remove themselves from their ***Budget Billing Plan*** will need 12 months of acceptable credit history to be eligible to go back on the ***Budget Billing Plan***.

The ***Budget Billing Plan*** is a pre-arranged payment schedule and therefore no other payment arrangements are available. Customers disconnected for non-payment are not eligible for the ***Budget Billing Plan***. Customers may become eligible to participate in the ***Budget Billing Plan*** program again after achieving an acceptable credit history as defined below.

Automatic Bill Payments

RPU will accept ***automatic bill payments*** made directly from a customer's checking or savings account or from a credit/debit card. These payments are withdrawn on the bill due date. The customer must fill out a ***Billing Options*** form supplied by RPU Customer Care advisors or online at www.rpu.org. The customer will receive their monthly utility billing statement showing the payment amount to be withdrawn. The customer may contact RPU's Customer Care advisors before the amount is withdrawn, if they do not agree with the billing or have questions.

If a customer's payment is returned for insufficient funds or declined two times within 12 consecutive months, the customer may be removed from the ***Automatic Bill Payments*** program. All conditions in the ***RETURNED PAYMENTS*** section will apply.

Payments on Disputed Amounts

Payments for disputed bills must be sent to or made at the RPU Service Center at 4000 East River Rd NE, Rochester, MN 55906. Payments received through the standard PO Box address that appears on the remittance stub may be returned to the customer if payments and account balances per the remittance stub(s) do not match.

DEPOSITS

“Deposit” means an amount that is paid by the customer to assure payment on their account. A deposit may be required based on a customer’s credit rating or previous credit history with RPU and will be set at the time the customer establishes an account or when a disconnect occurs.

All deposits shall be in addition to payment of an outstanding bill or a part of such bill as has been resolved to the satisfaction of the utility except where such bill has been discharged in bankruptcy. Deposits may be required for a new customer, returning customer or for reconnection of service if it was disconnected for a delinquent balance that is in arrears.

“Arrears” means the portion of the customer’s account representing charges for utility services or services that are past due. RPU considers these amounts past due on the calendar day following the due date on the billing. Payment of arrears is applied to the oldest delinquent balance.

All residential and commercial customers are required to pay a deposit when initiating a new electric and/or water service(s) account or adding a new service to their existing account. The deposit requirement for customers will only be waived, if;

- 1) the customer’s credit rating meets the established criteria verified by a third party or;
- 2) the customer has an existing account with acceptable credit history as defined below, or;
- 3) the commercial customer provides a guarantee. A non-revocable letter of credit can be provided if it is for 36 months and equal to the deposit amount.

The customer must provide and authorize the use of their full and legitimate identity information, including a Social Security Number for an individual, proprietorship, or partnership; or a Federal Employer Identification Number for all persons or entities applying for or guaranteeing payment, to facilitate a credit check. If the customer is unable or unwilling to provide this information, a deposit in accordance with this deposit policy will be required.

The deposit for residential customers will be calculated using the average of the previous 12 month’s billing times two at the service address. If the service has been vacant, usage from previous years may be used to calculate the deposit amount. If a prior history is not available for the service address, a deposit will be based on use of a like type of customer.

The deposit for commercial customers will be calculated using the two highest month’s bills from the previous 12 months at the service address if this is representative of the anticipated future use. If the service has been vacant, usage from previous years may be used to calculate the deposit amount. If a prior history is not available for the service address, a deposit will be based on use of a like type of customer.

The deposit payment is due before the service connection date. Refusal or failure by a customer to satisfy the deposit requirement(s) will result in discontinuance of service until such time as the deposit has been paid. When payment is received for the deposit, a communication will be delivered to the customer specifying the conditions of when the deposit will be refunded.

Deposit requirements for previous or existing customers

- 1) If a customer has a previous balance written off as uncollectible and requests new

service, the uncollected amount and the deposit is due on or before the service connection date.

- 2) If a previous customer, with no service currently, requests new service and they have more than one delinquent payment from their previous service within the most recent 24 months of account history for a residential customer or the most recent 36 months of account history for a commercial customer, a deposit is due on or before the service connection date.
- 3) If a person is transferring service from one service address to another and a deposit is required because of past payment history, the deposit payment is due on or before the service connection date.
- 4) An existing customer disconnected for non-payment may have a deposit or deposit upgrade required to be paid prior to the service reconnection.

ACCEPTABLE CREDIT HISTORY

An acceptable credit history is defined as meeting all of the requirements defined below within the past 24 months of account history for a residential account and within the past 36 months of account history for all other accounts:

- No non-pay disconnections
- No more than 1 delinquent notice
- No more than 1 late payment
- No returned checks or declined electronic payments because of insufficient funds or closed accounts
- No delinquent outstanding balance(s) from a prior account
- No bankruptcies within 7 years
- No uncollectible balances outstanding
- No unpaid miscellaneous billings

BANKRUPTCY

Customers who file for bankruptcy will be subject to the bankruptcy law in effect at the time of their filing. Customers filing for bankruptcy will be required to provide a deposit in order to continue service.

INTEREST

Interest on the deposit will be applied to the customer's account as a credit on their monthly billing statement at least once each calendar year. The interest rate is calculated and published as provided in Minnesota Statutes, Section 325E.02.

TRANSFERS

Deposits are non-transferable from one applicant to another and are only payable to the original applicant.

REFUNDS

Residential deposits will be applied as a credit to the customer's account at the end of 24 consecutive months, if an acceptable credit history has been established.

Commercial deposits will be applied as a credit to the customer's account at the end of 36 consecutive months, if an acceptable credit history has been established.

For customers without an active service, the deposit and interest will be applied to their final bill. Remaining credit balances will be refunded within 45 days after the termination of service.

RETURNED PAYMENTS

Payments by check or ACH that are returned for non-sufficient funds (NSF), account closed or credit/debits that are declined, may result in the customer's account becoming delinquent. The customer's account will be assessed a return fee, as established by the *Miscellaneous Fees Schedule*, and *Late Payment Fee*, if applicable.

The account will immediately be subject to the *Disconnection Procedure*. If the customer has already been notified of a pending disconnection and their payment is returned by their bank, service will be disconnected without further notice.

A customer with more than two (2) of any combination of the following: NSF or account closed checks, declined ACH payments, or declined credit/debit card payments; within a twelve (12) month period, will be required to make future payments in cash, money order, cashier's check, wire transfer or credit card until achieving an acceptable credit history as defined above.

OVERPAYMENT & UNDERPAYMENT

In the event a customer overpays their utility bill, and is not delinquent, the overpaid amount will remain on the account and be applied to the next bill. Overpayments caused by payments made via check or ACH may be subject to a waiting period before a refund is issued to ensure funds clear the customer's bank.

For overpayments and underpayments as a result of a billing error, refer to *Adjustment of Utility Services Billed*.

Partial payments, although accepted, will not prevent disconnection of utility service(s) unless other payment arrangements are made with RPU staff.

UTILITY PAYMENT ARRANGEMENTS FOR RESIDENTIAL AND COMMERCIAL CUSTOMERS (NON MILITARY PERSONNEL)

Payment arrangements for past due balances are slightly different from a budget billing plan, because the average usage is not calculated. Under a payment arrangement, the customer will continue to pay for monthly usage but will have to include an additional amount to go toward the past due balance.

- A. Commercial Customers. Commercial customers that are disconnected for non-payment may request a payment arrangement. Payment arrangements for commercial customers shall be negotiated using a reasonable amount of time - not to exceed six months - for a commercial customer. Requests to exceed six months shall be escalated to the Chief Financial Officer or the Chief Customer Relations Officer for approval.

- B. Residential Customers. Minnesota Statute Section 216B.098 Subd. 3. states that RPU shall offer a payment agreement for the payment of arrears to all residential customers of public utilities. Customers that are disconnected for non-payment may request a payment arrangement that shall be negotiated using a reasonable amount of time not to exceed six months. Requests to exceed six months shall be escalated to the Chief Financial Officer or the Chief Customer Relations Officer. As set forth in the statute, RPU personnel negotiating payment agreements will consider a customer's financial circumstances and any extenuating circumstances of the household. All payment arrangements shall include a reconnection fee and a minimum payment of three months of arrears.
- C. No additional service deposit may be charged as a consideration to continue service to a customer who has entered into and maintains an accepted payment agreement in a reasonable fashion. A customer who is disconnected for non-payment and has broken a payment arrangement, will be charged a deposit to reconnect the service, in accordance with the Billing, Credit and Collections policy.
- D. If a customer needs to change the terms of the payment arrangements, RPU will work with customers on those changes, so long as the customer reaches out to RPU prior to breaking an established arrangement.
- E. If a customer defaults on the agreed upon payment arrangement, their account will be flagged and the customer will be given one additional opportunity within the term (period) of the original payment arrangement to set up a new payment arrangement on the outstanding balance. If the customer does not make the payments as determined in the payment arrangement agreement, RPU has the option to disconnect their service for nonpayment following the normal disconnection process in place. Once service is disconnected, we may require full past due amounts, additional deposit and a disconnection/reconnection fee in order to restore services.

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.

DELINQUENT ACCOUNTS AND DISCONNECTION OF SERVICE

PAST DUE ACCOUNTS

Unpaid accounts shall be considered past due on the first calendar day following the due date.

COLLECTION OF PAST DUE ACCOUNTS

When all administrative efforts at collecting a past due account have been exhausted, alternative collection methods may be used, including but not limited to legal action, utilizing collection agencies, and/or submitting a claim to the local, state or Federal Revenue Recapture Programs.

RPU also reserves the right to assess delinquent electric, water, and/or any billings on behalf of the City or other City Department charges incurred by the property owner, against the property with Olmsted County through approved legal process for assessment, according to all state and local laws.

DISCONNECTION OF SERVICE

RPU shall attempt to collect delinquent accounts promptly. Where satisfactory arrangements for payment have not been made, and after notification requirements have been complied with, utility services will be disconnected. Please refer to the Involuntary Disconnection Policy for more detailed information.

Emergency Situations

Where it is necessary that the utility service be temporarily disconnected or connected to protect health, life or property, RPU will, at its discretion, take such action without charge or notice to the customer.

COLD WEATHER RULE

From October 1 to April 30, RPU acknowledges and complies with the State of Minnesota Cold Weather Rule for Municipal Utilities under Minnesota Statutes, Section 216B.097.

DECEASED CUSTOMER

Upon death of a customer, the service will be removed from that person's name as quickly as possible. As soon as the death of a customer is known, RPU will send the family a letter giving them a sixty (60) day notice that the name needs to be changed on the account. In the event that service is not transferred within sixty (60) days, RPU reserves the right to discontinue service and apply the deposit (if applicable) to all outstanding balances owed to RPU in the name of the deceased individual's account.

DISPUTES AND APPEAL

DISPUTED PROCESS

The customer may dispute a bill that they feel is in error by calling or writing to RPU. We will investigate all disputes. We will not disconnect a service for non-payment of a disputed bill provided: (1) the customer notifies us before the bill is delinquent and (2) the customer pays all other undisputed charges when due.

APPEAL PROCESS

When a customer is dissatisfied with action taken on his or her dispute, he or she has the right to appeal. A detailed written notice of the issue must be received by RPU within 30 days of the initial dispute. The appeal will be reviewed by RPU management to decide whether or not RPU policies and procedures have been administered properly on the customer's behalf. Management will respond to the customer with their findings and any further course of action, if needed.

METER TAMPERING

TAMPERING/THEFT

RPU follows Minnesota Statutes, Sections 325E.026 and 609.52 with regards to the unauthorized use of utility meters and theft of service. All connections to RPU's service equipment shall be made by RPU or RPU-authorized personnel only. Unauthorized connections to or tampering with any RPU meter, associated equipment or meter seals, or indications or evidence thereof subjects the customer to immediate discontinuance of service, prosecution under the laws of Minnesota, adjustment of prior bills for services rendered, and reimbursement to RPU for all legal and other expenses incurred on the account. Prior to service reconnection, the customer will be required to have an inspection of the meter completed at their own expense.

EFFECTIVE DATE OF POLICY:

July 24, 1990

DATE OF POLICY REVISION:

September 28, 2021

POLICY APPROVAL

September 28, 2021

Board President

Date



RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve the Billing, Credit and Collections Policy.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 28th day of September, 2021.

President

Secretary

FOR BOARD ACTION

Agenda Item # (ID # 13892)

Meeting Date: 9/28/2021

SUBJECT: Involuntary Disconnection Policy

PREPARED BY: Peter Hogan

ITEM DESCRIPTION:

Staff has worked with the board's finance committee in updating the Involuntary Disconnection policy to include statutory changes to the Cold Weather Rule dates, to add automated metering infrastructure (AMI), to remove a section regarding payment arrangements that was added to the Billing, Credit and Collections policy, to update the appeal process, to increase the disconnection time period from 20 to 30 days after notice, and to add language to the enforcement section that includes guidance from Minnesota statutes.

Staff will be available to answer any questions the board may have regarding the changes to the policy. If the full board is in agreement, staff requests the board approve the amended Involuntary Disconnection policy.

UTILITY BOARD ACTION REQUESTED:

Approve the revised Involuntary Disconnection policy.

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 30~~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.

Commented [P1]: Is the reference to Load limiter the Statute or an additional restriction we are putting ourselves.

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.

Commented [P2]: Should this be likely to pay Vs Weatherization will not pay the energy bill?

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

(a) 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.

(b) At the same time that notice is given under paragraph (a), RPU must also give written or electronic notice of proposed disconnection(s) to the local energy assistance provider and the Minnesota Department of Commerce.

C. Restrictions, if involuntary disconnection is necessary

If a residential customer must be involuntarily disconnected remotely using advanced metering infrastructure or physically at the property being disconnected - between October 15 and April 30 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 20-30 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 attempts to confirm whether the residential unit is actually occupied, which RPU may accomplish by:

- 1) visiting the residential unit; or
- 2) examining energy usage data obtained through advanced metering infrastructure

Commented [BM3]: In the statute it states "Notice to residential customer facing disconnection"; it doesn't include "involuntary". Do we want to include it? Open to either way.

Commented [VM4]: Maybe include it, but remove the word involuntary?

Commented [PH5]: Its consistent with the name of the policy

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Commented [BM6]: Same as above with the "involuntary"

Commented [VM7]: Same comment as above - remove involuntary?

Commented [VM8]: Should be 1 (not 11)

Commented [P9]: Is this required by Statute? We should remove this restriction if not required.

Commented [P10]: Same comment as this a Statute requirement. Policy should not put additional restrictions on RPU required by Statute. This gives us the flexibility to have a practice that we can change when needed.

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(AMI) to determine whether there is energy usage over at least a 24-hour period that indicates occupancy.

~~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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- Commented [PH11]:** Per discussion with Mikki, Meli and I figured we could delete since RPU would have follow all of the requirements above prior to actual disconnection
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- Commented [BM12]:** Where does this come from? see it referenced anywhere in the statute.
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Department of an impending disconnection.

RPU will not disconnect a residential customer who is in compliance with section 216B.098, subd. 5 in regards to medically necessary equipment. Please refer to RPU's Life Support policy for additional information.

If, prior to disconnection, a customer appeals a notice of involuntary disconnection, as provided within by RPU's Billing, Credit, and Collections policy established appeal procedure, RPU will not disconnect until the appeal is resolved.

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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.

~~UTILITY PAYMENT ARRANGEMENTS FOR RESIDENTIAL AND COMMERCIAL CUSTOMERS (NON-MILITARY PERSONNEL)~~

~~Commercial Customers. Commercial customers that are disconnected for non-payment may request a payment arrangement. Payment arrangements for commercial customers shall be negotiated using a reasonable amount of time not to exceed six months for a commercial customer. Requests to exceed six months shall be escalated to the Chief Financial Officer or the Chief Customer Relations Officer for approval.~~

~~Residential Customers. Minnesota Statute Section 216B.098 Subd. 3, states the RPU shall offer a payment agreement for the payment of arrears to all residential customers of public utilities. Customers that are disconnected for non-payment may request a payment arrangement that shall be negotiated using a reasonable amount of time not to exceed six months. Requests to exceed six months shall be escalated to the Chief Financial Officer of the Chief Customer Relations Officer. As set forth in the statute, RPU personnel negotiating payment agreements will consider a customer's financial circumstances and any extenuating circumstances of the household. All payment arrangements shall include a reconnection fee and a minimum payment of three months of arrears.~~

~~No additional service deposit may be charged as a consideration to continue service to a customer who has entered into and maintains an accepted payment agreement in a reasonable fashion. A customer who is disconnected for non-payment and has broken a payment arrangement, will be charged a deposit to reconnect the service, in accordance with the Billing, Credit and Collections policy.~~

~~d. Customers that break a payment arrangement two times will pay the full balance due before reconnection.~~

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~~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~~

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~~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

~~A residential customer has the right to dispute or appeal in the event RPU and the residential customer are unable to agree on the establishment, reasonableness, or modification of a payment schedule, as stated in the Disputes and Appeal - provided within this section, by following in RPU's Billing, Credit -and Collections policy.~~

~~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 will not disconnect service while a payment schedule is pending appeal, or until any appeal involving payment schedules has been determined by the~~

~~commission.~~

Enforcement

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This section may be enforced pursuant to chapter 216B.

4. DISCONNECTIONS FROM MAY 1 TO SEPTEMBER 30

Service disconnections between May 1 and September 30 will follow RPU's Billing, Credit, and Collections policy.

RPU strives to support customers as stated in the Customer Relations policy. RPU management will use discretion to organize the disconnection process in such a manner that takes into account the staffing capabilities, the number of customer delinquencies, and the severity of the delinquencies. RPU will strive, at all times, to be consistent within customer classes.

~~TWO statutes Melissa had mentioned.~~

5. PERMISSIBLE SERVICE DISCONNECTION WITH NOTICE

Per guidance from Minnesota Administrative Rule 7820.1000, RPU will perform disconnections of service with notice to any customer for any reason stated below:

- A. for failure of the customer to pay a bill for utility service;
- B. for failure of the customer to meet the utility's deposit and credit requirements;
- C. for customer's violation of any of the utility's rules;
- D. for failure of the customer to provide the utility reasonable access to its equipment and property;
- E. or for other situations listed in Minnesota statutes and rules.

6. PERMISSIBLE SERVICE DISCONNECTION WITHOUT NOTICE

Per guidance from Minnesota Administrative Rule 7820.1100, RPU will perform disconnections of service without notice to any customer for any reason stated below:

- A. in the event of an unauthorized use of or tampering with the utility's equipment; or
- B. in the event of a condition determined to be hazardous to the customer, to other customers of the utility, to the utility's equipment or to the public.

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:	September 10, 1991	B
Date of Policy Revision:	April 24, 2018 September 28, 2021	oard
Policy Approval:	April 24, 2018 September 28, 2021	President

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Commented [VM16]: The policy is still listed as C Relations online.

Commented [PH17]: Melissa do you want to put information in here?

Commented [BM18]: This is guidance from a Min Administrative rule that refers to statutory authority. It was good to highlight some that really pertain to us I just listed E as other. Let me know what you guys th

Commented [P19]: Should this section be in the C Credit and Collections policy? Seems this policy is foc CWR and is then referencing Billing Credit and Collect periods outside the CWR. Good to have everything in place.

Commented [VM20]: I think that's helpful inform see this information as great back up when working th disputes!

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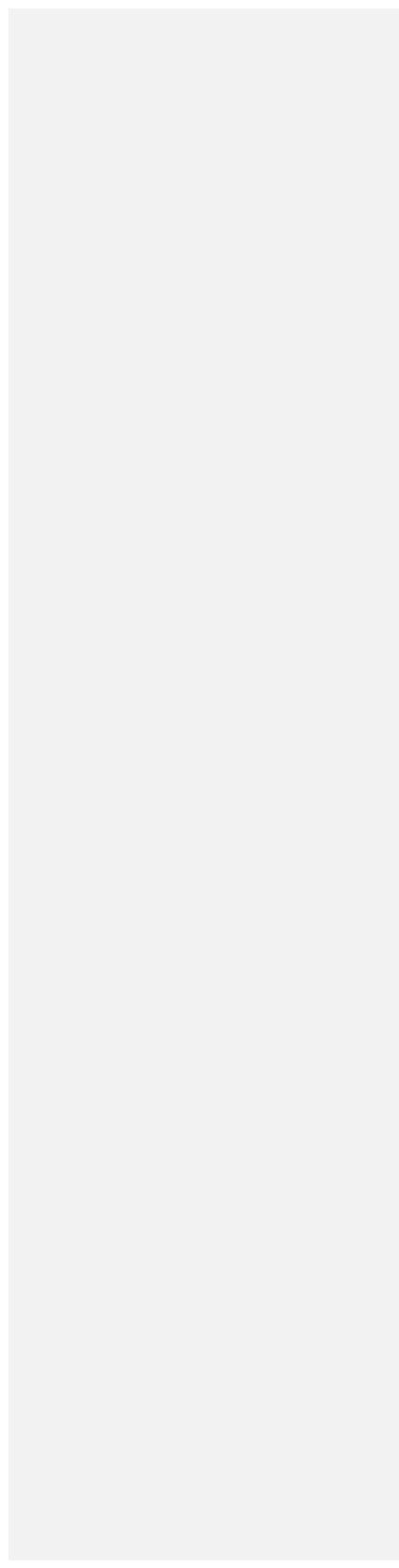
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ROCHESTER PUBLIC UTILITIES
BOARD POLICY STATEMENT

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 reconnect the utility service of a residential customer during the period between October 1 and April 30, 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 1 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

- (1) Before disconnecting service to a residential customer during the period between October 1 and April 30, RPU will provide the following information to a customer:
 - (a) a notice of proposed disconnection;
 - (b) a statement explaining the customer's rights and responsibilities;
 - (c) a list of local energy assistance providers;
 - (d) a form on which to declare inability to pay; and
 - (e) a statement explaining available time payment plans and other opportunities to secure continued utility service.
- (2) At the same time that notice is given under paragraph (1), RPU must also give written or electronic notice of proposed disconnection(s) to the local energy assistance provider and the Minnesota Department of Commerce.

C. Restrictions, if involuntary disconnection is necessary

- (1) If a residential customer must be involuntarily disconnected remotely using advanced metering infrastructure or physically at the property being disconnected between October 1 and April 30 for failure to comply with section 1A, the disconnection will not occur:
 - (a) 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;
 - (b) on a weekend, holiday, or the day before a holiday;
 - (c) when RPU offices are closed; or
 - (d) 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.
- (2) Further, the disconnection will not occur until at least 30 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.

- (3) The customer will not be disconnected until RPU attempts to confirm whether the residential unit is actually occupied, which RPU may accomplish by:
 - (a) visiting the residential unit;
 - (b) examining energy usage data obtained through advanced metering infrastructure (AMI) to determine whether there is energy usage over at least a 24-hour period that indicates occupancy.
- (4) RPU will not disconnect a residential customer who is in compliance with section 216B.098, subd. 5 in regards to medically necessary equipment. Please refer to RPU's Life Support policy for additional information.
- (5) If, prior to disconnection, a customer appeals a notice of involuntary disconnection, as provided within RPU's Billing, Credit, and Collections policy, 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.

A. **Appeal process**

A residential customer has the right to dispute or appeal in the event RPU and the residential customer are unable to agree on the establishment, reasonableness, or modification of a payment schedule as stated in the Disputes and Appeal section in RPU's Billing, Credit and Collections policy. RPU will not disconnect service while a payment schedule is pending appeal.

B. **Enforcement**

This section may be enforced pursuant to chapter 216B.

3. **DISCONNECTIONS FROM MAY 1 TO SEPTEMBER 30**

Service disconnections between May 1 and September 30 will follow RPU's Billing, Credit, and Collections policy.

RPU strives to support customers as stated in the Customer Relations policy. RPU management will use discretion to organize the disconnection process in such a manner that takes into account the staffing capabilities, the number of customer delinquencies, and the severity of the delinquencies. RPU will strive, at all times, to be consistent within customer classes.

4. **PERMISSIBLE SERVICE DISCONNECTION WITH NOTICE**

Per guidance from Minnesota Administrative Rule 7820.1000, RPU will perform disconnections of service with notice to any customer for any reason stated below:

- A. for failure of the customer to pay a bill for utility service;
- B. for failure of the customer to meet the utility's deposit and credit requirements

- C. for customer’s violation of any of the utility’s rules;
- D. for failure of the customer to provide the utility reasonable access to its equipment and property;
- E. or for other situations listed in Minnesota statutes and rules.

5. PERMISSIBLE SERVICE DISCONNECTION WITHOUT NOTICE

Per guidance from Minnesota Administrative Rule 7820.1100, RPU will perform disconnections of service without notice to any customer for any reason stated below:

- A. in the event of an unauthorized use of or tampering with the utility’s equipment;
- B. in the event of a condition determined to be hazardous to the customer, to other customers of the utility, to the utility’s equipment or to the public.

Effective Date of Policy:	September 10, 1991
Date of Policy Revision:	September 28, 2021
Policy Approval:	September 28, 2021

Board President

Date

Attachment: Involuntary Disconnection - edits CB clean (13892 : Involuntary Disconnection Policy)



RESOLUTION

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

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 28th day of September, 2021.

President

Secretary

FOR BOARD ACTION

Agenda Item # (ID # 13891)

Meeting Date: 9/28/2021

SUBJECT: Request for Additional Manhole Rebuild Funds

PREPARED BY: Randy Anderton

ITEM DESCRIPTION

Staff is seeking approval to add \$75,976.66 in change orders to Purchase Order 11533 for contract 21-31 with Mastec North America, for Manhole (MH) Rebuild 2021, approved by the board at the April 27, 2021 meeting. MH 530 (\$52,905.33) and MH 531 (\$36,110.33) were not originally planned, but needed to be added to the project due to the Broadway reconstruction project, and had to be completed as the project was happening. There were also some overage's due to additional linear feet of asbestos abatement in MH 203, along with some additional curb and concrete work for MH 59 (\$25,000 Est.). The board originally approved \$270,000 for this project. The current total is now at \$345,976.66.

Original Contract Award =	\$231,961.00	Total	\$345,976.66
Change order totals	= \$114,015.66	Approved	-\$270,000.00
Revised total	=\$345,976.66		=\$75,976.66

The funds for the additional \$75,976.66 exist in the 2021 Roadway Allocation budget within Cost Center 116.

Staff requests the board approve the additional funds to allow the project to be completed.

UTILITY BOARD ACTION REQUESTED:

Approve adding \$75,976.66 in funds to purchase order 11533 for contract 21-31 with Mastec North America, for Manhole Rebuild 2021.



RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve adding \$75,976.66 in funds to purchase order 11533 for contract 21-31 with Mastec North America, for Manhole Rebuild 2021.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 28th day of September, 2021.

President

Secretary

FOR BOARD ACTION

Agenda Item # (ID # 13884)

Meeting Date: 9/28/2021

SUBJECT: Preliminary 2022 Electric Utility Budget Update

PREPARED BY: Peter Hogan

ITEM DESCRIPTION:

During the September 2021 Southern Minnesota Municipal Power Agency (SMMPA) Board meeting, our wholesale power provider indicated that they are recommending an increase to the cash distribution in 2022 and no change to the wholesale rate. The final approval of a distribution is scheduled to be voted on during the October SMMPA Board meeting.

The 2022 electric utility general rate increase recommendation of 2.5% anticipated a 2% reduction in the wholesale power rate which would get passed on through the power cost adjustment (PCA) each month. A cash distribution will not flow through the PCA. To adjust for this change in 2022, management is recommending reducing the recommended general rate increase to 1.5%. Individual rate classes will vary from the general rate increase based on the cost of service study recommendations. This recommendation will result in the overall dollar impact being the same as originally proposed for customers.

Staff will be available to present and receive input on the proposed budgets.

UTILITY BOARD ACTION REQUESTED:

Request Board approval to give public notice of the new proposed rate changes for the Electric Utilities.

Budget approval will be requested at the October 26, 2021 RPU Board meeting. Council approval will be requested on December 6, 2021, based on the Council's current budget schedule.

ROCHESTER PUBLIC UTILITIES

2022

ELECTRIC UTILITY

OPERATING BUDGET

**ROCHESTER PUBLIC UTILITIES
ELECTRIC UTILITY
2022 OPERATING BUDGET**

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Attachment: 2022 Board Packet EIC 2021 09 28 (13884 : Preliminary 2022 Electric Utility Budget Update)

**ROCHESTER PUBLIC UTILITIES
ELECTRIC UTILITY
2022 OPERATING BUDGET**

BASIC ASSUMPTIONS

- Cost center budgets and non-bonded projects set at level used in cost-of-service study
- Other than specifically identified projects, no assumptions have been made with regards to DMC
- Interest Earnings Rate: 1.80%
- Average Salary Expense Change: 3.5%
(excluding headcount additions) (consists of COLA, merit and promotion increases)
- Anticipated Bonding \$18,000,000 in 2023 (AMI)
- Change in Full-time Equivalents: 1 incremental, 2 contract conversions
- SMMPA Wholesale Power Cost: 0.0% increase
- SMMPA CROD Level: 216 MW
- Minimum Cash Reserve Requirement: Current policy amount \$52,102,400

RETAIL REVENUES / SALES

- Revenue Adjustment: 1.5% proposed
- Electric KWH Sales Forecast: 1.0 % Increase from 2021 Year End Projected Sales
- Total Electric Utility Customers: 1.6% Increase over Year End 2021 Projected Customers
- Forecast Assumes Normal Weather : 30 Yr Average Heating/Cooling Degree Days per Year

WHOLESALE FUEL COSTS

- Estimated Cost of Fuel 2022 \$3.61 / mcf
- Budgeted Cost of Fuel 2021 F2 \$4.77 / mcf

OTHER ITEMS

- In Lieu of Tax forecast increasing \$303,803 to a total of \$9,009,578.

Attachment: 2022 Board Packet Eic 2021 09 28 (13884 : Preliminary 2022 Electric Utility Budget Update)

**ROCHESTER PUBLIC UTILITIES
ELECTRIC UTILITY
Management Reporting P&L**

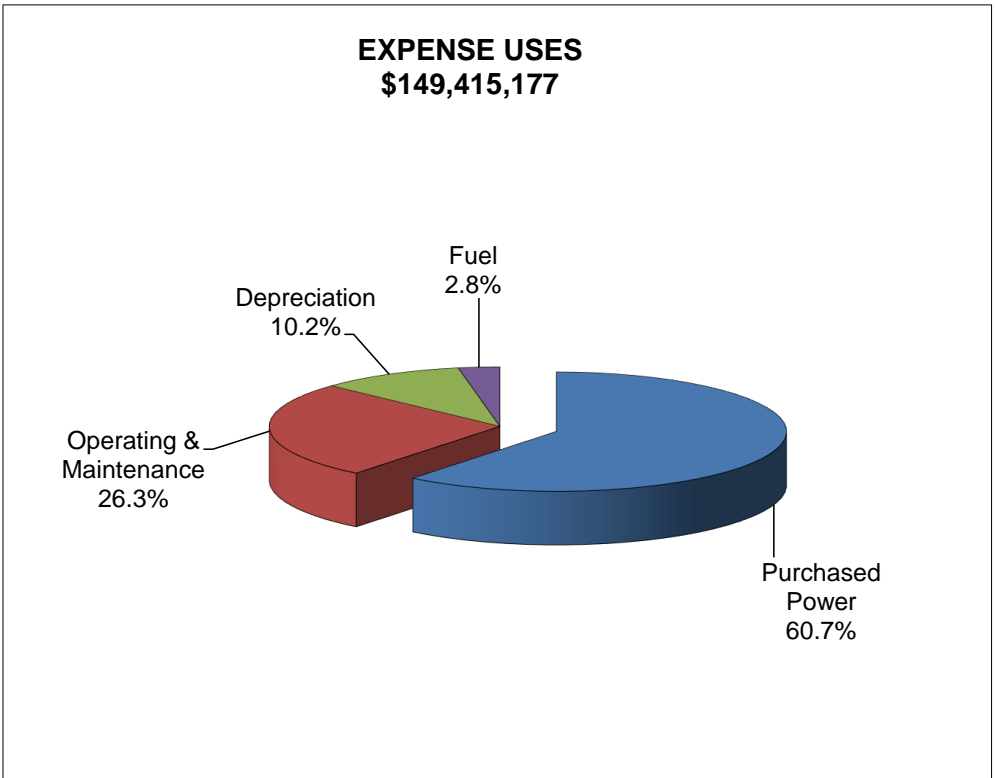
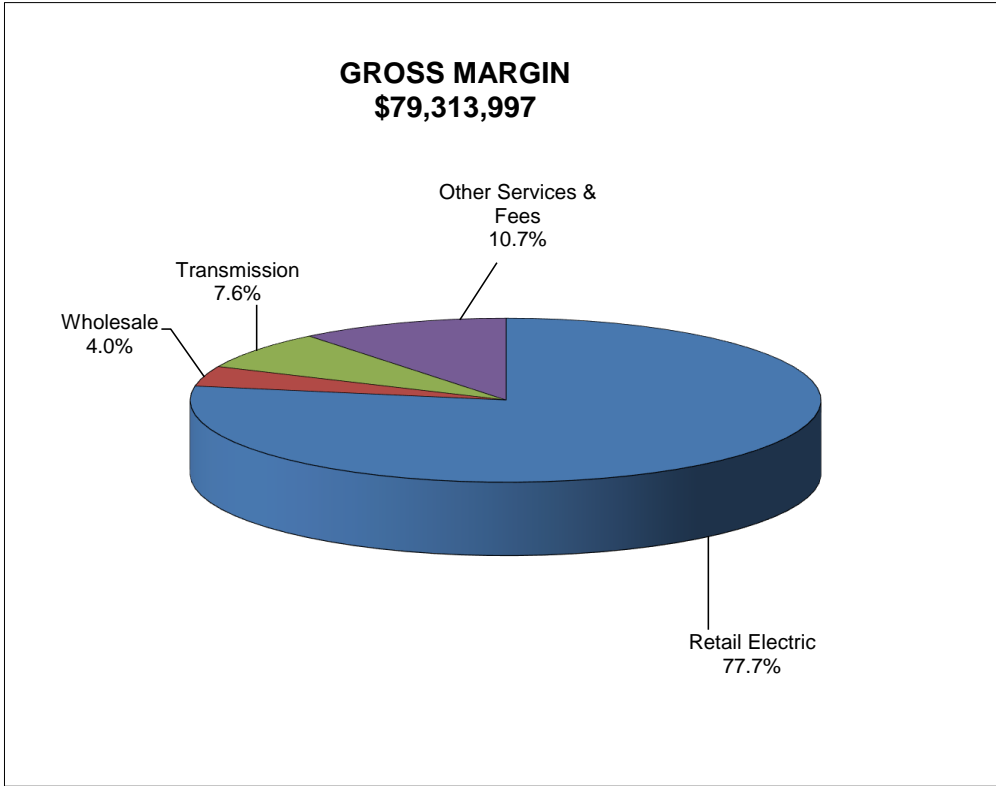
	Historical Data		2021 F2					
	2019	2020		2022	2023	2024	2025	2026
in 000's								
RPU Rate Increase	1.9%	0.0%	0.0%	1.5%	2.5%	2.5%	2.5%	2.5%
1 Revenue								
2 Retail Electric	\$147,940	\$143,975	\$151,713	\$152,326	\$155,871	\$160,831	\$164,729	\$168,723
3 Wholesale Electric	\$2,503	\$1,939	\$3,880	\$3,310	\$3,856	\$3,856	\$3,856	\$3,856
4 Wholesale Steam	\$3,810	\$4,812	\$5,951	\$4,167	\$3,824	\$3,824	\$3,824	\$3,824
5 Transmission	\$5,580	\$11,152	\$6,148	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000
6 Other Services & Fees	\$5,061	\$7,315	\$3,543	\$8,512	\$5,257	\$5,305	\$5,353	\$5,402
7 Total Revenue	\$164,893	\$169,193	\$171,236	\$174,315	\$174,808	\$179,816	\$183,763	\$187,806
8 Cost of Revenue								
9 Power Supply	\$89,722	\$85,673	\$90,253	\$90,673	\$91,248	\$91,870	\$92,379	\$92,849
10 Generation Fuel	\$3,780	\$3,784	\$6,187	\$4,328	\$4,179	\$4,163	\$4,166	\$4,170
11 Total Cost of Revenue	\$93,502	\$89,456	\$96,440	\$95,001	\$95,427	\$96,033	\$96,546	\$97,019
12 Gross Margin								
13 Retail Electric	\$58,218	\$58,302	\$61,460	\$61,653	\$64,623	\$68,960	\$72,350	\$75,874
14 Wholesale	\$2,532	\$2,967	\$3,645	\$3,150	\$3,502	\$3,518	\$3,514	\$3,511
15 Transmission	\$5,580	\$11,152	\$6,148	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000
16 Other Services & Fees	\$5,061	\$7,315	\$3,543	\$8,512	\$5,257	\$5,305	\$5,353	\$5,402
17 TOTAL GROSS MARGIN	\$71,391	\$79,737	\$74,795	\$79,314	\$79,382	\$83,783	\$87,217	\$90,787
18 Controllable Costs								
19 Salaries & Benefits	\$24,151	\$24,042	\$24,660	\$28,023	\$29,495	\$30,790	\$31,857	\$33,314
20 Other Operating Expenses	\$9,149	\$8,859	\$10,379	\$10,951	\$11,042	\$11,070	\$11,327	\$11,532
21 Major Maintenance	\$2,881	\$3,112	\$4,606	\$7,549	\$6,489	\$4,414	\$4,445	\$4,151
22 Non-Bonded Capital Projects	\$11,902	\$12,441	\$17,722	\$32,477	\$22,983	\$10,415	\$11,226	\$17,920
23 TOTAL CONTROLLABLE COSTS	\$48,083	\$48,453	\$57,366	\$79,000	\$70,010	\$56,689	\$58,854	\$66,917
24 Depreciation & Amortization	\$14,005	\$14,959	\$15,353	\$15,176	\$15,367	\$15,450	\$16,098	\$16,336
25 Less Non Bonded Projects (capitalized)	(\$11,902)	(\$12,441)	(\$17,722)	(\$32,477)	(\$22,983)	(\$10,415)	(\$11,226)	(\$17,920)
26 Less Total Internal Costs (capitalized)	(\$4,968)	(\$3,696)	(\$6,406)	(\$5,423)	(\$6,389)	(\$6,146)	(\$5,850)	(\$6,745)
27 Interutility Allocation	(\$1,534)	(\$1,737)	(\$1,875)	(\$1,862)	(\$1,899)	(\$1,937)	(\$1,976)	(\$2,016)
28 Total Operating Expenses	\$43,685	\$45,538	\$46,716	\$54,414	\$54,107	\$53,641	\$55,900	\$56,573
29 Net Operating Income (Loss)	\$27,706	\$34,199	\$28,079	\$24,900	\$25,275	\$30,141	\$31,317	\$34,214
30 Financing & Other Non-Operating Items:								
31 Bond & Interest Related Expenses	(\$6,473)	(\$6,421)	(\$5,677)	(\$5,494)	(\$5,325)	(\$6,017)	(\$5,748)	(\$5,459)
32 Interest Income	\$2,685	\$2,180	\$1,490	\$1,965	\$1,982	\$2,101	\$2,221	\$2,332
33 Misc Non-Operating Income (Expense)	(\$201)	(\$6)	(\$17)	(\$24)	(\$24)	(\$25)	(\$25)	(\$26)
34 Total Financing & Non-Operating Items	(\$3,989)	(\$4,248)	(\$4,204)	(\$3,552)	(\$3,367)	(\$3,941)	(\$3,552)	(\$3,152)
35 Income Before Transfers or Capital Contributions	\$23,717	\$29,951	\$23,876	\$21,347	\$21,908	\$26,200	\$27,765	\$31,062
36 Transfers (In Lieu of Taxes)	(\$8,714)	(\$8,370)	(\$8,706)	(\$9,010)	(\$9,240)	(\$9,476)	(\$9,711)	(\$9,948)
37 Capital Contributions/Intercompany	\$736	\$2,363	\$6,566	\$14,204	\$11,843	\$366	\$377	\$3,138
38 NET INCOME	\$15,739	\$23,944	\$21,735	\$26,542	\$24,511	\$17,091	\$18,431	\$24,253
39 NET INCOME (Excluding Capital Contributions)			\$15,170	\$12,338	\$12,668	\$16,725	\$18,054	\$21,115
40 TARGET NET INCOME			\$ 15,539	\$ 15,415	\$ 16,675	\$ 18,865	\$ 19,723	\$ 20,992
41 Excess (Deficit) from Target			\$ (369)	\$ (3,077)	\$ (4,007)	\$ (2,140)	\$ (1,669)	\$ 123
42 1/01 Cash Balance		\$ 88,728	\$ 90,413	\$ 98,117	\$ 97,275	\$ 100,009	\$ 106,262	\$ 113,428
43 Change in Net Assets		23,944	21,735	26,542	24,511	17,091	18,431	24,253
44 Depreciation & Amortization		14,959	15,353	15,176	15,367	15,450	16,098	16,336
45 Capital Additions/Service Territory Comp		(16,138)	(24,128)	(37,900)	(32,356)	(22,283)	(22,105)	(26,315)
46 Bond Principal Payments		(6,015)	(6,515)	(7,085)	(7,395)	(9,195)	(9,536)	(9,905)
47 Bond Proceeds		-	0	-	18,000	0	0	(0)
48 Net Change in Other Assets/Liabilities		(15,065)	1,259	2,425	(15,392)	5,189	4,278	972
49 Net Changes in Cash		1,685	7,704	(842)	2,735	6,252	7,166	5,342
50 12/31 Cash Balance		\$ 90,413	\$ 98,117	\$ 97,275	\$ 100,009	\$ 106,262	\$ 113,428	\$ 118,771
51 Minimum Cash Reserve		\$ 57,408	\$ 52,569	\$ 52,102	\$ 52,834	\$ 53,074	\$ 53,479	\$ 53,175
52 Excess (Deficit) from Minimum Cash Reserve		\$ 33,005	\$ 45,548	\$ 45,173	\$ 47,175	\$ 53,188	\$ 59,949	\$ 65,596
53 Debt Service Coverage Ratio		3.6	3.4	3.1	2.7	3.0	3.1	3.3

**ROCHESTER PUBLIC UTILITIES
ELECTRIC UTILITY
Management Reporting P&L**

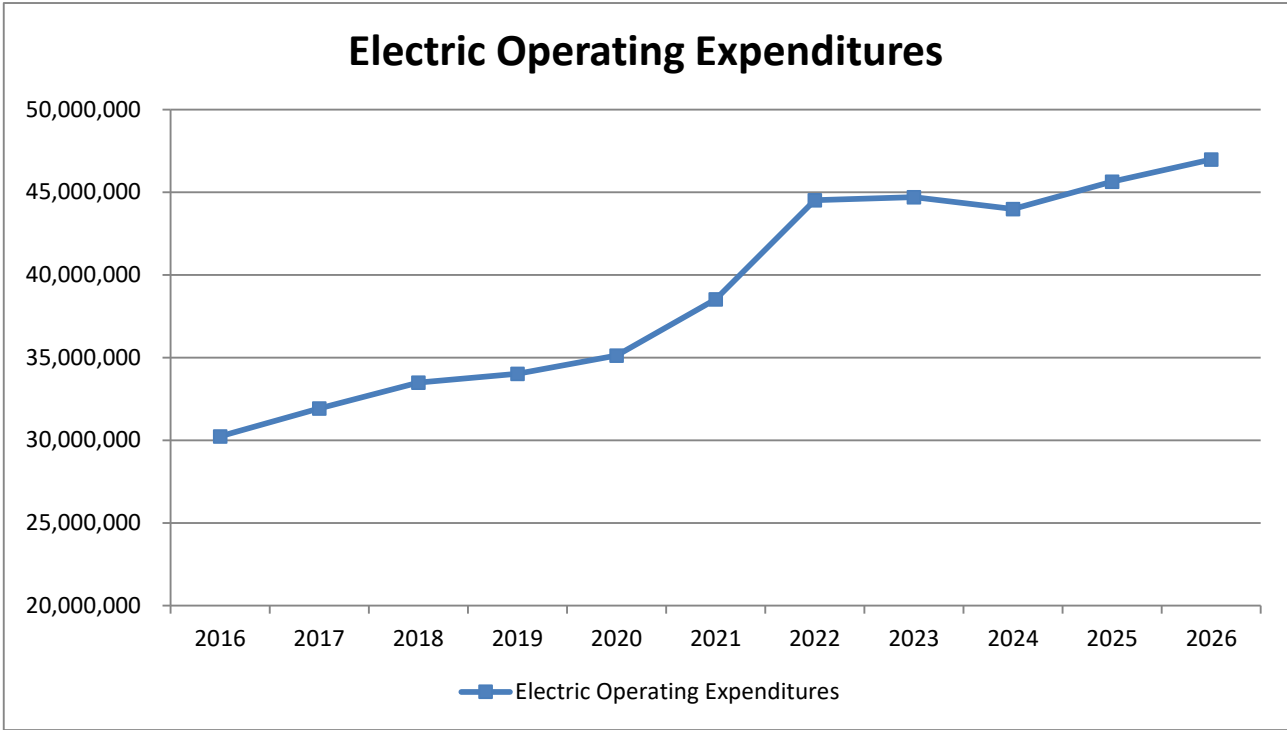
	Historical Data		2021		2022		Variance	%	
	2019	2020	Orig Bdgt	2021 F2	2022	Orig Bdgt	2022 to Orig Bdgt	Variance	
in 000's									
1	Revenue								
2	Retail Electric	\$147,940	\$143,975	\$144,960	\$151,713	\$152,326	\$149,421	\$2,905	1.9%
3	Wholesale Electric	\$2,503	\$1,939	\$2,753	\$3,880	\$3,310	\$2,932	\$378	12.9%
4	Wholesale Steam	\$3,810	\$4,812	\$5,422	\$5,951	\$4,167	\$6,213	(\$2,046)	-32.9%
5	Transmission	\$5,580	\$11,152	\$6,000	\$6,148	\$6,000	\$6,000	\$0	0.0%
6	Other Services & Fees	\$5,061	\$7,315	\$3,744	\$3,543	\$8,512	\$3,792	\$4,720	124.4%
7	Total Revenue	\$164,893	\$169,193	\$162,879	\$171,236	\$174,315	\$168,358	\$5,957	3.5%
8	Cost of Revenue								
9	Power Supply	\$89,722	\$85,673	\$88,818	\$90,253	\$90,673	\$88,857	\$1,816	2.0%
10	Generation Fuel	\$3,780	\$3,784	\$4,828	\$6,187	\$4,328	\$5,079	(\$751)	-14.8%
11	Total Cost of Revenue	\$93,502	\$89,456	\$93,646	\$96,440	\$95,001	\$93,936	\$1,065	1.1%
12	Gross Margin								
13	Retail Electric	\$58,218	\$58,302	\$56,142	\$61,460	\$61,653	\$60,563	\$1,089	1.8%
14	Wholesale	\$2,532	\$2,967	\$3,347	\$3,645	\$3,150	\$4,066	(\$916)	-22.5%
15	Transmission	\$5,580	\$11,152	\$6,000	\$6,148	\$6,000	\$6,000	\$0	0.0%
16	Other Services & Fees	\$5,061	\$7,315	\$3,744	\$3,543	\$8,512	\$3,792	\$4,720	124.4%
17	TOTAL GROSS MARGIN	\$71,391	\$79,737	\$69,233	\$74,795	\$79,314	\$74,422	\$4,892	6.1%
18	Controllable Costs								
19	Salaries & Benefits	\$24,151	\$24,042	\$24,702	\$24,660	\$28,023	\$27,497	\$526	1.9%
20	Other Operating Expenses	\$9,149	\$8,859	\$10,270	\$10,379	\$10,951	\$10,513	\$438	4.2%
21	Major Maintenance	\$2,881	\$3,112	\$3,815	\$4,606	\$7,549	\$7,462	\$87	1.2%
22	Non-Bonded Capital Projects	\$11,902	\$12,441	\$26,108	\$17,722	\$32,477	\$17,431	\$15,046	86.3%
23	TOTAL CONTROLLABLE COSTS	\$48,083	\$48,453	\$64,895	\$57,366	\$79,000	\$62,903	\$16,097	25.6%
24	Depreciation & Amortization	\$14,005	\$14,959	\$15,045	\$15,353	\$15,176	\$14,993	\$184	1.2%
25	Less Non Bonded Projects (capitalized)	(\$11,902)	(\$12,441)	(\$26,108)	(\$17,722)	(\$32,477)	(\$17,431)	(\$15,046)	86.3%
26	Less Total Internal Costs (capitalized)	(\$4,968)	(\$3,696)	(\$8,100)	(\$6,406)	(\$5,423)	(\$5,653)	\$230	-4.1%
27	Interutility Allocation	(\$1,534)	(\$1,737)	(\$1,719)	(\$1,875)	(\$1,862)	(\$1,753)	(\$109)	6.2%
28	Total Operating Expenses	\$43,685	\$45,538	\$44,013	\$46,716	\$54,414	\$53,059	\$1,355	2.6%
29	Net Operating Income (Loss)	\$27,706	\$34,199	\$25,220	\$28,079	\$24,900	\$21,363	\$3,537	16.6%
30	Financing & Other Non-Operating Items:								
31	Bond & Interest Related Expenses	(\$6,473)	(\$6,421)	(\$6,268)	(\$5,677)	(\$5,494)	(\$6,098)	\$604	-9.9%
32	Interest Income	\$2,685	\$2,180	\$1,746	\$1,490	\$1,965	\$1,700	\$265	15.6%
33	Misc Non-Operating Income (Expense)	(\$201)	(\$6)	(\$17)	(\$17)	(\$24)	(\$18)	(\$6)	33.2%
34	Total Financing & Non-Operating Items	(\$3,989)	(\$4,248)	(\$4,540)	(\$4,204)	(\$3,552)	(\$4,415)	\$863	-19.5%
35	Income Before Transfers or Capital Contributions	\$23,717	\$29,951	\$20,680	\$23,876	\$21,347	\$16,948	\$4,399	26.0%
36	Transfers (In Lieu of Taxes)	(\$8,714)	(\$8,370)	(\$8,617)	(\$8,706)	(\$9,010)	(\$8,813)	(\$197)	2.2%
37	Capital Contributions/Intercompany	\$736	\$2,363	\$10,861	\$6,566	\$14,204	\$4,423	\$9,781	221.1%
38	NET INCOME	\$15,739	\$23,944	\$22,924	\$21,735	\$26,542	\$12,558	\$13,984	111.4%
39	1/01 Cash Balance		\$ 88,728	\$ 85,048	\$ 90,413	\$ 98,117	\$ 83,997	\$ 14,120	16.8%
40	Change in Net Assets		23,944	22,924	21,735	26,542	12,558	13,984	111.4%
41	Depreciation & Amortization		14,959	15,045	15,353	15,176	14,993	184	1.2%
42	Capital Additions/Service Territory Comp		(16,138)	(34,208)	(24,128)	(37,900)	(23,084)	(14,816)	64.2%
43	Bond Principal Payments		(6,015)	(6,315)	(6,515)	(7,085)	(6,625)	(460)	6.9%
44	Bond Proceeds		-	-	0	-	0	(0)	0.0%
45	Net Change in Other Assets/Liabilities		(15,065)	1,503	1,259	2,425	(1,866)	4,291	-230.0%
46	Net Changes in Cash		1,685	(1,051)	7,704	(842)	(4,024)	3,182	-79.1%
47	12/31 Cash Balance		\$ 90,413	\$ 83,997	\$ 98,117	\$ 97,275	\$ 79,973	\$ 17,302	21.6%
48	Mimumum Cash Reserve		\$ 57,408	\$ 52,569	\$ 52,569	\$ 52,102	\$ 55,011	\$ (2,909)	-5.3%
49	Excess (Deficit) from Mimumum Cash Reserve		\$ 33,005	\$ 31,428	\$ 45,548	\$ 45,172	\$ 24,962	\$ 20,210	81.0%

Attachment: 2022 Board Packet EIC 2021 09 28 (13884 : Preliminary 2022 Electric Utility Budget Update)

ROCHESTER PUBLIC UTILITIES ELECTRIC UTILITY 2022 OPERATING BUDGET



Attachment: 2022 Board Packet Eic 2021 09 28 (13884 : Preliminary 2022 Electric Utility Budget Update)



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**ROCHESTER PUBLIC UTILITIES
PRODUCTION & SALES STATISTICS FORECAST
ELECTRIC UTILITY**

	2021 F2	2022	2023	2024	2025	2026
1 Peak MW						
2 SMMPA	216	216	216	216	216	216
3 Self Generation	-	-	-	-	-	-
4 Market	54	59	61	62	64	66
5 Total Peak MW	270	275	277	278	280	282
6 % Change	1.9%	1.6%	0.7%	0.6%	0.6%	0.6%
7 Retail MWH	1,178,107	1,190,420	1,196,939	1,203,386	1,209,093	1,214,274
8 % Change	4.4%	1.0%	0.5%	0.5%	0.5%	0.4%
9 Purchased Power MWH						
10 SMMPA	1,192,067	1,203,977	1,210,388	1,216,732	1,222,292	1,227,326
11 Other	3,661	2,426	2,698	2,962	3,251	3,528
12 Total Purchased Power MWH	1,195,728	1,206,404	1,213,085	1,219,694	1,225,543	1,230,853
13 % Change	3.8%	0.9%	0.6%	0.5%	0.5%	0.4%
14 Generation MWH						
15 Total Generation MWH	59,180	68,749	68,749	68,749	68,749	68,749
16 % Change	-10.2%	16.2%	0.0%	0.0%	0.0%	0.0%
17 Number of Customers						
18 Residential	53,382	54,292	55,209	56,126	57,043	57,959
19 Small General Service	4,663	4,709	4,756	4,804	4,852	4,902
20 Medium General Service	479	487	495	503	511	520
21 Large General Service	13	13	13	13	13	13
22 Large Industrial Service	1	1	1	1	1	1
23 Street & Hwy Lightings	3	3	3	3	3	3
24 Interdepartmental	1	1	1	1	1	1
25 Total Customers	58,542	59,506	60,478	61,451	62,424	63,399
26 % Change	1.6%	1.6%	1.6%	1.6%	1.6%	1.6%
27 Blended cost per MWH for retail supply	\$ 75.48	\$ 73.78	\$ 73.73	\$ 73.83	\$ 73.89	\$ 73.95
28 Steam Generation MLBS	487,711	490,221	449,884	449,884	449,884	449,884
29 % Change	-2.1%	0.5%	-8.2%	0.0%	0.0%	0.0%

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ROCHESTER PUBLIC UTILITIES

2022

ELECTRIC UTILITY

**CAPITAL IMPROVEMENT AND
MAJOR MAINTENANCE BUDGET**

**ROCHESTER PUBLIC UTILITIES
ELECTRIC UTILITY
2022 CAPITAL IMPROVEMENT AND
MAJOR MAINTENANCE BUDGET**

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Major Maintenance Projects	1
Capital Projects	2 - 3

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**Rochester Public Utilities
Electric Utility
2022 - 2026 Major Maintenance Plan**

5.2.a

	A	B	C	D	E	F	G	H
	Description	Multi Year Project Total	2022	2023	2024	2025	2026	Total
4	Compliance							
6	152 - Compliance							
7	WESEmissionsTesting	-	-	66,900	-	-	71,000	137,900
8	152 - Compliance Total	-	-	66,900	-	-	71,000	137,900
9	Compliance Total	-	-	66,900	-	-	71,000	137,900
10	Core Services							
11	113 - Construction, Maintenance and Field Operations							
12	Tree Trimming	-	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	8,500,000
13	Asbestos Manhole Mitigation	-	70,000	85,000	85,000	85,000	85,000	410,000
14	113 - Construction, Maintenance and Field Operations Total	-	1,770,000	1,785,000	1,785,000	1,785,000	1,785,000	8,910,000
15	114 - Technical Services							
17	Capacitor Bank Controls Replacement	-	10,000	-	-	-	-	10,000
19	114 - Technical Services Total	-	10,000	-	-	-	-	10,000
20	116 - Engineering							
21	Distribution System Planning Study	-	60,000	-	-	-	-	60,000
23	DER Hosting Capacity Study	-	-	100,000	-	-	-	100,000
24	Downtown Duct & Feeder Routing Study	90,000	30,000	60,000	-	-	-	90,000
25	DER Software Portal	-	-	-	50,000	-	-	50,000
26	Transmission LIDAR and Clearance Analysis	-	-	-	100,000	100,000	-	200,000
27	PLS-CAD Model of K1	-	40,000	-	-	-	-	40,000
28	Pole Attachment & Clearance Violation Survey	-	-	50,000	-	-	-	50,000
29	Stray Voltage Survey	-	-	40,000	-	-	-	40,000
30	Downtown Electric Reconfiguration Study	-	70,000	-	-	-	-	70,000
31	116 - Engineering Total	90,000	200,000	250,000	150,000	100,000	-	700,000
32	119 - Metering							
33	AMI-Timing Study	-	514,733	-	-	-	-	514,733
34	119 - Metering Total	-	514,733	-	-	-	-	514,733
35	113 - Allocation							
36	Alloc-Transmission Asset Management	-	45,000	45,000	45,000	45,000	45,000	225,000
37	Alloc-Distribution Lines & Equipment	-	250,003	257,500	265,250	196,685	202,595	1,172,033
38	113 - Allocation Total	-	295,003	302,500	310,250	241,685	247,595	1,397,033
39	114 - Allocation	-	169,400	167,000	167,000	167,000	167,000	837,400
40	Core Services Total	90,000	2,959,136	2,504,500	2,412,250	2,293,685	2,199,595	12,369,166
41	Corporate Services							
42	138 - Finance & Accounting							
43	Electric Cost-of-Srvc/Rate Design Study	-	-	83,000	-	-	83,000	166,000
44	Rates Modeling	-	20,000	20,000	20,000	20,000	20,000	100,000
45	Budgeting System	-	75,000	50,000	50,000	50,000	50,000	275,000
46	138 - Finance & Accounting Total	-	95,000	153,000	70,000	70,000	153,000	541,000
47	144 - Information Technology							
48	SCADA Pen Test	-	25,000	25,000	25,000	25,000	25,000	125,000
49	Utegration(HPC) Support Contract	-	75,000	75,000	75,000	75,000	75,000	375,000
50	SAP Technical Upgrade	-	-	100,000	-	-	100,000	200,000
53	ImageNow Upgrade	-	30,000	-	30,000	-	30,000	90,000
54	Symantec Replacement	-	60,000	-	-	-	-	60,000
55	144 - Information Technology Total	-	190,000	200,000	130,000	100,000	230,000	850,000
56	144 - Allocation Information Technology							
57	Alloc-Info Risk & Security/City Shared Infra	-	4,500	4,500	4,500	14,500	4,500	32,500
58	Alloc-Business Systems / Applications	-	40,000	40,000	40,000	40,000	40,000	200,000
59	144 - Allocation Information Technology Total	-	44,500	44,500	44,500	54,500	44,500	232,500
60	Corporate Services Total	-	329,500	397,500	244,500	224,500	427,500	1,623,500
61	Customer Relations							
62	137 - Marketing							
63	Customer Experience Mapping	-	160,000	-	-	-	-	160,000
65	DSM - EV TOU Rate	-	126,127	90,845	111,168	127,300	164,906	620,346
66	DSM - DLC Smart Thermostat Program	-	147,851	142,880	164,606	186,998	210,089	852,424
67	137 - Marketing Total	-	433,978	233,725	275,774	314,298	374,995	1,632,770
68	150 - Customer Care							
69	Data Lake	-	35,640	-	-	-	-	35,640
70	RPV Program Changes	-	50,000	106,400	51,000	52,020	53,060	312,480
71	SEW Modifications	-	73,900	75,378	76,886	78,423	79,992	384,579
74	Cayenta-Bill Redesign	-	150,000	-	-	-	-	150,000
76	Cayenta Upgrade	-	-	-	250,000	-	-	250,000
77	Allocation Cayenta Application Enhancements	-	172,000	175,440	178,949	182,528	186,178	895,095
78	150 - Customer Care Total	-	481,540	357,218	556,835	312,971	319,230	2,027,794
79	Customer Relations Total	-	915,518	590,943	832,609	627,269	694,225	3,660,564
80	Power Resources							
81	108 - Power Production							
82	SLP Decommissioning	-	100,000	480,000	175,000	450,000	250,000	1,455,000
83	GT1 Major Overhaul	-	2,500,000	-	-	-	-	2,500,000
84	Silver Lake Dam Ownership	-	-	1,240,000	-	-	-	1,240,000
85	108 - Power Production Total	-	2,600,000	1,720,000	175,000	450,000	250,000	5,195,000
86	111 - Allocation Power Production	-	245,000	710,000	285,000	345,000	120,000	1,705,000
87	147 - Allocation Facilities	-	200,000	199,600	164,292	204,077	88,958	856,927
88	Power Resources Total	-	3,045,000	2,629,600	624,292	999,077	458,958	7,756,927
89	General Manager							
90	134 - Electric Operating Contingency	-	300,000	300,000	300,000	300,000	300,000	1,500,000
91	General Manager Total	-	300,000	300,000	300,000	300,000	300,000	1,500,000
92	Total Major Maintenance - External Expenditures	90,000	7,549,154	6,489,443	4,413,651	4,444,531	4,151,278	27,048,056

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**Rochester Public Utilities
Electric Utility
2022 - 2026 Capital Improvement Plan**

5.2.a

	A	B	C	D	E	F	G	H
4	Description	Multi Year Project	2022	2023	2024	2025	2026	Total
5	Core Services							
6	107 - System Operations & Transmission							
7	OSI SCADA Version Upgrade	-	-	-	100,000	-	300,000	400,000
9	107 - System Operations & Transmission Total	-	-	-	100,000	-	300,000	400,000
10	113 - Construction, Maintenance and Field Operations							
13	Alloc-New Service Installations	-	625,000	643,750	663,055	682,950	703,400	3,318,155
14	Alloc-Distribution Lines & Equipment Capital	-	240,000	247,200	254,620	262,260	270,125	1,274,205
15	Alloc-Property Damage - Repair/Replace	-	110,000	113,300	116,700	120,205	123,805	584,010
16	Alloc-T&D Equipment Upgrade/Replace	-	75,000	55,000	50,000	50,000	50,000	280,000
17	113 - Construction, Maintenance and Field Operations Total	-	1,050,000	1,059,250	1,084,375	1,115,415	1,147,330	5,456,335
18	114 - Technical Services							
19	Load Management Installations - Res&Comm	-	7,500	7,500	7,500	7,500	7,500	37,500
20	Substation/Shop Test Equip Upgr & Repl	-	90,000	70,000	40,000	40,000	40,000	280,000
21	Substation Spares and Replacements	-	33,000	20,000	20,000	20,000	20,000	113,000
22	Web-Based Service Application	-	10,000	-	-	-	-	10,000
23	Northern Hills Circuit Breaker Replacement	-	90,000	-	-	-	-	90,000
24	Zumbro River Sub Control Bldg Improvements	-	50,000	-	-	-	-	50,000
25	Magne Blast Breaker Replacement	-	290,000	290,000	290,000	-	-	870,000
26	114 - Technical Services Total	-	570,500	387,500	357,500	67,500	67,500	1,450,500
27	114 - Allocation Technical Services							
28	Alloc-Substation Asset Management Capital	-	130,000	150,000	120,000	120,000	120,000	640,000
29	114 - Allocation Technical Services Total	-	130,000	150,000	120,000	120,000	120,000	640,000
30	116 - Engineering							
31	48th St NE Feeder Ext	600,000	350,000	250,000	-	-	-	600,000
32	60th Ave NW Right of Way Purchase	-	50,000	50,000	50,000	-	100,000	250,000
33	Capacitor Control Replacement (10 controlers/yr)	-	35,000	-	-	-	-	35,000
36	NorthernHills 65th St Feeder	-	-	-	-	-	550,000	550,000
37	Feeder 306 Install	-	-	-	-	-	300,000	300,000
38	Feeder 615 Install	-	-	-	350,000	-	-	350,000
39	Feeder 715 Install	490,000	340,000	150,000	-	-	-	490,000
40	Feeder 913 Install	-	-	-	-	300,000	-	300,000
41	Feeder 914 Install	-	-	-	-	-	300,000	300,000
42	Feeder 1315 Install	-	-	-	400,000	-	-	400,000
43	Feeder 1602 Install	-	-	-	-	300,000	-	300,000
44	Feeder 1733 Install	-	-	-	200,000	-	-	200,000
45	Feeder 1911 Install	-	-	-	140,000	-	-	140,000
46	Feeder 1912 Install	-	-	500,000	500,000	-	-	1,000,000
47	Feeder 1913 Install	-	-	-	-	-	1,000,000	1,000,000
48	Downtown New Duct Systems	-	-	-	-	560,000	1,100,000	1,660,000
49	Downtown New Feeder Extensions	-	-	-	-	-	2,000,000	2,000,000
50	65th St - 50th Ave To 60th Ave	-	510,000	-	-	-	-	510,000
51	65th St - 34th To 50th AveNW	-	-	900,000	-	-	-	900,000
52	Q2-Rebuild From Bear Creek - RCTC	-	-	-	-	-	350,000	350,000
53	Q4-Rebuild From BV Sub To Salem Rd	-	-	-	450,000	450,000	-	900,000
54	Q7-Rebuild To Grade B	-	-	-	-	400,000	400,000	800,000
55	Q11-W.C.To New St.Bridget Sub ROW	-	260,000	-	-	-	-	260,000
56	IBM Substation Upgrade	-	-	-	-	200,000	200,000	400,000
58	Fiber OWEF Splice To Chester	-	-	-	-	300,000	-	300,000
59	Small Cell Antennas	-	-	100,000	-	-	-	100,000
61	Marion Rd Substation & Feeder Buildout	30,625,806	20,298,869	10,326,937	-	-	-	30,625,806
62	Hydro Line Reconfig For New Hydro Sub	-	-	-	-	-	200,000	200,000
63	New Padmount Hydro Sub	-	-	-	-	300,000	-	300,000
64	New Mayo Feeders	2,700,000	200,000	2,500,000	-	-	-	2,700,000
65	Mayo-Feeders To St.Mary's	-	-	-	-	-	2,000,000	2,000,000
66	Substation Communication	-	1,250,000	-	-	-	-	1,250,000
67	Volt/VAR Optimization	-	-	-	-	200,000	200,000	400,000
69	Solar DER Feeder Interconnections	-	50,000	-	-	-	-	50,000
70	BRT Charging Stations	-	-	200,000	300,000	-	-	500,000
71	Substation Capacitor Bank Bamber Valley	-	-	-	-	150,000	-	150,000
72	PLS-CAD Distribution Modeling Software	-	-	50,000	-	-	-	50,000
73	116 - Engineering Total	34,415,806	23,343,869	15,026,937	2,390,000	3,160,000	8,700,000	52,620,800
74	116 - Allocation Engineering							
75	Alloc-Feeder Extensions	-	278,600	50,000	56,000	275,000	575,000	1,234,600
76	Alloc-Feeder Rebuilds	-	130,000	145,000	275,000	145,000	190,000	885,000
77	Alloc-Transmission Projects	-	40,000	40,000	45,000	45,000	50,000	220,000
78	Alloc-Substation Projects	-	75,000	110,000	145,000	215,000	220,000	765,000
79	Alloc-Road Projects	-	225,000	200,000	450,000	425,000	550,000	1,850,000
80	Alloc-Road Projects DMC	-	600,000	750,000	500,000	450,000	550,000	2,850,000
81	Alloc-Manhole Switch Replacement	-	90,000	95,000	100,000	100,000	105,000	490,000
82	Alloc-Cable Replacement	-	250,000	250,000	400,000	450,000	500,000	1,850,000
83	Alloc-Manhole Repair/Replacement	-	275,000	300,000	300,000	325,000	350,000	1,550,000
84	Alloc-Capacitor Bank Installations	-	20,000	20,000	50,000	20,000	50,000	160,000
85	Alloc-FiberOptic Projects	-	115,000	90,000	90,000	90,000	90,000	475,000
86	Alloc-Distribution Transformers	-	650,000	675,000	700,000	725,000	750,000	3,500,000
87	Alloc-Overhead To Underground Conversions	-	325,000	375,000	475,000	400,000	450,000	2,025,000
88	Alloc-Pole Replacements	-	44,000	48,000	53,000	60,000	70,000	275,000
89	116 - Allocation Engineering Total	-	3,117,600	3,148,000	3,639,000	3,725,000	4,500,000	18,129,600
90	117 - GIS							
91	Dual Sensor Drone	-	-	30,000	-	-	-	30,000
92	Survey GPS Replacement	-	-	40,000	-	-	-	40,000
94	GIS Utility Network Implementation	-	80,000	-	-	-	-	80,000
95	117 - GIS Total	-	80,000	70,000	-	-	-	150,000
96	119 - Metering							
98	AMI - Bond Funded	-	-	2,985,004	5,721,868	5,028,342	1,650,000	15,385,216
99	Metering/Shop Test Equip Upgr & Repl	-	15,000	25,000	20,000	55,000	20,000	135,000
100	Allocation-Electric Metering	-	146,200	130,000	20,000	20,000	100,000	416,200
101	119 - Metering Total	-	161,200	3,140,004	5,761,868	5,103,342	1,770,000	15,936,416
102	135 - Director							
103	Service Territory Payments	-	233,360	225,000	229,500	234,090	238,772	1,160,722
104	Service Territory Payments-SMMPA Reimb	-	(116,185)	(112,500)	(114,750)	(117,045)	(119,386)	(579,866)
105	135 - Director Total	-	117,175	112,500	114,750	117,045	119,386	580,856

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**Rochester Public Utilities
Electric Utility
2022 - 2026 Capital Improvement Plan**

5.2.a

	A Description	B Multi Year Project	C 2022	D 2023	E 2024	F 2025	G 2026	H Total
106	Core Services Total	34,415,806	28,570,344	23,094,191	13,567,493	13,408,302	16,724,216	95,364,5
107	Corporate Services							
108	141 - Inventory Management							
109	Racking Replacement In Stockyard	-	-	20,000	20,000	-	-	40,0
110	141 - Inventory Management Total	-	-	20,000	20,000	-	-	40,0
111	144 - Information Technology							
112	Change Management Tool	50,000	25,000	25,000	-	-	-	50,0
113	NSX Implementation	142,000	42,000	100,000	-	-	-	142,0
114	Business Intelligence/Reporting	-	45,000	45,000	45,000	45,000	45,000	225,0
115	Phone System - PRI to SIP	-	-	50,000	-	-	-	50,0
116	144 - Information Technology Total	192,000	112,000	220,000	45,000	45,000	45,000	467,0
117	144 - Allocation Information Technology							
118	Alloc-Backup/DR	-	50,000	-	-	35,000	-	85,0
119	Alloc-Network Management	-	96,000	127,000	197,000	110,000	89,000	619,0
120	Alloc-Output Management	-	18,000	16,000	16,000	16,000	16,000	82,0
121	Alloc-Server Management	-	196,000	111,000	61,000	61,000	196,000	625,0
122	Alloc-Workstation Management	-	138,000	138,000	148,000	128,000	128,000	680,0
123	Alloc-Storage Management	-	-	-	-	175,000	-	175,0
124	Alloc-Operation Technology	-	80,000	80,000	180,000	130,000	240,000	710,0
125	144 - Allocation Information Technology Total	-	578,000	472,000	602,000	655,000	669,000	2,976,0
126	Corporate Services Total	192,000	690,000	712,000	667,000	700,000	714,000	3,483,0
127	Customer Relations							
128	150 - Customer Care							
130	Payment Kiosk	-	50,800	-	-	-	-	50,8
131	150 - Customer Care Total	-	50,800	-	-	-	-	50,8
132	Customer Relations Total	-	50,800	-	-	-	-	50,8
133	Power Resources							
134	108 - Power Production							
135	GT2 Controls Upgrade	-	500,000	-	-	-	-	500,0
137	108 - Power Production Total	-	500,000	-	-	-	-	500,0
138	111 - Allocation Power Production							
139	Allocation-Power Resources Capital	-	550,000	535,000	325,000	495,000	750,000	2,655,0
140	111 - Allocation Power Production Total	-	550,000	535,000	325,000	495,000	750,000	2,655,0
141	146 - Fleet							
142	Allocation-Fleet	-	694,848	631,624	677,364	751,250	651,286	3,406,3
143	Pickup - T&D Lead Lineman	-	50,000	-	-	-	-	50,0
144	Pickup-SLPI & C	-	82,682	-	-	-	-	82,6
145	Underground Tool Truck/Trailer	-	-	65,000	-	-	-	65,0
146	TSE Cable Puller	-	195,000	-	-	-	-	195,0
147	3-Reel Cable Trailer	-	135,000	-	-	-	-	135,0
148	146 - Fleet Total	-	1,157,530	696,624	677,364	751,250	651,286	3,934,0
149	147 - Facilities							
151	A-Wing Renovation	-	228,340	200,000	170,000	170,000	-	768,3
152	Allocation-Facilities Capital	-	30,000	30,000	30,000	30,000	30,000	150,0
153	147 - Facilities Total	-	258,340	230,000	200,000	200,000	30,000	918,3
154	Power Resources Total	-	2,465,870	1,461,624	1,202,364	1,446,250	1,431,286	8,007,3
155	General Manager	-	700,000	700,000	700,000	700,000	700,000	3,500,0
156	Total External Expenditures	34,607,806	32,477,014	25,967,815	16,136,857	16,254,552	19,569,502	110,405,7
157								
158	Less: Bonding		-	(2,985,004)	(5,721,868)	(5,028,342)	(1,650,000)	(15,385,2
159	Less: Contribution in Aid of Construction		(14,204,097)	(11,843,346)	(366,015)	(377,000)	(3,138,290)	(29,928,7
160								
161	Net Capital External Expenditures (Rate Funded)		18,272,917	11,139,465	10,048,974	10,849,210	14,781,212	65,091,7
162								
163	Total Internal Expenditures (Capital Labor)		5,423,293	6,388,557	6,146,306	5,850,423	6,745,117	30,553,6
164								
165	Net Capital Expenditures		23,696,210	17,528,022	16,195,280	16,699,633	21,526,329	95,645,4

Attachment: 2022 Board Packet EIC 2021 09 28 (13884 : Preliminary 2022 Electric Utility Budget Update)



RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve the issuance of an updated public notice of the proposed 2022 rate changes for the Water Utility and Electric Utility.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 28th day of September, 2021.

President

Secretary

On September 28 2021, the RPU Utility Board directed staff to give public notice of the proposed increase to general electric rates and general water rates for 2022 by 1.5% (2.5% for residential electric customers) and 2.5% respectively and the application of service assured to all residential water customers (\$1.99 per month) in the paper of record. Changes in the electric rates will result in an average monthly increase of \$2.28 for the average residential customer. Changes in the water rates will result in an increase of \$0.57 for the average residential water customer. The table below includes the actual changes by rate class. The proposed rates will also be available on the RPU website (www.rpu.org) and by calling RPU customer service (507.280.1500).

Public comment on the proposed rates will be taken at the October 26, 2021 RPU Board Meetings prior to the Board voting on the proposed budget and rate increase. If approved, the Board will recommend approval by the City Council which is currently scheduled on December 6, 2021.

Please contact Tony Benson at 507-280-1534 or email at tbenson@rpu.org.

Proposed 2022 Electric Rate Tariff changes

		2021	2022
Residential Rate RES	Customer Charge	\$ 18.30	\$ 19.40
	Non Summer Energy (KWH)	\$ 0.10726	\$ 0.10890
	Summer Energy (KWH)	\$ 0.12812	\$ 0.13008
Residential Dual Fuel Rate RES-DF	Customer Charge	\$ 18.30	\$ 19.40
	Energy Charge (KWH)	\$ 0.08005	\$ 0.08128
Residential High Efficiency HVAC Rate RESELGEO	Customer Charge	\$ 18.30	\$ 19.40
	Non Summer Energy first 600 KWH	\$ 0.10726	\$ 0.10890
	Non Summer Energy over 600 KWH	\$ 0.08988	\$ 0.09126
	Summer Energy (KWH)	\$ 0.12812	\$ 0.13008
Residential Time of Use RES-TOU	Customer Charge	\$ 18.30	\$ 19.40
	Non-Summer Energy		
	Super Peak / KWH	\$ 0.1391	\$.14123
	On-peak / KWH	\$ 0.1391	\$.14123
	Off-peak / KWH	\$ 0.0705	\$.07158
	Summer Energy		
	Super-peak / KWH	\$.28800	\$.29241
	On-peak / KWH	\$.17130	\$.17392
Small General Service SGS	Customer Charge	\$ 41.00	\$ 38.00
	Non-Summer Energy Charge / KWH	\$ 0.10343	\$ 0.10507
	Summer Energy Charge / KWH	\$ 0.13312	\$ 0.13523
Small General Service High Efficiency HVAC GSHEF	Customer Charge	\$ 41.00	\$ 38.00
	Non-Summer Energy Charge/ KWH	\$ 0.08628	\$.08766
	Summer Energy Charge / KWH	\$ 0.13312	\$.13525
Small General Service Time of Use SGS-TOU	Customer Charge	\$ 41.00	\$ 38.00
	Non-Summer Energy		
	On-peak / KWH	\$ 0.17921	\$.18208

	Off-peak / KWH	\$ 0.06153	\$.06251
	Summer Energy / KWH		
	On-peak / KWH	\$ 0.22367	\$ 0.22725
	Off-peak / KWH	\$ 0.06521	\$ 0.06625
Medium General Services MGS	Non Summer Demand Charge / KW	\$ 17.83	\$17.83
	Non-Summer Energy Charge / KWH	\$ 0.05650	\$ 0.05760
	Summer Demand Charge /KW	\$24.06	\$24.06
	Summer Energy Charge /KWH	\$ 0.05650	\$ 0.05760
Medium General Services High Efficiency MGS-HEF	Non-Summer Demand Charge / KW	\$ 16.50	\$ 16.50
	Non-Summer Energy Charge / KWH	\$ 0.04724	\$ 0.04816
	Summer Demand Charge / KW	\$ 20.64	\$ 20.64
	Summer Energy Charge / KWH	\$ 0.05881	\$.05996
Medium General Service Time of Use MGS-TOU	Non-Summer On-peak Demand / KW	\$ 17.83	\$ 17.83
	Non-Summer Off-peak Demand / KW	\$ 1.933	\$ 1.933
	Non-Summer Energy Charge / KWH	\$ 0.05724	\$ 0.05947
	Summer On-peak demand / KW	\$ 24.06	\$ 24.06
	Summer Off-peak demand / KW	\$ 1.933	\$ 1.933
	Summer Energy Charge / KWH	\$ 0.05724	\$ 0.05947
Large General Service LGS	Demand Charge / KW	\$ 20.00	\$ 21.00
	Energy Charge / KWH	\$ 0.05867	\$ 0.05760
Large Industrial LIS	Demand Charge / KW	\$ 20.50	\$ 20.50
	Energy charge / KWH	\$ 0.05240	\$ 0.05340

Effective January 2023 all Small General Service rates will be available for loads less than 25 KW, Medium General Service rates will be available for loads over 25KW and less than 1,000 KW.

Proposed 2022 Water Rate Tariff
2.5% Rate Increase

Meter Charge	2021	2021
5/8"	\$ 8.23	\$ 8.80
3/4"	\$ 11.70	\$12.27
1"	\$18.81	\$19.38
1-1/2"	\$36.28	\$36.85
2"	\$57.28	\$57.85
3"	\$106.56	\$107.13
4"	\$176.80	\$177.37
6"	\$352.80	\$353.37
8"	\$630.20	\$630.77

Attachment: 2022 Rate change notification 2021 09 28 (13899 : Resolution: 2022 Proposed Rate Changes Public Notice)

FOR BOARD ACTION

Agenda Item # (ID # 13906)

Meeting Date: 9/28/2021

SUBJECT: RPU Index of Board Policies

PREPARED BY: Christina Bailey

ITEM DESCRIPTION:

UTILITY BOARD ACTION REQUESTED:

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	3/27/2018	Policy
5. Board Procedures	3/27/2012	Policy
6. Delegation of Authority/Relationship with Management	7/24/2018	Policy
7. Member Attendance at Conferences and Meetings	12/18/2018	Policy
8. Board Member Expenses	12/18/2018	Policy
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	4/30/2019	Ops & Admin
13. Public Information and Outreach	4/30/2019	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	5/25/2021	Finance
17. Electric Service Availability	10/29/2019	Ops & Admin
18. Water and Electric Metering	6/26/2018	Ops & Admin
19. Adjustment of Utility Services Billed	6/29/2021	Finance
20. Rates	7/25/2017	Finance
21. Involuntary Disconnection	4/24/2018	Communications
ADMINISTRATIVE		
22. Acquisition and Disposal of Interest in Real Property	12/19/2017	Ops & Admin
23. Electric Utility Cash Reserve Policy	1/28/2020	Finance
24. Water Utility Cash Reserve Policy	1/28/2020	Finance
25. Charitable Contributions	6/25/2019	Communications
26. Utility Compliance	10/24/2017	Communications
27. Contribution in Lieu of Taxes	6/29/1999	Finance
28. Joint-Use of Infrastructure and Land Rights	3/30/2021	Ops & Admin
29. Customer Data Policy	10/9/2014	Communications
30. Life Support	9/24/2019	Communications
31. Electric Utility Undergrounding Policy	9/29/2020	Ops & Admin
Red - Currently being worked on		
Yellow - Will be scheduled for revision		

FOR BOARD ACTION

Agenda Item # (ID # 13905)

Meeting Date: 9/28/2021

SUBJECT: Division Reports & Metrics - September 2021

PREPARED BY: Christina Bailey

ITEM DESCRIPTION:

UTILITY BOARD ACTION REQUESTED:

Division Reports & Metrics September 2021

CORE SERVICES
SAFETY, COMPLIANCE & PUBLIC AFFAIRS
POWER RESOURCES
CUSTOMER RELATIONS
CORPORATE SERVICES
FINANCIAL REPORTS

Division Reports & Metrics September 2021

CORE SERVICES

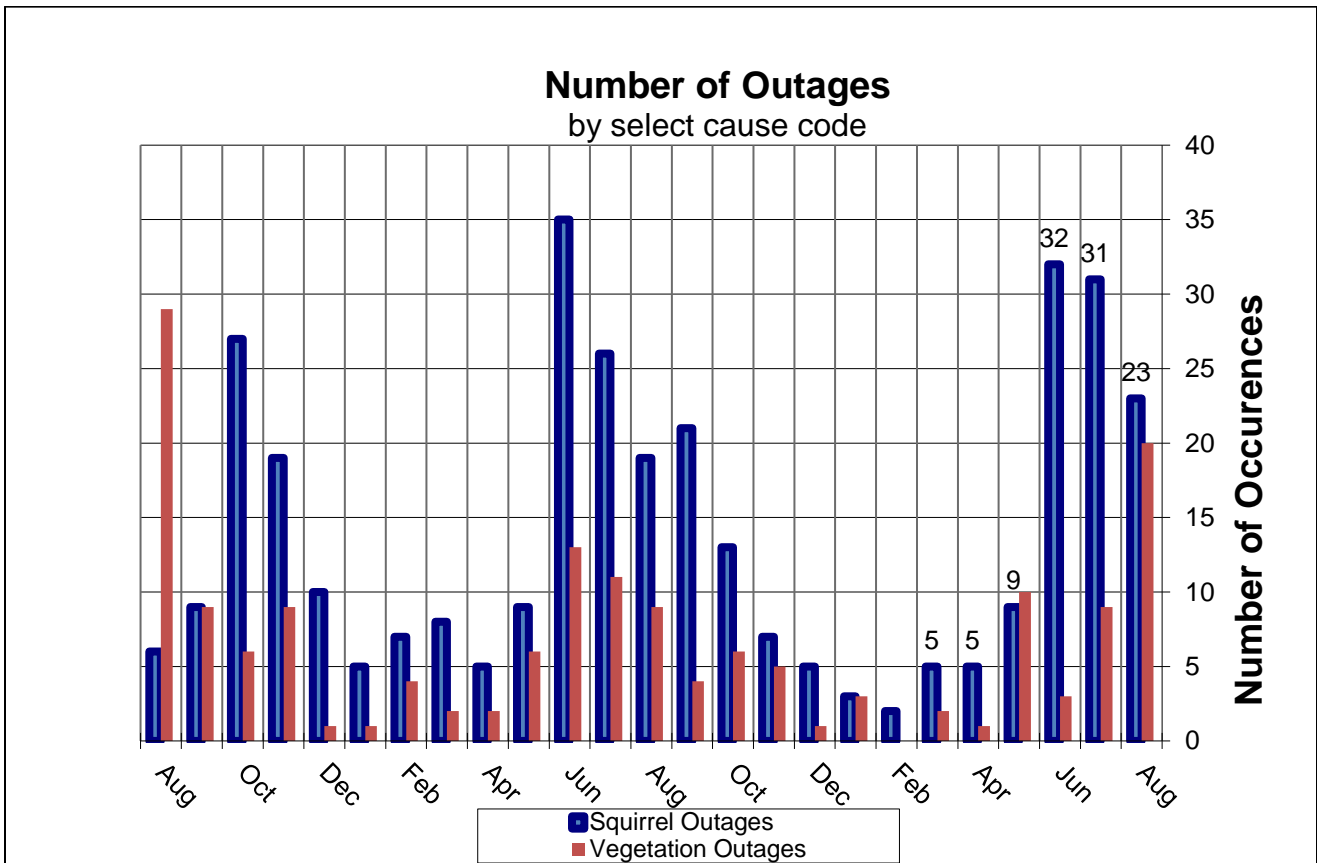
Electric Utility:

1. Electric Outage Calculations for the month and year to date (August 2021 Data)

- | | |
|--|---|
| a. Reliability = 99.98014% | Year-to-date Reliability = 99.99046% |
| b. 9,727 Customers affected by Outages | Year-to-date Customers affected by Outages = 35,715 |
| c. SAIDI = 8.86 min | Year-to-date SAIDI = 4.22 min |
| d. CAIDI = 40.70 min | Year-to-date CAIDI = 49.83 min |

2. Electric Utility Operations – T&D, Engineering, System Ops, GIS, Tech Services:

- Specification phase of the Marion Road substation and duct projects has started for long lead time equipment. Substation site usage permit is in process, with public meeting held on 9/1/21.
- Engineering of feeder extensions for West Side Solar is complete. Equipment procurement to be received in spring 2022.
- Reliability statistics were negatively impacted in August due to animal contact outages and a large thunderstorm event.



Summary of individual electrical outages (greater than 200 customers – August 2021 data)

# Customers	Date	Duration	Cause
2526	8/9/21	36m	Overhead Equipment
1917	8/30/21	36m	Animals – Squirrel
1520	8/27/21	24m	Overhead Equipment
1104	8/26/21	16m	Animals – Squirrel
1001	8/28/21	1h 20m	Vegetation
594	8/7/21	1h 10m	Vegetation
214	8/5/21	18m	Underground Equipment

Summary of aggregated incident types (greater than 200 customers – August 2021 data)

# Customers	Total # of Incidents	Cause
4,294	4	Overhead Equipment
3,273	23	Animals
2,006	20	Vegetation
288	4	Underground Equipment

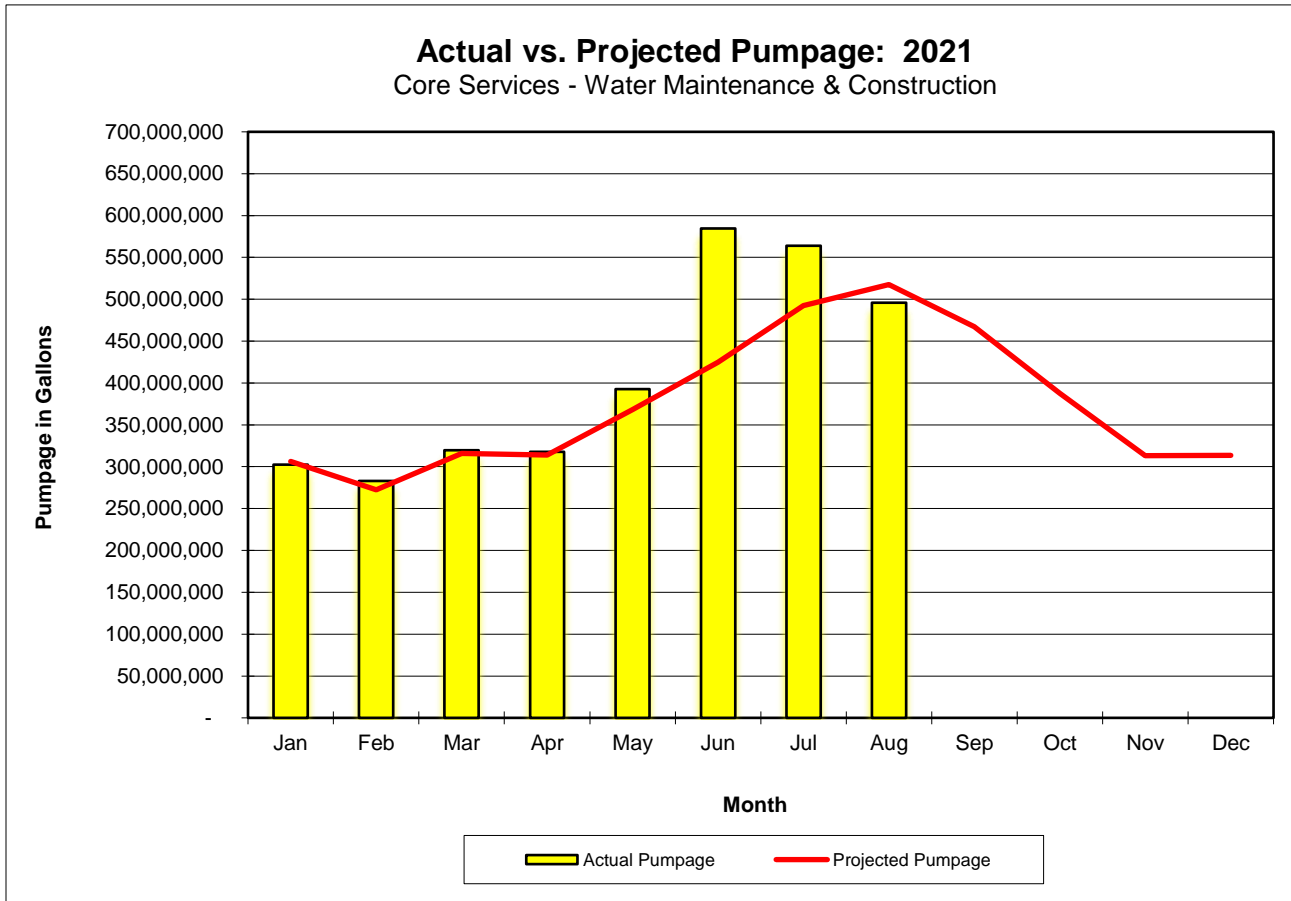
Water Utility:

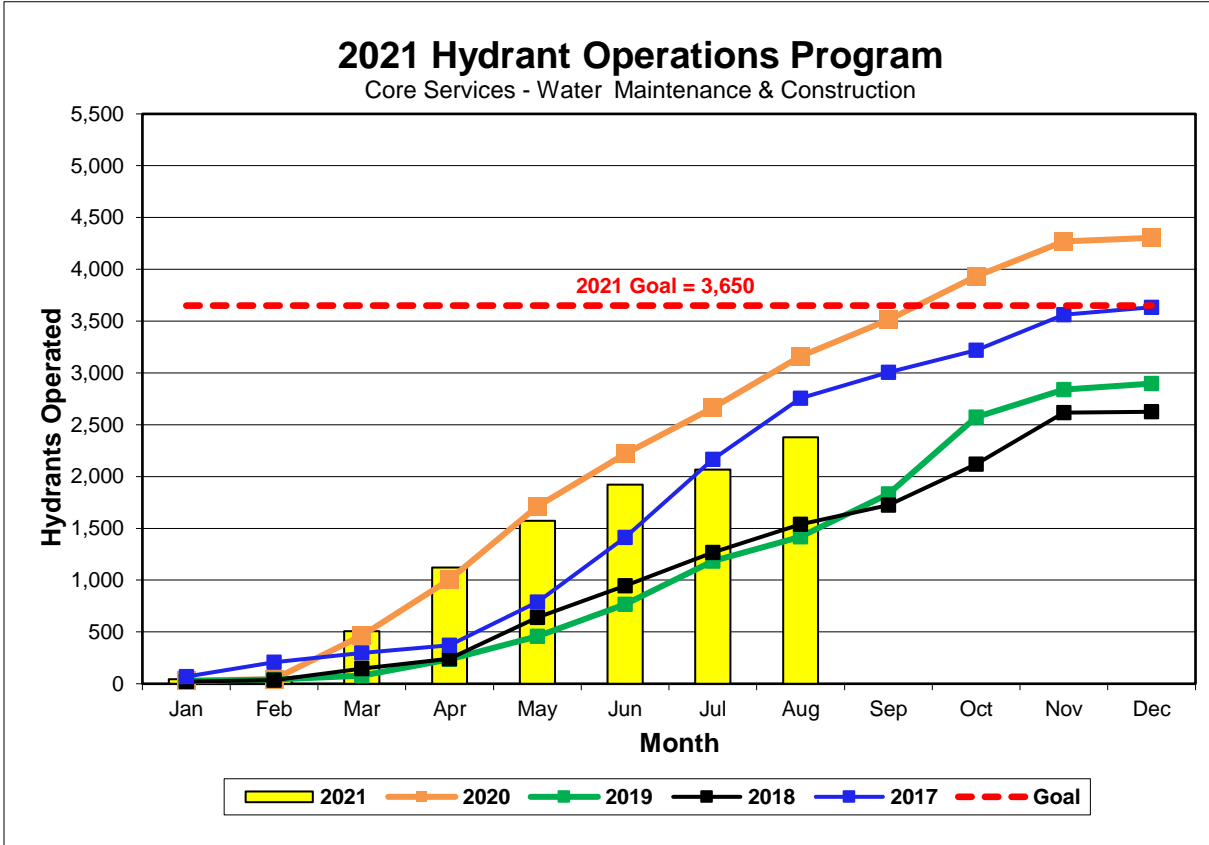
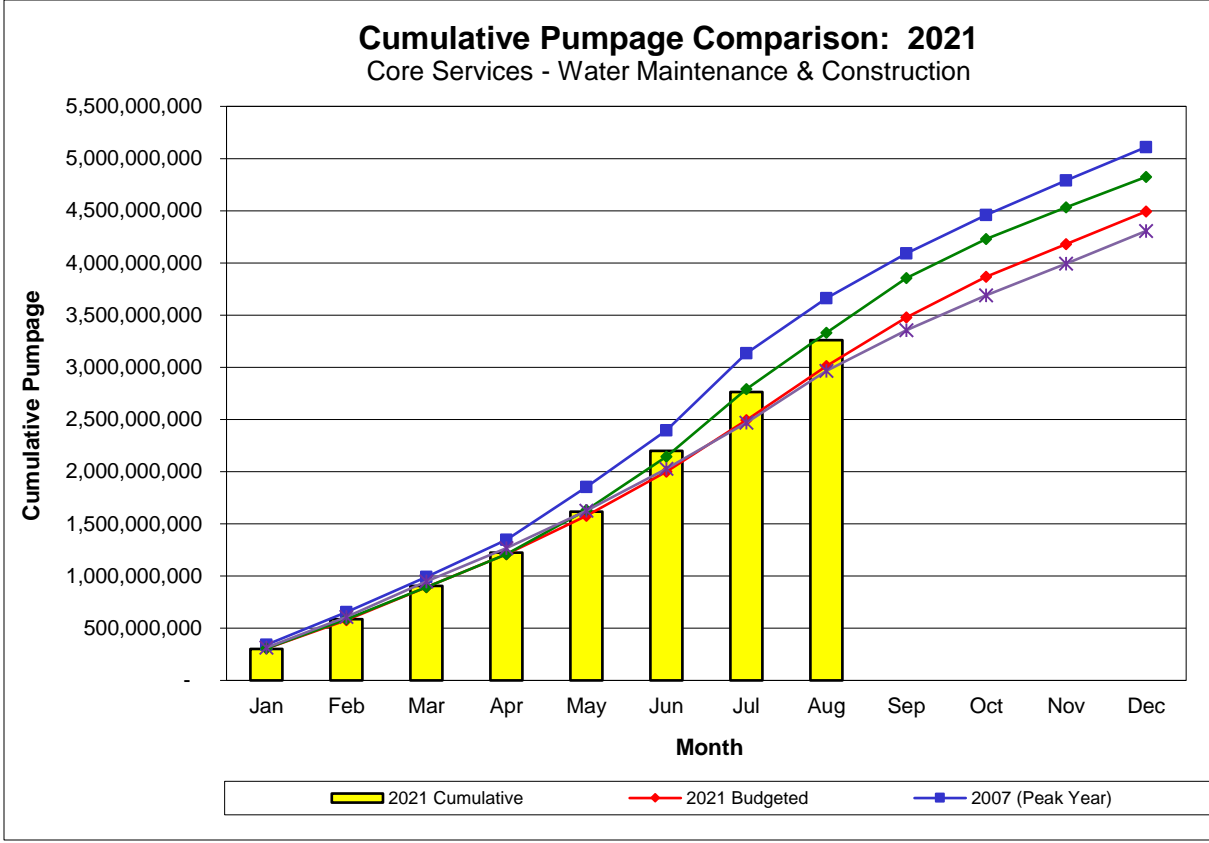
1. Water Outage Calculations for the month and year to date (August 2021 data):

- | | |
|--------------------------------------|--|
| a. Reliability = 99.99723135% | Year-to-date Reliability = 99.99849236% |
| b. 196 Customers Affected by Outages | Year-to-date Customers Affected by Outages = 1,306 |
| c. 822.4 Customer Outage Hours | Year-to-date Customer Outage Hours = 3,628.4 |
| d. SAIDI = 1.2 | Year-to-date SAIDI = 5.3 |
| e. CAIDI = 251.8 | Year-to-date CAIDI = 166.7 |
- Performed 1,782 Gopher State water utility locates during the month for a total of 13,401 for the year.
 - Repaired water distribution system failures or maintenance at the following locations during the month. :
 - 3815 Hwy 14 W – (leak) – 8/4
 - 2050 42ns St NW – (main break) – 8/9

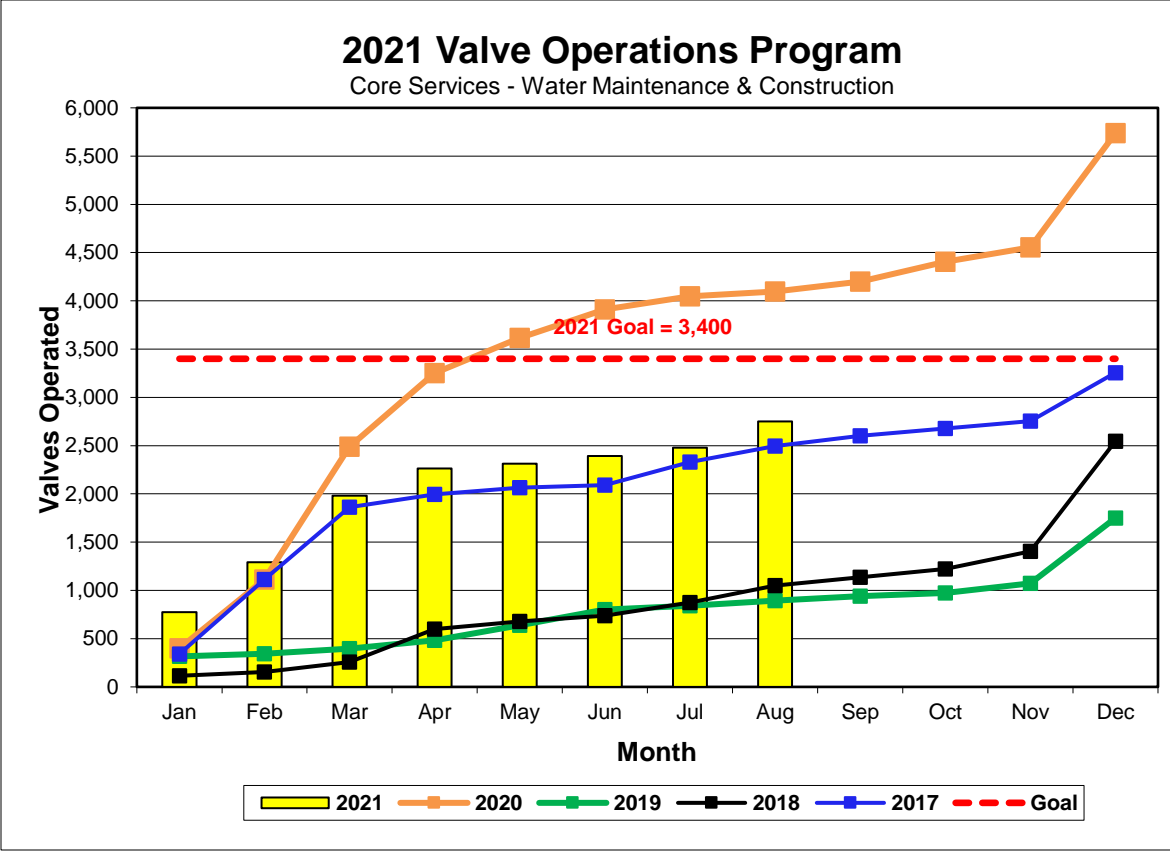
- 4140 22nd Ave NW – (main break) – 8/16
- 13th ST & 10th Ave SW – (leak) – 8/17
- 2048 42nd St NW – (main break) – 8/18
- 5808 Lancaster PI NW – (main break) – 8/31
- 2850 75th St NW – (main break) – 8/31

- RPU personnel received 64 inquiries during the month by phone, email, and in person related to questions about letters that customers received regarding how to accomplish backflow testing and backflow prevention.





Attachment: Division Reports September 2021 (13905 : Division Reports & Metrics - September 2021)



GIS/Property Rights

- Hydro line LIDAR flight completed utilizing drone technology. Deliverables will include a 3D point cloud of the corridor and also identify vegetation and other clearance issues that need to be addressed.

Attachment: Division Reports September 2021 (13905 : Division Reports & Metrics - September 2021)

SAFETY / COMPLIANCE & PUBLIC AFFAIRS September 2021


1. Safety

TRAINING	Total Required Enrollments	Completions as of 8/31/2021	Percent Complete
August 2021	650	650	100%
Calendar Year to 8/31/2021	4950	4950	100%

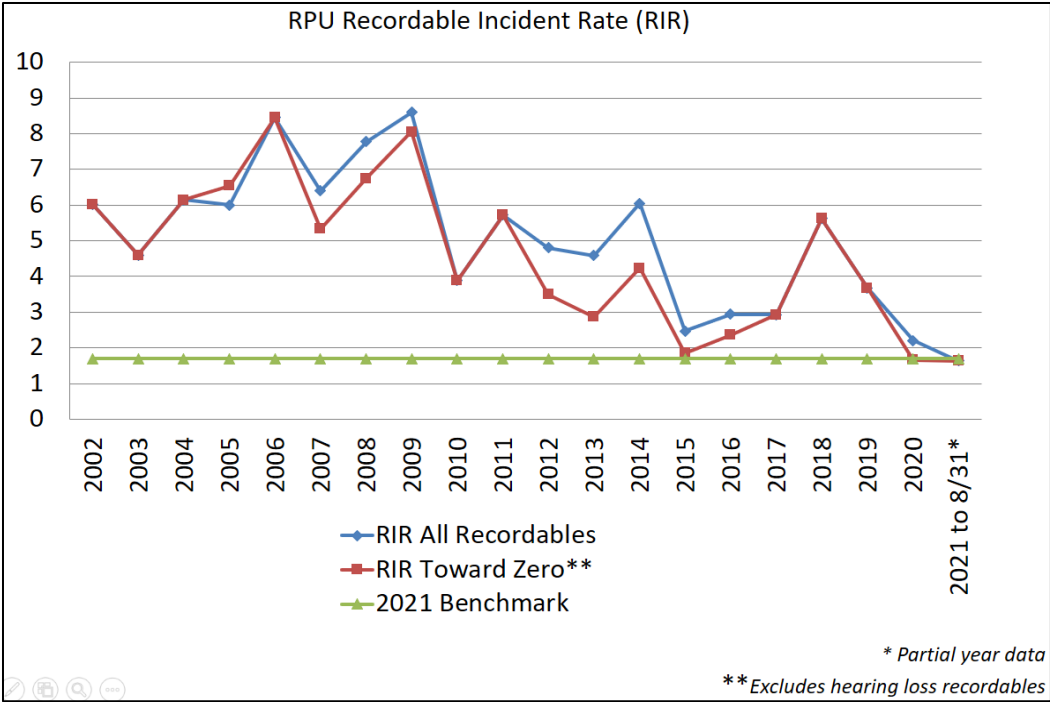
SAFETY TEAMS	Total Members	Members Attending	Percent Attending
August 2021	26	24	92.3%
Calendar Year to 8/31/2021	274	228	83.2%

INCIDENTS	Reports Submitted	OSHA Cases ¹	RPU RIR ²	BLS RIR ³
August 2021	1	0	--	--
Calendar Year to 8/31/2021	17	2	1.63	1.7

1	Deemed to meet OSHA criteria as a recordable case by RPU Safety Manager, subject to change
2	Recordable Incident Rate – Number of OSHA Recordable Cases per 100 employees.
3	Bureau of Labor Statistics nonfatal illnesses and injuries in the utility sector

	22 of RPU's 24 departments are recordable injury free in 2021 206 of RPU's 208 employees are recordable injury free in 2021
---	--

Attachment: Division Reports September 2021 (13905 : Division Reports & Metrics - September 2021)



2021 OSHA Recordable Case Detail				
Work Area	Incident Date	Description	Primary Reason it's a Recordable	Corrective Action
T&D	2/8/2021	Slipped on ice in parking lot striking head and shoulder (R) on pavement	Restricted Work	Reviewed salting/sanding procedures
Water	3/1/2021	Possible knee (L) injury due to slip on ice	Days Away	Encouraged use of better slip resistant footwear

SAFETY INITIATIVES

1. Initiated process to inspect arc rated clothing in compliance with OSHA requirements
2. Safety manager participated in AEGIS Insurance Electric Operation Risk Assessment that occurs every 3 years.
3. Identified need for updated radio frequency/non-ionizing radiation detectors due to 5G cellular service. Upgraded monitors have been ordered.

Attachment: Division Reports September 2021 (13905 : Division Reports & Metrics - September 2021)

2. Environmental & Regulatory Affairs

- On August 17th samples were collected at 26 locations on the distribution system for Phosphate testing. MN Dept. of Health requires quarterly sampling & testing to ensure that RPU's corrosion control practices are optimal to reduce leaching of lead and copper in the water.
- On August 25th Todd Osweiler participated on panel discussion at the annual MN Rural Water Association in St. Cloud. The panel discussion focused on public water suppliers that have had success securing grants for water related projects.
- On September 9th Todd Osweiler presented at the Rochester Sertoma Club. The presentation was on RPU's water system with a focus on water quality & quantity.









3. Communications



- Tony Benson played soccer with the Rochester Police Department team in a friendly soccer game at the last Safe City Nights event of the summer at the Watson Soccer Fields. The neighborhood Sudanese team beat us 8-1, but it was fun competition.
- Communication staff participated in numerous prep meetings and the airport emergency exercise on September 16th. The exercise was a simulation highlighting how a Joint Information Center would work in an actual local emergency.
- RPU staff, including communications, attended another meeting focused on Diversity, Equity, and Inclusion. This meeting included staff from many other city departments. These meetings will continue to be ongoing.
- A public meeting was held virtually on September 1 for the Marion Road Substation.

Results from Aug 23, 2021 - Sep 19, 2021

Note: Does not include today's data. Insights activity is reported in the Pacific time zone. Ads activity is reported in the time zone of your ad account.

Organic Paid

<p>Actions on Page i August 23 - September 19</p>  <p>We have insufficient data to show for the selected time period.</p>	<p>Page Views i August 23 - September 19</p> <p>337 Total Page Views ▲27%</p> 	<p>Page Likes i August 23 - September 19</p> <p>13 Page Likes ▲18%</p> 
<p>Post Reach i August 23 - September 19</p> <p>3,595 People Reached ▲40%</p> 	<p>Story Reach i August 23 - September 19</p> <p>Get Story Insights</p> <p>See stats on how your Page's recent stories have performed.</p> <p>Learn More</p>	<p>Recommendations i August 23 - September 19</p>  <p>We have insufficient data to show for the selected time period.</p>
<p>Post Engagement i August 23 - September 19</p> <p>686 Post Engagement ▲267%</p> 	<p>Videos i August 23 - September 19</p> <p>1,316 3-Second Video Views ▲1065%</p> 	<p>Page Followers i August 23 - September 19</p> <p>12 Page Followers ▲0%</p> 

 **Account home** 
RPU Alerts @rpualerts

28 day summary with change over previous period

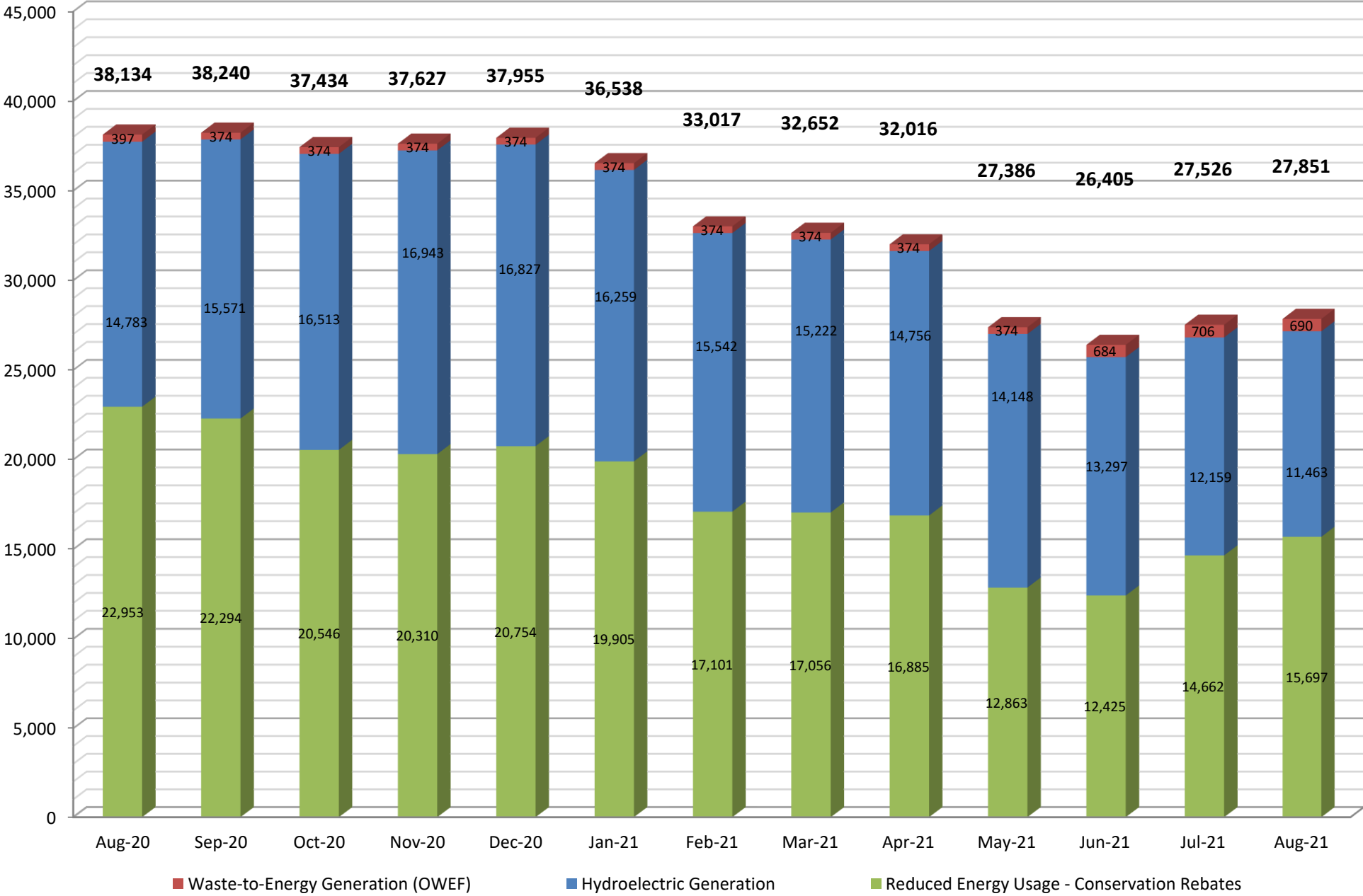
<p>Tweets 26</p> 	<p>Tweet impressions 11.1K ↓25.1%</p> 	<p>Profile visits 631 ↑16.0%</p> 	<p>Mentions 7 ↑133.3%</p> 	<p>Followers 1,127 ↑8</p> 
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Attachment: Division Reports September 2021 (13905 : Division Reports & Metrics - September 2021)

RPU Environmental Stewardship Metric

Tons CO2 Saved

12 Month Rolling Sum



Attachment: Division Reports September 2021 (13905 : Division Reports & Metrics - September 2021)

POWER RESOURCES MANAGEMENT

SEPTEMBER 2021

Portfolio Optimization

1. In August, RPU continued to bid GT1, GT2 and WES into the MISO day-ahead and real-time markets. Only GT2 and WES are capable of participating in the ancillary services market.
 - a. Ancillary Service Market – Supplemental Reserves
 - i. Cleared DA
 1. GT2 – 31 days
 2. WES – 31 days
 - ii. Deployment YTD
 1. GT2 – 1
 2. WES – 1
 - b. Dispatched by MISO

i. GT1 – 0 times	YTD 19
ii. GT2 – 16 times	YTD 91
iii. WES – 29 times	YTD 112
 - c. Hours of Operation

i. GT1 – 0 hours	YTD 121 hours
ii. GT2 – 110 hours	YTD 679 hours
iii. WES – 242 hours	YTD 978 hours
 - d. Electricity Generated

i. GT1 – 0 MWh	YTD 2,621 MWh
ii. GT2 – 3,737 MWh	YTD 23,338 MWh
iii. WES – 8,198 MWh	YTD 33,262 MWh
 - e. Forced Outage

i. GT1 – 1 hours	YTD 207 hours
ii. GT2 – 20 hours	YTD 27 hours
iii. WES – 0 hours	YTD 168 hours
2. MISO market Real Time Price averaged \$16.41/MWh and Day Ahead Price averaged \$23.88/MWh.

CUSTOMER RELATIONS

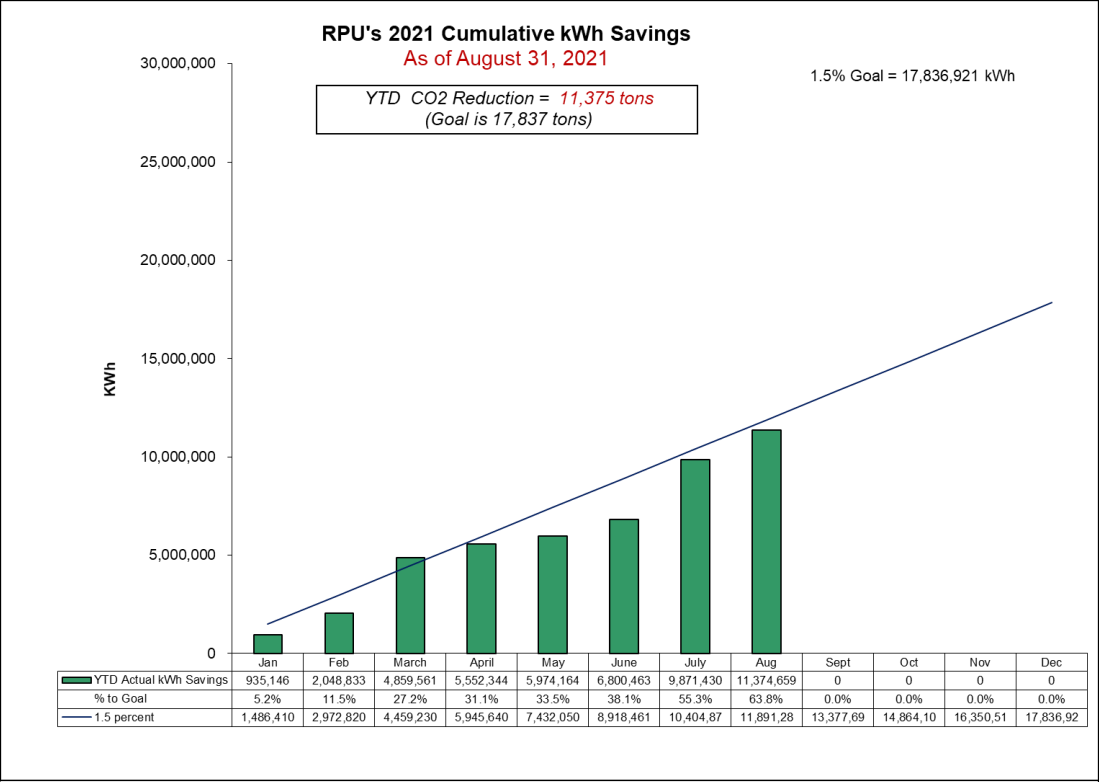
(Contact Center and Marketing, Commercial and Residential)

Stakeholder Engagement, Forums, and Meetings

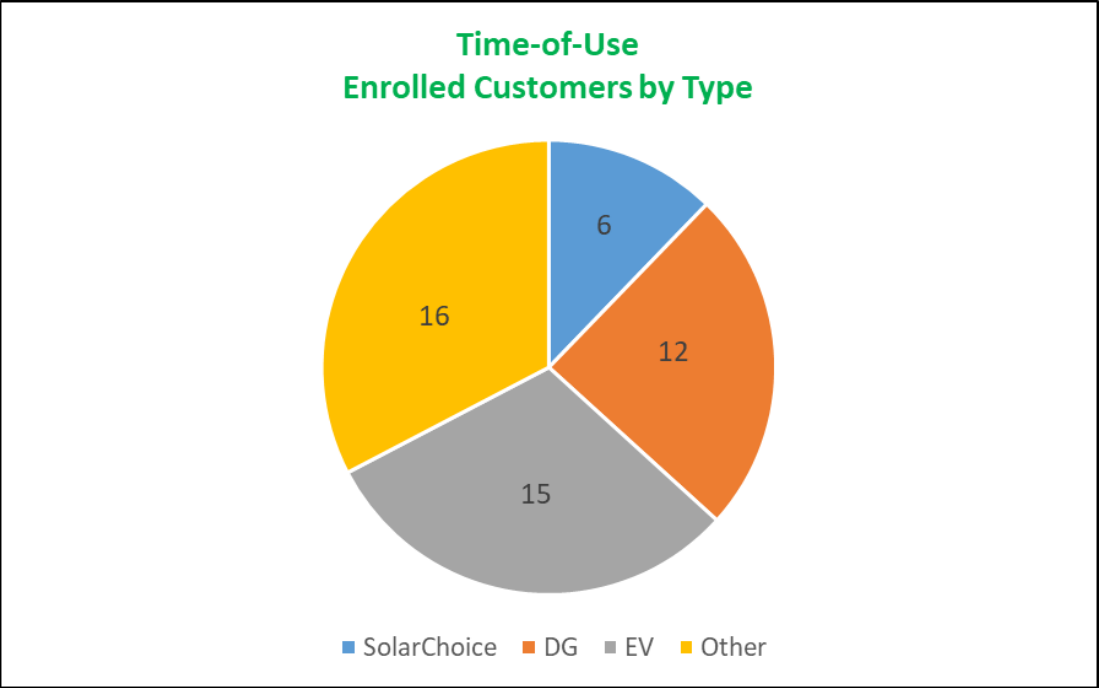
1. On September 24, the marketing team attended the Association of Energy Service Professionals (AESP) Midwest Fall Meeting. ZEF energy presented some of the latest trends and news in the electric vehicle (EV) world and its impact on utilities.
2. On September 17, marketing staff participated in the Equitable Solar Access Kick-off meeting sponsored by CERTs and MN's Energy Office. The concept is to build a pilot community solar garden in a non-Xcel territory that ensures that income constrained communities can access and participate in solar.

Opportunities for Customers

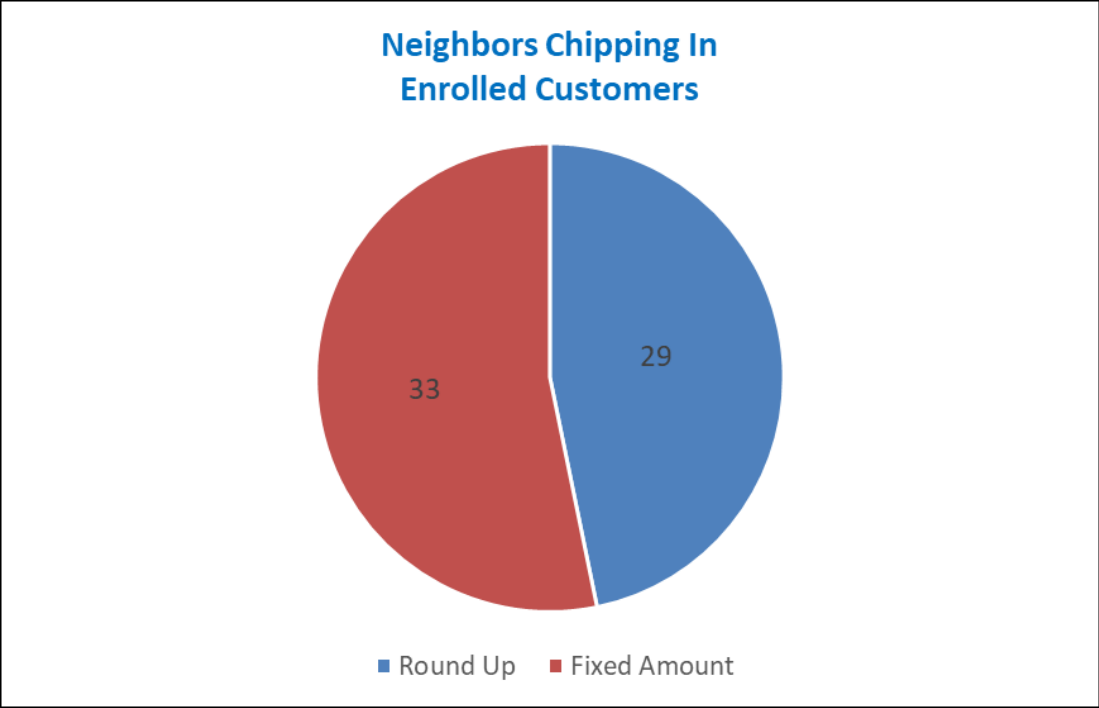
1. RPU participated in a new Rochester event called Welcoming Week Celebration 2021 at 125 Live on Sunday, September 15 as a co-host of the event. We had a booth there to answer questions on how to read and understand your bill, energy conservation, solar, and electric vehicles.
2. A virtual Neighborhood Energy Challenge workshop with Community Education was held on Thursday, September 16. We had 26 households in attendance.
3. A Community Education class called *Electric Vehicles – They are coming, but are they for you?* will be held virtually on Tuesday, September 28 and a second session on Wednesday, September 29. Between the two classes, we have 58 people registered so far.
4. Customer Care and Collections continues to make outreach calls to both residential and commercial customers with outstanding balances. Since August 31st there have been 394 outreach calls or emails made in an effort to reach such customers. The Customer Care Advisors continue to provide information regarding resources available that may be able to financially assist customers. The Customer Care Advisors are also working with customers to make payment arrangements on outstanding balances.
5. Storm water accounts continue to be monitored and updated as needed.



- ✚ Avoided kW: 1,626 kW
- ✚ Cost of Avoided kW: \$819/kW



✚ Total Customers Enrolled: 49

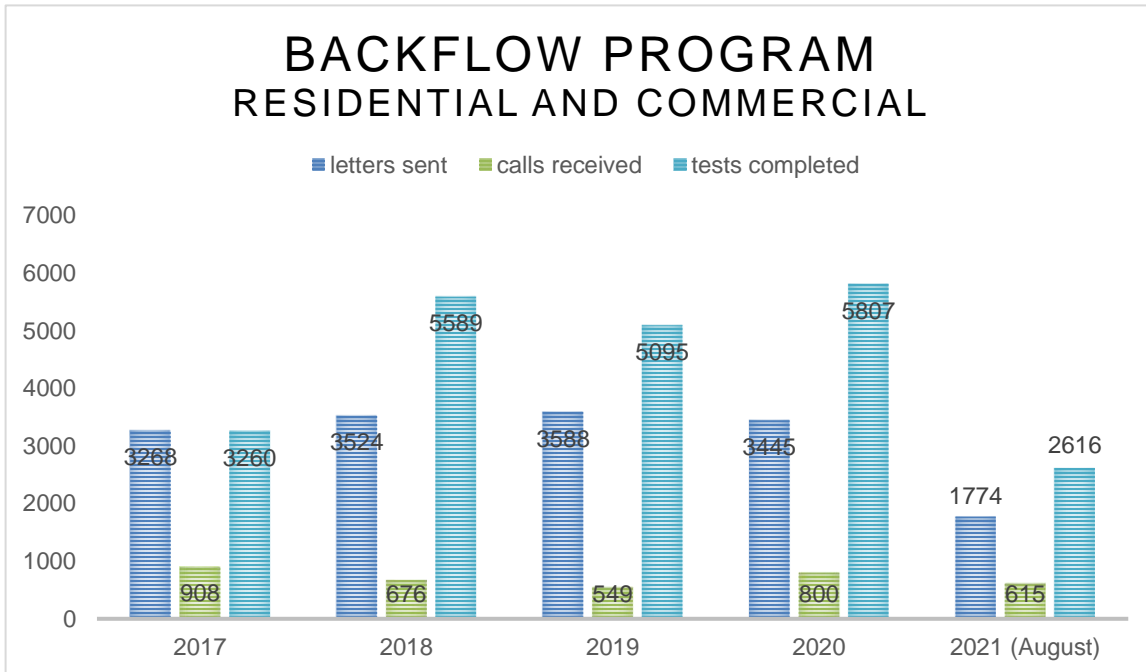


✚ Total Customers Enrolled: 62

CORPORATE SERVICES

1. Business Services:

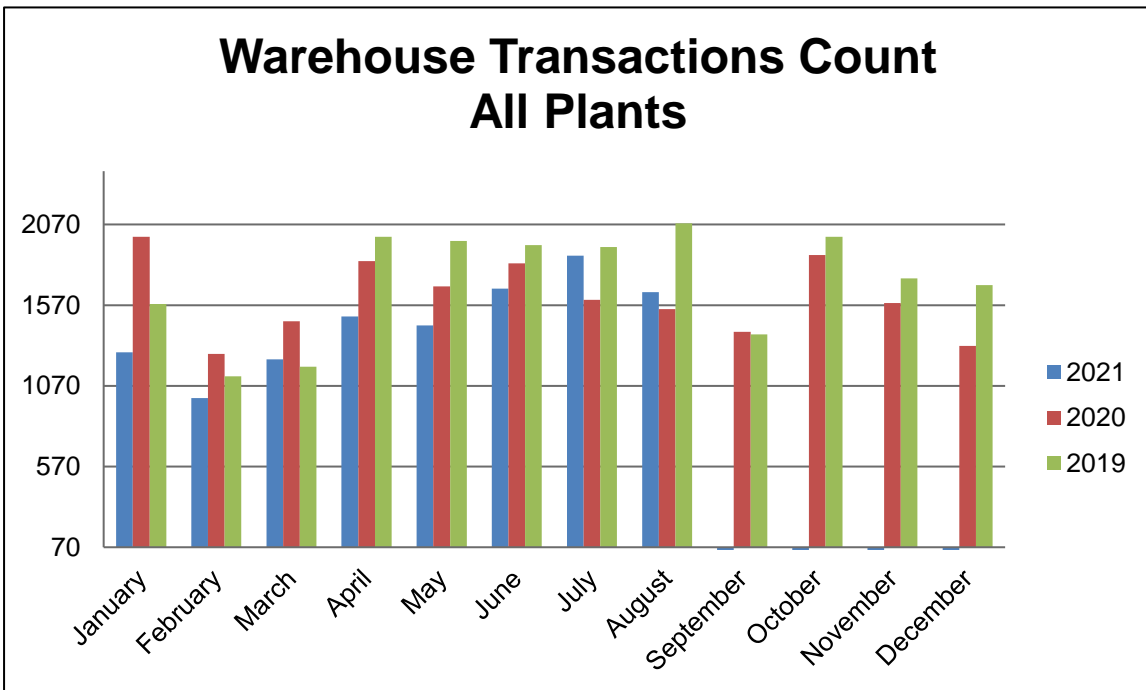
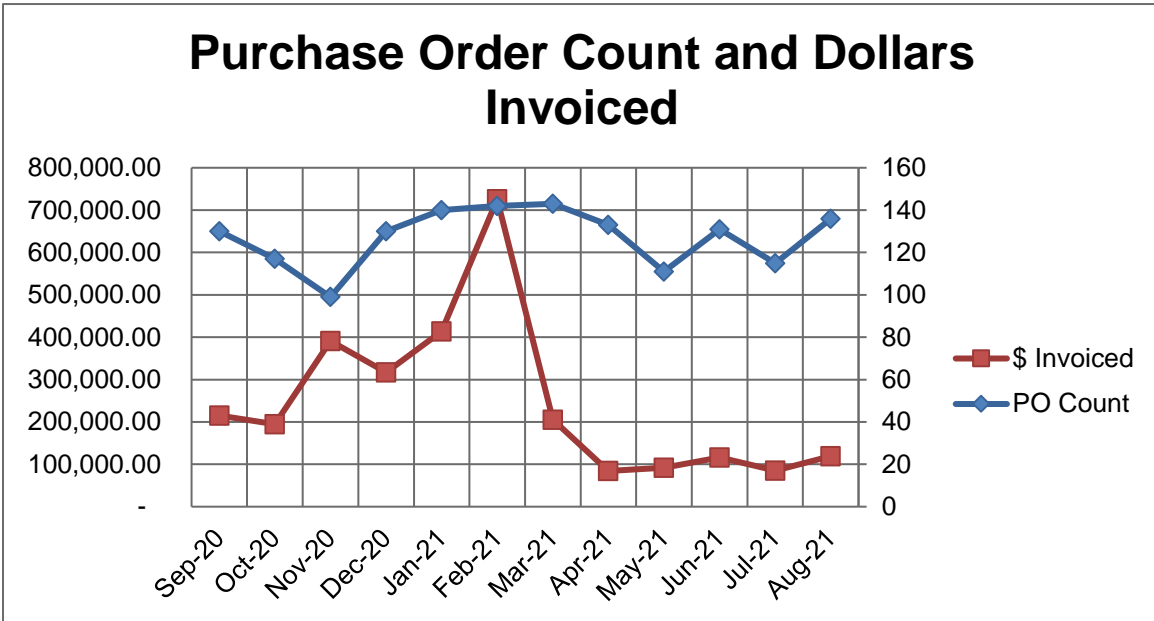
- Payroll/HR – Coordinated the onboarding of one seasonal grounds worker and one full time position.
- Administrative – Participated in community engagement, diversity, equity and inclusion (CE DEI) group meetings and worked with RPU leadership to identify department goals for 2022.
- Project Management – Coordinated 3rd quarter Cyber security awareness training for all employees and renewed annual training program for NERC/CIP cyber security training.
- Project Management – Started the annual review and controls audit. Annually access to critical systems, system access and remote access are reviewed to ensure unauthorized personnel or vendor access has been removed or limited to the lowest level needed to perform their job.
- Administrative Support – Developed graphics, presentations and reports to support Engineering with the Rules and Regulations book.
- Customer Outreach Letters - Beginning at the end of July, customer outreach letters were returned to the normal operating process which is sent to a third party vendor. The Business Services team handled 2,951 mailing pieces, including 239 backflow notices and 64 backflow related calls.



Attachment: Division Reports September 2021 (13905 : Division Reports & Metrics - September 2021)

Purchasing and Materials Management:

- 2. The current Warehouse Operations Specialist is retiring October 1, 2021. We are currently in the process of taking applications for his replacement. Dan Quimby has worked at RPU for 42 years.



Attachment: Division Reports September 2021 (13905 : Division Reports & Metrics - September 2021)

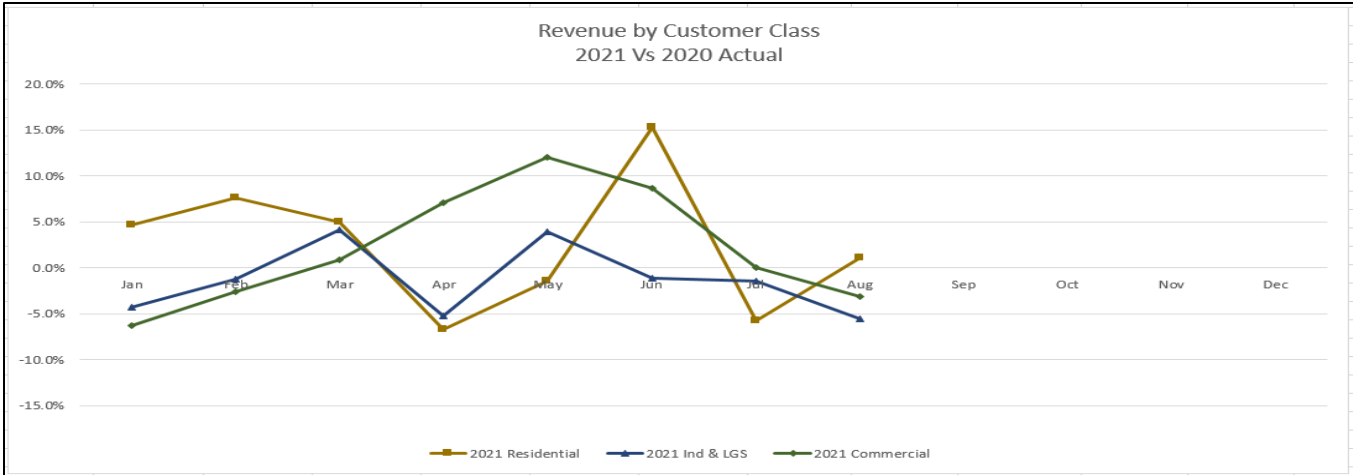
3. Finance and Accounting:

General

- Judy Anderson has accepted the position of RPU Controller. Judy has worked at the Utility for over 17 years and was formerly a Senior Financial Analyst at RPU. In this position, Judy has been very involved in all financial aspects of the Utility, including yearend financial audit, budgeting and bond issuance, among other duties. The open Senior Financial Analyst position will be reposted.
- The Finance Committee and the Board reviewed the recommended 2022 Water and Electric Utility budgets in August. The RPU budget will be reviewed by the Council during a study session in October, with approvals requested of the RPU Board and Council in October and December, respectively.

During the September SMMPA Board meeting, a decision was made to change the proposed wholesale rate reduction of 2% to a cash distribution in 2022. The cash distribution would not get passed through to customers through the power cost adjustment as originally anticipated in the Electric Utility budget for 2022. To adjust for this, management is recommending that we adjust the general rate increase for the Electric Utility from 2.5% to 1.5% for 2022. A revised budget projection will be provided to the Board in September. There is no change recommended to the original proposed 2022 Water Utility budget.

- Customer Billing/Accounting and IT teams worked to reconfigure the collections process to return to normal operations on August 2nd. In September, notifications were updated and scheduling adjusted to give 30 days' notice of intent to disconnect service for nonpayment prior to October 1, 2021, when the new Cold Weather protection provisions go into effect. The team is still working on modifications to accommodate requirements that are being developed by the State of Minnesota that will impact the configuration of the billing system, process changes and may require some custom software modifications. These include a new Low Income Water Assistance Program (LIWAP), RentHelp Program, MortgageHelp program and changes to the Cold Weather program.
- The Cayenta upgrade project is in the testing phase. We are in week 5 of 7 in testing, which includes a significant time commitment by the billing and collections team.
- Covid19 Financial Impacts – As part of our 2021 Electric Utility budget process, sales volumes and gross margin were adjusted down. The 2021 budget anticipates a slow recovery during 2021. The Electric Utility gross margin for August 2021 is under budget by (\$43,485) or (0.7%). This is (\$404,351) or (5.8%) below August 2020 actual gross margin. Included in the gross margin total is wholesale sales gross margin which is \$237,878, or 114.9% above budget for August. These variances are driven by weather and a onetime billing correction of \$334,000.



- Accounts Receivable – Past due account balances have increase from \$1,348,197 at the end of February 2020, before the pandemic, to \$3,175,632 at the end of August 2021. Of this amount, \$1,803,701 is due from residential customers and \$1,371,931 is due from commercial accounts.

Description	Residential			Commercial (Non Residential)		
	02/29/2020	8/31/2021	Incr (Decr)	02/29/2020	8/31/2021	Incr (Decr)
% Current	92.0%	75.2%	-16.8%	94.6%	78.7%	-15.9%
% Past Due	17.5%	24.8%	7.3%	5.8%	21.3%	15.5%
Amount Past Due	\$ 968,491	\$ 1,803,701	\$ 835,210	\$ 379,705	\$ 1,371,931	\$ 992,226
# Customers Past Due	6,349	4,912	(1,437)	385	379	(6)
Average Balance Past Due	\$ 153	\$ 367	\$ 215	\$ 986	\$ 3,620	\$ 2,634
# Customers > \$1,500 Past Due	17	260	243	38	75	37
# Customers > \$5,000 Past Due	-	15	15	13	30	17

- Payment Agreements – As of September 22, 2021, we have 868 payment arrangements in good standing. Current payment agreements represent \$1,161,822 of the total past due balance of \$3,175,632.
- RPU will continue to reach out to customers to get them connected to assistance that they may be qualified for and to make payment agreements.

4. Information Technology:

General

- The IT team, in coordination with Cayenta, completed adjustments to the billing system to change business processes for the new cold weather rule parameters.
- Completed system upgrades to the meter reading application, controls applications.

Attachment: Division Reports September 2021 (13905 : Division Reports & Metrics - September 2021)

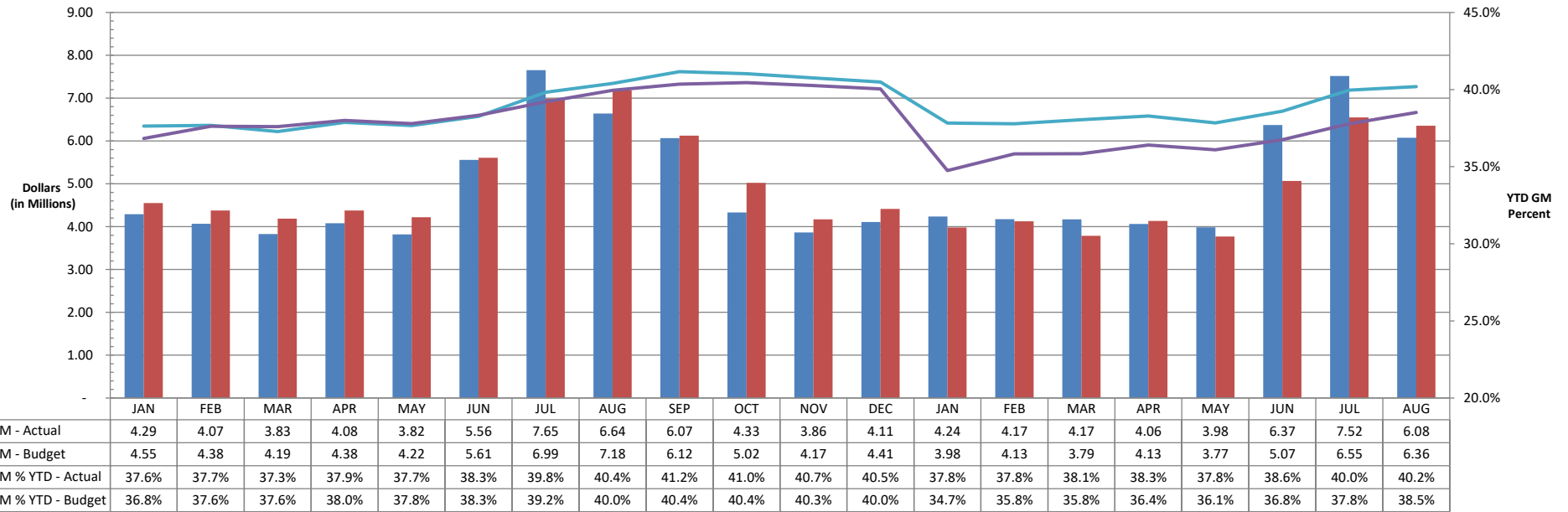
- Started a project to migrate our current SharePoint site to the MS365 environment.

5. Financial Results:

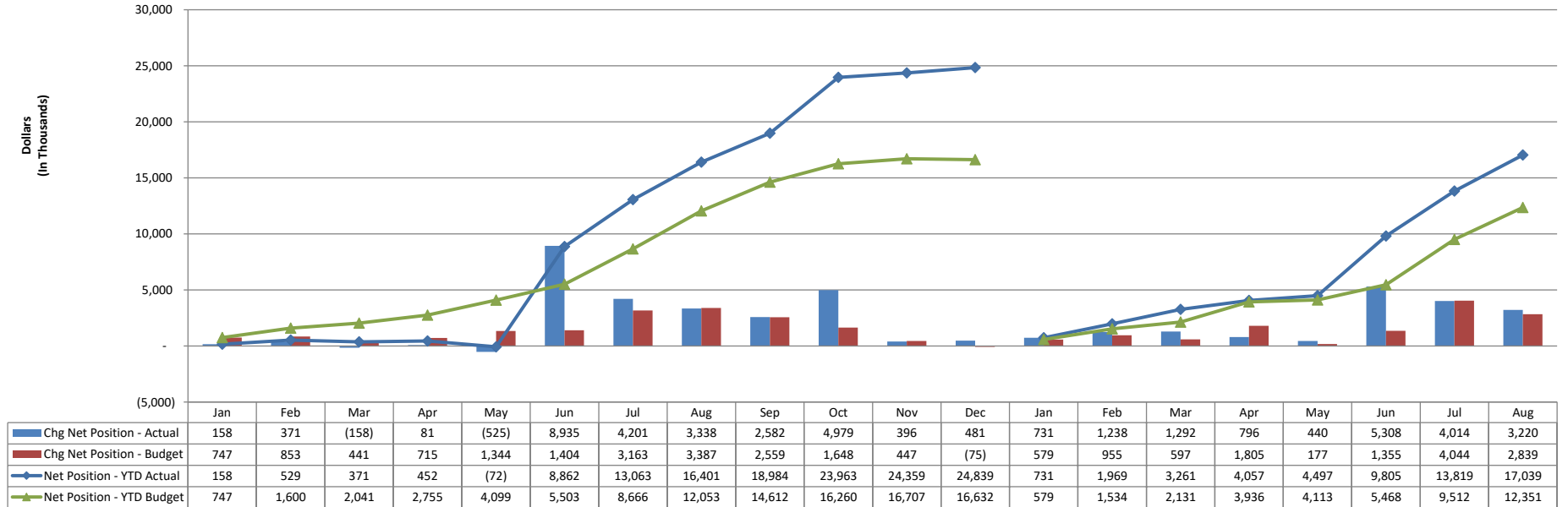
Note: Budget numbers are compared to the approved 2021 budget and have been adjusted for 2020 approved project budgets carried over to 2021.

(In Thousands)	Current Month			Year to Date		
	Actual	Budget	Variance	Actual	Budget	Variance
Revenue - Electric	\$ 15,904	\$ 15,501	\$ 403	\$ 110,055	\$ 103,163	\$ 6,892
Revenue - Water	1,088	1,093	(5)	7,589	7,341	248
Change in Net Position - Electric	3,220	2,839	381	17,039	12,351	4,688
Change in Net Position - Water	282	268	14	1,269	797	472

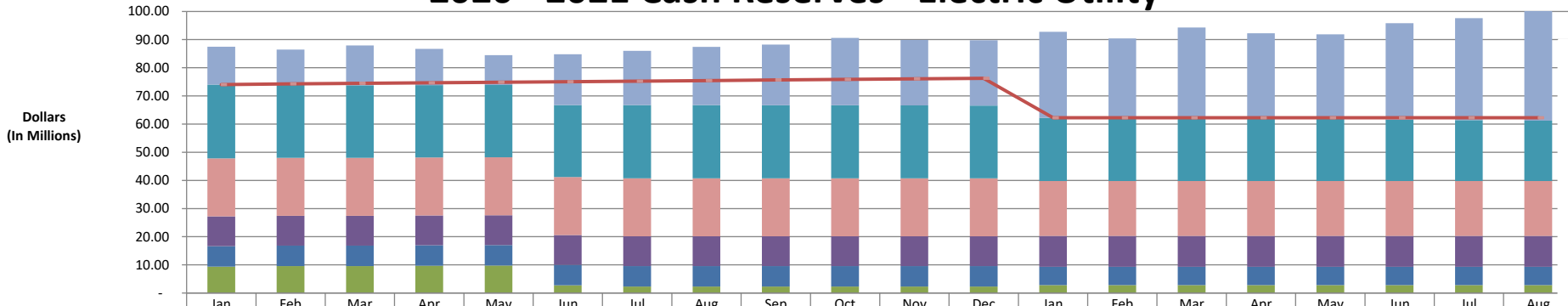
2020 - 2021 Retail Gross Margin - Electric Utility



2020 - 2021 Change in Net Position - Electric Utility

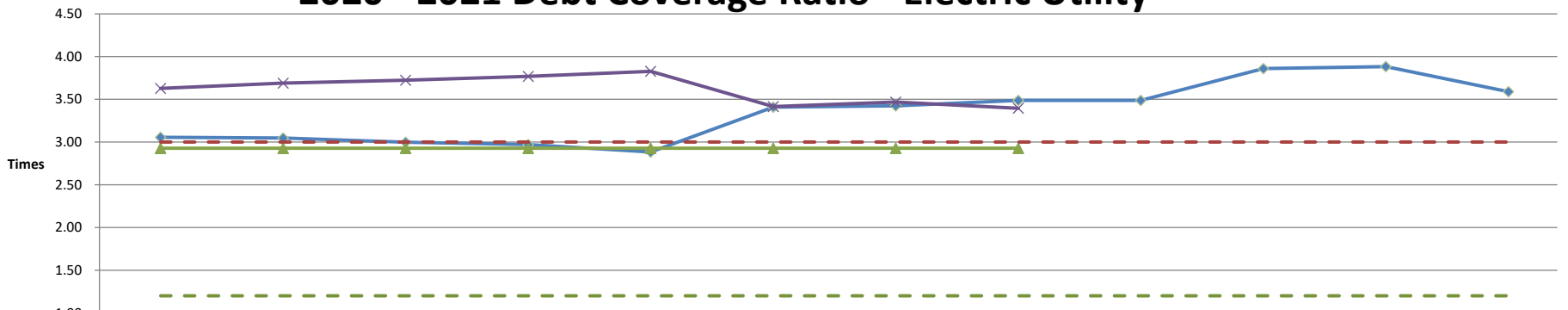


2020 - 2021 Cash Reserves - Electric Utility



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Unreserved Cash	13.41	12.18	14.16	12.86	10.59	18.00	19.23	20.65	21.54	23.93	23.26	23.17	30.51	28.19	32.36	30.29	29.90	34.27	36.24	40.92
Capital & Major Maint	26.23	26.23	25.73	25.71	25.69	25.58	26.04	26.02	25.96	25.95	25.91	25.85	22.45	22.42	22.15	22.17	22.17	21.76	21.59	21.40
Working Funds	20.59	20.59	20.59	20.59	20.59	20.59	20.59	20.59	20.59	20.59	20.59	20.59	19.54	19.54	19.54	19.54	19.54	19.54	19.54	19.54
Contingency	10.58	10.58	10.58	10.58	10.58	10.58	10.58	10.58	10.58	10.58	10.58	10.58	10.94	10.94	10.94	10.94	10.94	10.94	10.94	10.94
Clean Air Rider	7.26	7.26	7.26	7.26	7.26	7.26	7.26	7.26	7.26	7.26	7.26	7.26	6.53	6.53	6.53	6.53	6.53	6.53	6.53	6.53
Spl Cap & Maj Maint	9.39	9.59	9.60	9.70	9.79	2.77	2.30	2.30	2.30	2.30	2.30	2.30	2.80	2.80	2.80	2.80	2.80	2.80	2.80	2.80
Total (Excluding Debt Service)	87.47	86.43	87.92	86.71	84.50	84.79	86.00	87.40	88.24	90.62	89.90	89.75	92.77	90.42	94.32	92.27	91.88	95.84	97.65	102.14
Min Reserve (Policy - Ex Debt Service)	74.06	74.26	74.46	74.66	74.86	75.06	75.26	75.46	75.66	75.86	76.06	76.26	62.26	62.26	62.26	62.26	62.26	62.26	62.26	62.26

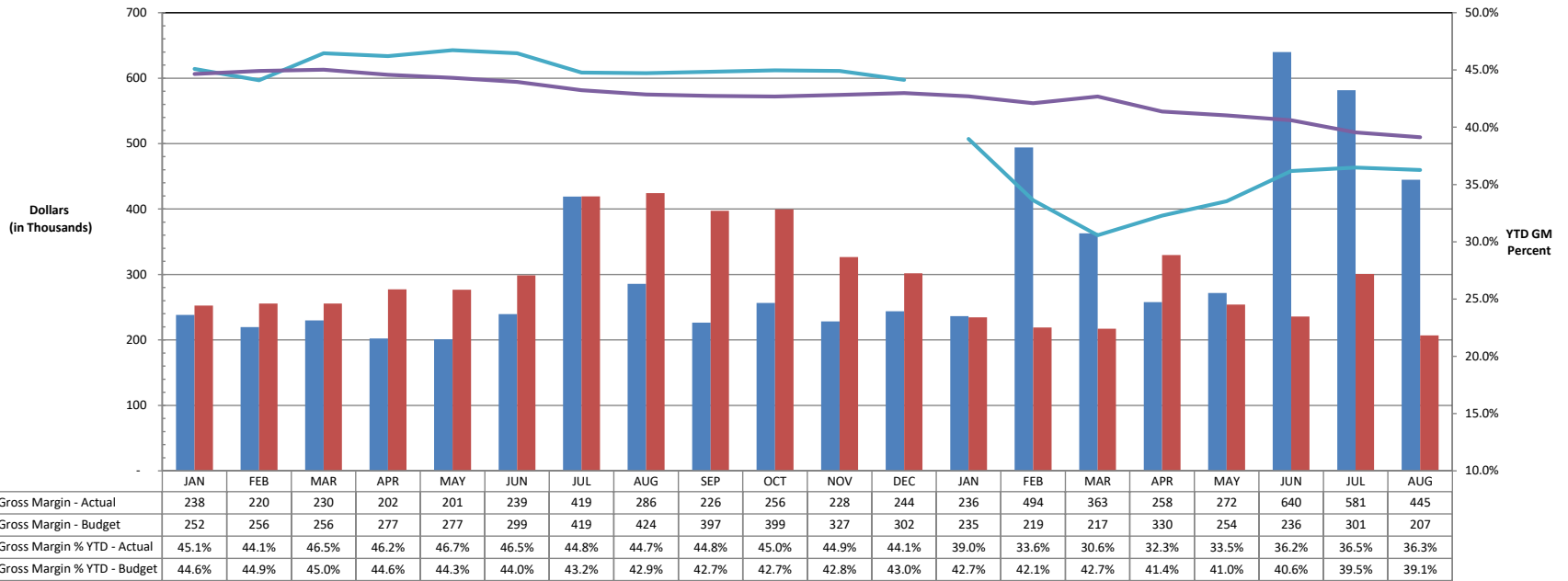
2020 - 2021 Debt Coverage Ratio - Electric Utility



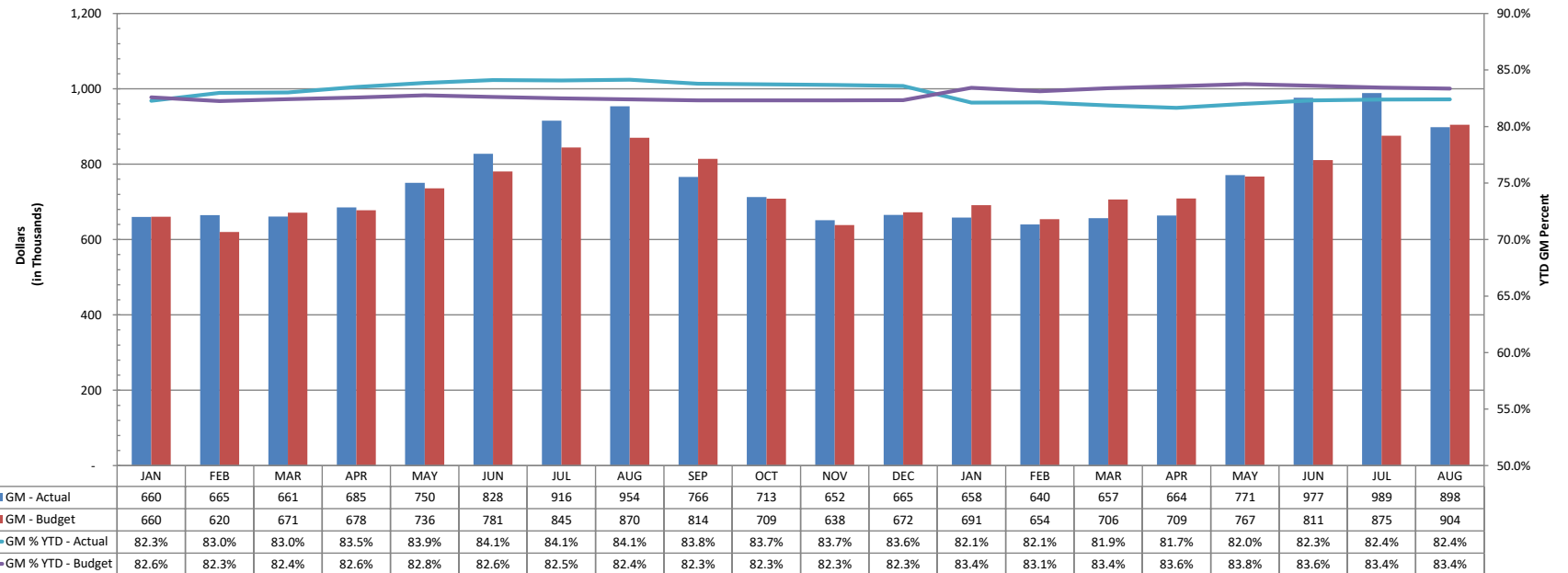
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2020 Actual	3.06	3.05	3.00	2.97	2.88	3.41	3.42	3.49	3.49	3.86	3.88	3.59
2021 Budget	2.93	2.93	2.93	2.93	2.93	2.93	2.93	2.93				
2021 Actual	3.63	3.69	3.72	3.77	3.83	3.42	3.47	3.39				
Rating Goal	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Bond Covenant	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20

Month

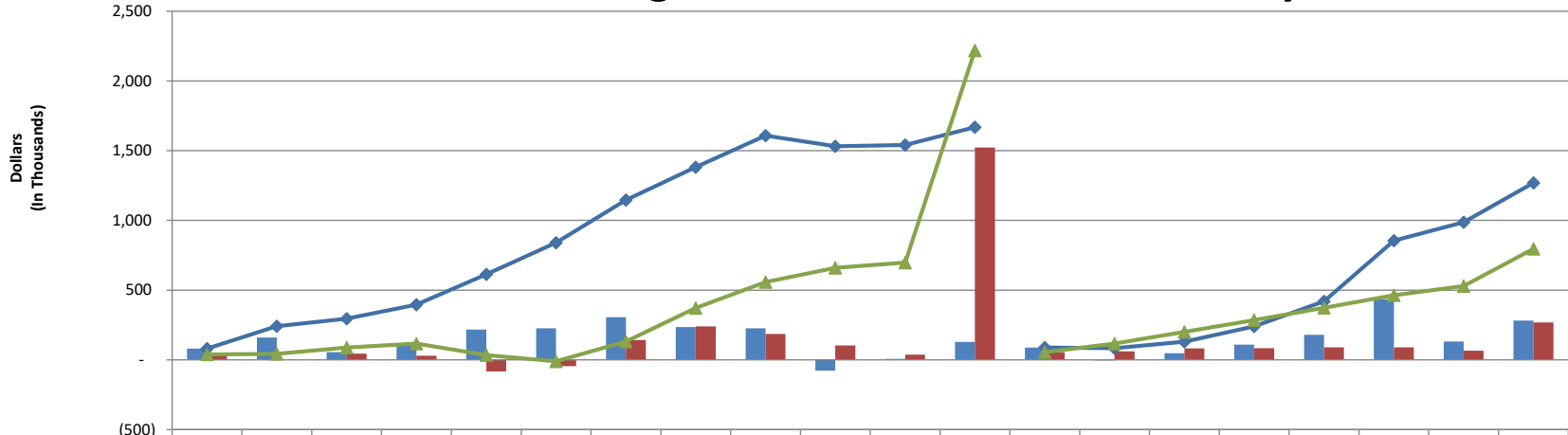
2020 - 2021 Gross Margin - Steam/Wholesale Electric



2020 - 2021 Gross Margin - Water Utility

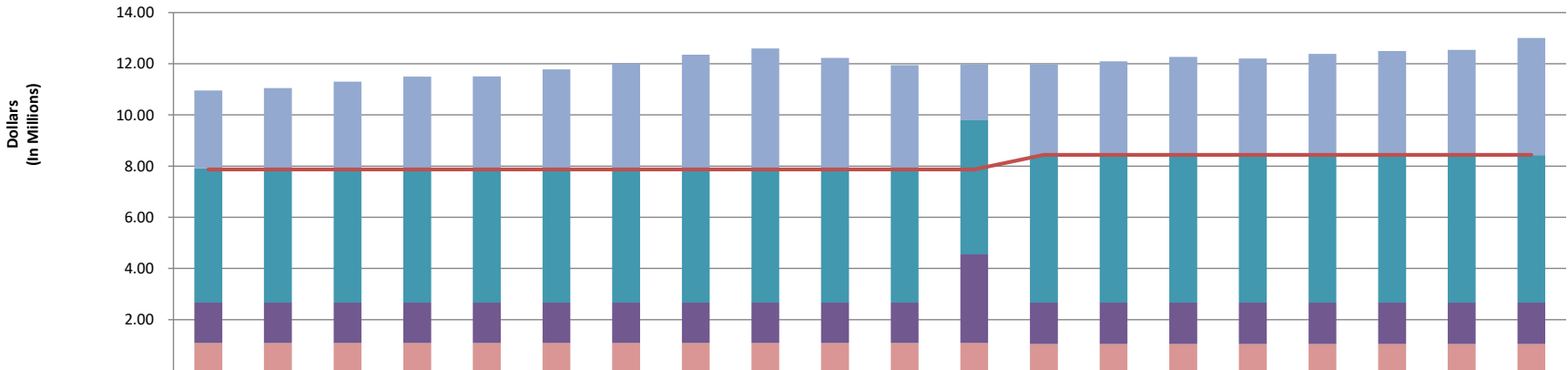


2020 - 2021 Change in Net Position - Water Utility



	Jan	Feb	Mar	Apr	Mar	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Chg Net Position - Actual	81	161	55	101	218	227	306	235	227	(76)	8	128	88	(5)	48	109	180	435	132	282
Chg Net Position - Budget	39	4	45	30	(82)	(45)	142	240	185	103	37	1,522	55	62	83	84	90	89	66	268
Net Position - YTD Actual	81	241	296	396	614	841	1,147	1,382	1,609	1,533	1,540	1,669	88	83	131	240	420	855	987	1,269
Net Position - YTD Budget	39	43	87	117	35	(11)	132	372	557	660	697	2,219	55	117	200	284	374	463	529	797

2020 - 2021 Cash Reserves - Water Utility



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Unreserved Cash	3.05	3.14	3.39	3.59	3.60	3.87	4.10	4.45	4.69	4.32	4.04	2.18	3.55	3.67	3.83	3.77	3.95	4.06	4.11	4.58
Capital & MM	5.24	5.24	5.24	5.24	5.24	5.24	5.24	5.24	5.24	5.24	5.24	5.24	5.77	5.77	5.77	5.77	5.77	5.77	5.77	5.77
Contingency	1.58	1.58	1.58	1.58	1.58	1.58	1.58	1.58	1.58	1.58	1.58	3.47	1.62	1.62	1.62	1.62	1.62	1.62	1.62	1.62
Working Funds	1.09	1.09	1.09	1.09	1.09	1.09	1.09	1.09	1.09	1.09	1.09	1.09	1.05	1.05	1.05	1.05	1.05	1.05	1.05	1.05
Total	10.96	11.05	11.30	11.49	11.50	11.78	12.01	12.36	12.60	12.23	11.95	11.98	11.98	12.10	12.27	12.21	12.38	12.50	12.55	13.01
Min Reserver (Policy)	7.87	7.87	7.87	7.87	7.87	7.87	7.87	7.87	7.87	7.87	7.87	7.87	8.44	8.44	8.44	8.44	8.44	8.44	8.44	8.44



TO: Jeremy Sutton, Director of Power Resources, Fleet & Facilities

FROM: Tina Livingston, Senior Financial Analyst

SUBJECT: LOAD FORECAST SUMMARY FOR 2021

MONTH	SYSTEM ENERGY			PEAK SYSTEM DATA		
	ACTUAL MWH	FORECAST MWH	% DIFF	ACTUAL MW	FORECAST MW	% DIFF
JAN	97,934	101,211	-3.2%	164.6	182.4	-9.7%
FEB	92,648	92,886	-0.3%	172.3	179.6	-4.0%
MAR	90,288	92,601	-2.5%	151.8	158.0	-3.9%
APR	85,195	90,885	-6.3%	158.6	168.7	-6.0%
MAY	92,262	90,824	1.6%	206.9	194.6	6.3%
JUN	119,714	102,551	16.7%	270.3	227.8	18.7%
JUL	120,463	119,695	0.6%	260.2	265.5	-2.0%
AUG	114,973	115,163	-0.2%	239.3	246.3	-2.9%
SEP					238.8	
OCT					170.9	
NOV					171.7	
DEC					173.6	
YTD	813,477	805,816	1.0			

HISTORICAL SYSTEM PEAK 292.1 MW 07/20/2011

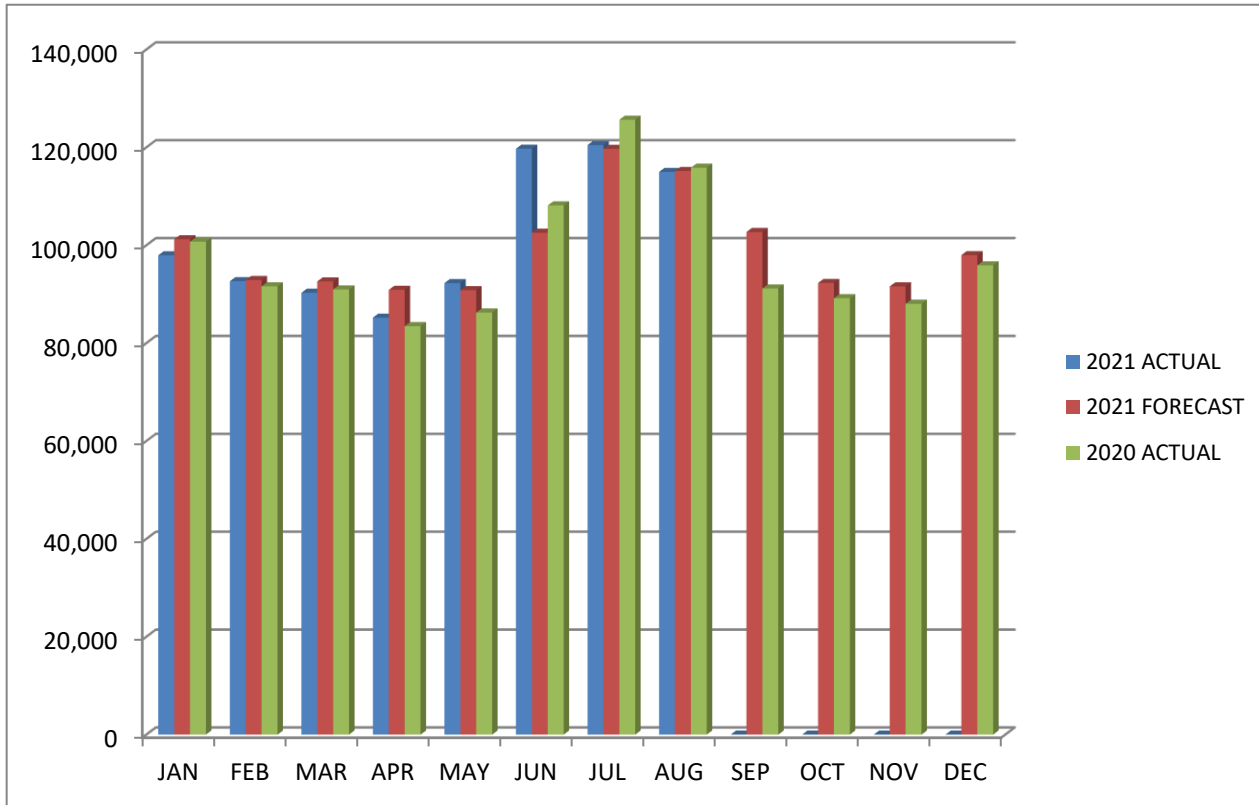
% DIFF = (ACTUAL / FORECAST X 100) - 100

MWH = MEGAWATT HOUR = 1000 KILOWATT HOURS

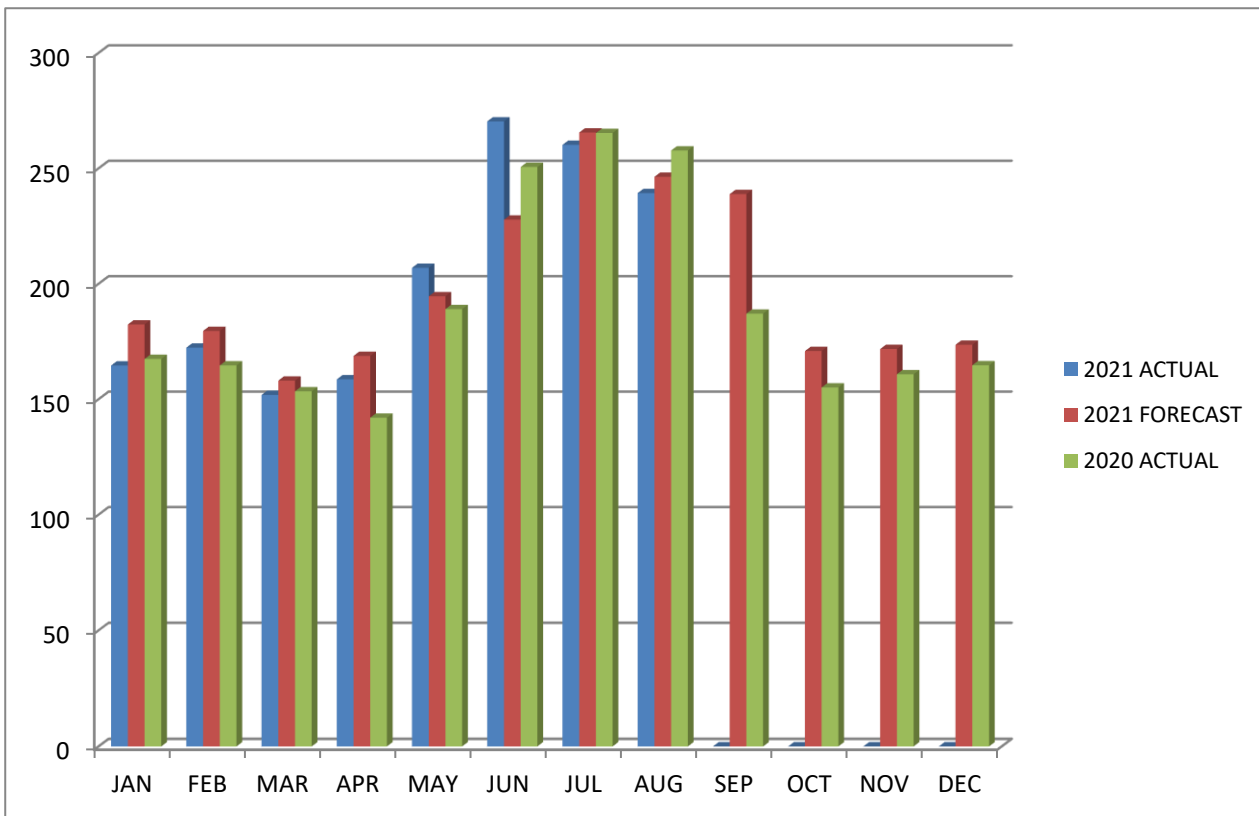
MW = MEGAWATT = 1000 KILOWATTS

2021 YTD SYSTEM REQUIREMENTS

Energy Required for the Month (MWH)



Peak Demand for the Month (MW)



Attachment: Division Reports September 2021 (13905 : Division Reports & Metrics - September 2021)

ROCHESTER PUBLIC UTILITIES

INDEX

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DATE: August 2021

TO: _____

From: **Judith Anderson** (507) 292-1217
Controller

SUBJ: **RPU - Financial Statements**

RPU - ELECTRIC UTILITY Financial Reports

<u>Page #</u>	<u>REPORT TITLE:</u>
1	Statement of Net Position - Condensed
2	Statement of Revenues, Expenses & Changes in Net Position YTD
3	Statement of Cash Flows YTD
4 - 5	Production and Sales Statistics - YTD
6	GRAPH - Capital Expenditures
7	GRAPH - Major Maintenance Expenditures
8	GRAPH - Cash & Temporary Investments
9	GRAPH - Changes in Net Position
10	GRAPH - Bonds

RPU - WATER UTILITY Financial Reports

<u>Page #</u>	<u>REPORT TITLE:</u>
11	Statement of Net Position - Condensed
12	Statement of Revenues, Expenses & Changes in Net Position YTD
13	Statement of Cash Flows YTD
14	Production and Sales Statistics - YTD
15	GRAPH - Capital Expenditures
16	GRAPH - Major Maintenance Expenditures
17	GRAPH - Cash & Temporary Investments
18	GRAPH - Changes in Net Position

END OF BOARD PACKET FINANCIALS

Attachment: Division Reports September 2021 (13905 : Division Reports & Metrics - September 2021)

ROCHESTER PUBLIC UTILITIES
STATEMENT OF NET POSITION
ELECTRIC UTILITY
August 31, 2021

	<u>August 2021</u>	<u>August 2020</u>	<u>Difference</u>	<u>% Diff.</u>	<u>July 2021</u>
ASSETS					
CURRENT ASSETS					
CASH & INVESTMENTS					
Unreserved Cash & Investments	40,922,626	20,648,011	20,274,615	98.2	36,244,790
BOARD RESERVED CASH & INVESTMENTS					
Clean Air Rider Reserve	6,529,996	7,263,435	(733,439)	(10.1)	6,529,996
Working Funds Reserve	19,537,000	20,590,000	(1,053,000)	(5.1)	19,537,000
Special Capital & Major Maintnce Reserve	2,800,818	2,300,818	500,000	21.7	2,800,818
Contingency Reserve	10,943,000	10,581,000	362,000	3.4	10,943,000
General Capital & Major Maintnce Reserve	21,404,491	26,018,595	(4,614,104)	(17.7)	21,592,350
Total Reserved Cash & Investments	61,215,305	66,753,848	(5,538,543)	(8.3)	61,403,170
Total Cash & Investments	102,137,932	87,401,859	14,736,073	16.9	97,647,970
Receivables & Accrued Utility Revenues	25,260,871	24,886,957	373,914	1.5	28,286,570
Inventory	6,682,650	6,749,567	(66,917)	(1.0)	6,629,240
Other Current Assets	1,426,668	1,400,833	25,835	1.8	1,641,600
RESTRICTED ASSETS					
Restricted Cash and Equivalents	6,559,829	6,531,275	28,554	0.4	5,424,220
Total Current Assets	142,067,950	126,970,491	15,097,459	11.9	139,629,610
NON-CURRENT ASSETS					
RESTRICTED ASSETS					
RESTRICTED CASH & INVESTMENTS					
Debt Service Reserve	12,072,991	12,955,835	(882,844)	(6.8)	12,072,990
Funds Held in Trust	0	0	0	0.0	0
Total Restricted Cash & Investments	12,072,991	12,955,835	(882,844)	(6.8)	12,072,990
Total Restricted Assets	12,072,991	12,955,835	(882,844)	(6.8)	12,072,990
CAPITAL ASSETS					
NON-DEPRECIABLE ASSETS					
Land and Land Rights	11,264,662	9,542,782	1,721,880	18.0	11,264,662
Construction Work in Progress	19,355,337	15,385,822	3,969,515	25.8	19,748,840
Total Non-depreciable Assets	30,619,999	24,928,603	5,691,396	22.8	31,013,500
DEPRECIABLE ASSETS					
Utility Plant in Service, Net	244,603,035	248,463,280	(3,860,245)	(1.6)	244,263,070
Steam Assets, Net	1,276,415	1,570,972	(294,557)	(18.8)	1,300,960
Total Depreciable Assets	245,879,450	250,034,252	(4,154,802)	(1.7)	245,564,030
Net Capital Assets	276,499,449	274,962,856	1,536,594	0.6	276,577,540
Other Non-Current Assets	11,968,257	11,966,725	1,532	0.0	12,004,230
Total Non-Current Assets	300,540,697	299,885,416	655,281	0.2	300,654,760
TOTAL ASSETS	442,608,648	426,855,907	15,752,740	3.7	440,284,370
DEFERRED OUTFLOWS OF RESOURCES					
DEFERRED OUTFLOWS OF RESOURCES	3,630,018	1,790,338	1,839,680	102.8	3,622,690
TOTAL ASSETS + DEFERRED OUTFLOW RESOURCE	446,238,666	428,646,245	17,592,421	4.1	443,907,060
LIABILITIES					
CURRENT LIABILITIES					
Accounts Payable	12,885,515	13,128,117	(242,602)	(1.8)	13,917,510
Due to other funds	3,507,420	3,441,807	65,613	1.9	3,755,370
Customer Deposits	2,047,519	1,822,138	225,381	12.4	2,031,700
Compensated absences	1,952,112	1,844,759	107,353	5.8	2,024,900
Accrued Salaries & Wages	950,282	856,266	94,016	11.0	818,380
Interest Payable	1,725,829	2,020,025	(294,196)	(14.6)	1,150,550
Current Portion of Long Term Debt	6,515,000	6,015,000	500,000	8.3	6,515,000
Misc Other Current Liabilities	762	0	762	0.0	480
Total Current Liabilities	29,584,439	29,128,111	456,327	1.6	30,213,910
NON-CURRENT LIABILITIES					
Compensated absences	1,538,803	1,407,880	130,923	9.3	1,526,330
Other Non-Current Liabilities	14,291,386	12,590,021	1,701,365	13.5	14,291,380
Unearned Revenues	1,864,200	2,156,827	(292,627)	(13.6)	1,924,450
Long-Term Debt	175,129,896	182,708,791	(7,578,895)	(4.1)	175,266,570
Total Non-Current Liabilities	192,824,285	198,863,519	(6,039,234)	(3.0)	193,008,740
TOTAL LIABILITIES	222,408,724	227,991,630	(5,582,907)	(2.4)	223,222,650
DEFERRED INFLOWS OF RESOURCES					
DEFERRED INFLOWS OF RESOURCES	1,318,607	2,724,675	(1,406,067)	(51.6)	1,392,770
NET POSITION					
Net Investment in Capital Assets	107,134,769	98,035,472	9,099,297	9.3	107,671,690
Total Restricted Net Position	4,834,000	4,511,250	322,750	7.2	4,273,660
Unrestricted Net Position	110,542,566	95,383,218	15,159,348	15.9	107,346,280
TOTAL NET POSITION	222,511,335	197,929,940	24,581,395	12.4	219,291,640
TOTAL LIAB, DEFERRED INFLOWS, NET POSITION	446,238,666	428,646,245	17,592,421	4.1	443,907,060

Attachment: Division Reports September 2021 (13905 : Division Reports & Metrics - September 2021)

ROCHESTER PUBLIC UTILITIES
Statement of Revenues, Expenses & Changes in Net Position

August, 2021
YEAR TO DATE

	<u>Actual YTD</u>	<u>Original Budget YTD</u>	<u>Actual to Original Budget</u>	<u>% Var.</u>	<u>Last Yr Actual YTD</u>
SALES REVENUE					
Retail Revenue					
Electric - Residential Service	39,835,723	37,490,229	2,345,493	6.3	38,974,48
Electric - General & Industrial Service	57,584,451	58,224,142	(639,691)	(1.1)	56,602,07
Electric - Public Street & Highway Light	1,108,472	986,888	121,584	12.3	1,026,28
Electric - Rental Light Revenue	126,119	169,718	(43,599)	(25.7)	129,72
Electric - Interdepartmentl Service	744,123	653,339	90,784	13.9	701,07
Electric - Power Cost Adjustment	106,072	(880,229)	986,301	112.1	29,38
Electric - Clean Air Rider	1,478,181	1,411,151	67,030	4.8	1,366,42
Electric - Total Retail Revenue	100,983,140	98,055,238	2,927,902	3.0	98,829,46
Wholesale Electric Revenue					
Energy & Fuel Reimbursement	3,950,121	2,022,281	1,927,840	95.3	1,301,28
Capacity & Demand	290,475	85,080	205,395	241.4	119,09
Total Wholesale Electric Revenue	4,240,596	2,107,361	2,133,235	101.2	1,420,38
Steam Sales Revenue	4,830,967	3,000,000	1,830,967	61.0	3,130,83
TOTAL SALES REVENUE	110,054,703	103,162,599	6,892,105	6.7	103,380,68
COST OF REVENUE					
Purchased Power	60,396,053	60,286,838	109,215	0.2	58,899,53
Generation Fuel, Chemicals & Utilities	5,782,233	3,109,048	2,673,185	86.0	2,516,29
TOTAL COST OF REVENUE	66,178,286	63,395,886	2,782,400	4.4	61,415,83
GROSS MARGIN					
Retail	40,587,087	37,768,400	2,818,687	7.5	39,929,92
Wholesale	3,289,331	1,998,313	1,291,017	64.6	2,034,92
TOTAL GROSS MARGIN	43,876,417	39,766,713	4,109,705	10.3	41,964,84
FIXED EXPENSES					
Utilities Expense	297,341	302,392	(5,051)	(1.7)	295,40
Depreciation & Amortization	9,710,256	9,376,362	333,894	3.6	9,899,54
Salaries & Benefits	13,523,916	12,316,962	1,206,953	9.8	13,111,84
Materials, Supplies & Services	6,429,311	7,826,174	(1,396,863)	(17.8)	6,628,88
Inter-Utility Allocations	(1,257,425)	(1,146,000)	(111,425)	(9.7)	(1,161,72)
TOTAL FIXED EXPENSES	28,703,398	28,675,891	27,507	0.1	28,773,95
Other Operating Revenue	6,809,252	6,530,575	278,677	4.3	11,802,24
NET OPERATING INCOME (LOSS)	21,982,271	17,621,397	4,360,874	24.7	24,993,13
NON-OPERATING REVENUE / (EXPENSE)					
Investment Income (Loss)	803,768	1,194,868	(391,100)	(32.7)	1,025,38
Interest Expense	(3,725,944)	(4,147,332)	421,388	10.2	(4,248,20)
Amortization of Debt Issue Costs	(69,943)	(51,448)	(18,495)	(35.9)	(53,93)
Miscellaneous - Net	(229,072)	(17,350)	(211,722)	(1,220.3)	(684,23)
TOTAL NON-OPERATING REV (EXP)	(3,221,191)	(3,021,263)	(199,928)	(6.6)	(3,960,99)
INCOME (LOSS) BEFORE TRANSFERS / CAPITAL CONTRIBUTIONS	18,761,080	14,600,134	4,160,946	28.5	21,032,14
Transfers Out	(5,831,726)	(5,833,317)	1,591	0.0	(5,759,16)
Capital Contributions	4,109,561	3,583,815	525,746	14.7	1,128,52
CHANGE IN NET POSITION	17,038,915	12,350,633	4,688,282	38.0	16,401,49
Net Position, Beginning	205,472,420				181,528,44
NET POSITION, ENDING	222,511,335				197,929,94

Attachment: Division Reports September 2021 (13905 : Division Reports & Metrics - September 2021)

Rolling 12 Months Planned for Curr Year
3.39 2.93

9/16/2021 1:20 PM

Debt Coverage Ratio

2

09/17/21

ROCHESTER PUBLIC UTILITIES
STATEMENT OF CASH FLOWS
ELECTRIC UTILITY
FOR
AUGUST, 2021
YEAR-TO-DATE

	<u>Actual YTD</u>	<u>Last Yr Actual YTD</u>
8 CASH FLOWS FROM OPERATING ACTIVITIES		
9 Cash Received From Customers	103,752,502	97,658,623
10 Cash Received From Other Revenue Sources	4,267,058	0
11 Cash Received From Wholesale & Steam Customer	8,495,654	4,385,500
12 Cash Paid for:		
13 Purchased Power	(59,282,959)	(56,945,237)
14 Operations and Maintenance	(14,696,995)	(18,269,530)
15 Fuel	(5,234,709)	(2,679,451)
16 Payment in Lieu of Taxes	(5,688,263)	(5,651,518)
17 Net Cash Provided by(Used in) Utility		
18 Operating Activities	31,612,287	18,498,387
19 Sewer, Storm Water, Sales Tax & MN Water Fee Collections		
20 Receipts from Customers	29,853,892	29,307,442
21 Remittances to Government Agencies	(29,896,309)	(28,772,061)
22 Net Cash Provided by(Used in) Non-Utility		
23 Operating Activities	(42,417)	535,381
24 NET CASH PROVIDED BY(USED IN)		
25 OPERATING ACTIVITIES	31,569,870	19,033,768
26 CASH FLOWS FROM CAPITAL & RELATED		
27 FINANCING ACTIVITIES		
28 Additions to Utility Plant & Other Assets	(11,102,563)	(11,418,729)
29 Payments related to Service Territory Acquisition	(76,103)	(135,941)
30 Payment on Long-Term Debt	3,175,000	0
31 Net Bond/Loan Receipts	0	0
32 Cash Paid for Interest & Commissions	(7,775,658)	(4,040,050)
33 NET CASH PROVIDED BY(USED IN)		
34 CAPITAL & RELATED ACTIVITIES	(15,779,324)	(15,594,720)
35 CASH FLOWS FROM INVESTING ACTIVITIES		
36 Interest Earnings on Investments	437,010	591,023
37 Construction Fund (Deposits)Draws	0	0
38 Bond Reserve Account	(4,502,456)	(5,356,683)
39 Escrow/Trust Account Activity	0	756
40 NET CASH PROVIDED BY(USED IN)		
41 INVESTING ACTIVITIES	(4,065,446)	(4,764,904)
42 Net Increase(Decrease) in Cash & Investments	11,725,100	(1,325,856)
43 Cash & Investments, Beginning of Period	90,412,832	88,727,715
44 CASH & INVESTMENTS, END OF PERIOD	102,137,932	87,401,859
45 Externally Restricted Funds	18,632,820	19,487,110
46 Grand Total	120,770,752	106,888,969

**ROCHESTER PUBLIC UTILITIES
PRODUCTION & SALES STATISTICS
ELECTRIC UTILITY**

**August, 2021
YEAR-TO-DATE**

		<u>Actual YTD</u>	<u>Budget YTD</u>	<u>Variance</u>	<u>% Var.</u>	<u>Last Yr Actual YTD</u>	
9	ENERGY SUPPLY (kWh)	<i>(primarily calendar month)</i>					
10	Net Generation						
11	IBM Diesel Generators	18,362	0	18,362	-	33,802	
12	Lake Zumbro Hydro	6,671,743	9,897,432	(3,225,689)	(32.6)	12,656,978	
13	Cascade Creek Gas Turbine	25,959,207	12,027,000	13,932,207	115.8	10,241,139	
14	Westside Energy Station	33,261,950	29,115,000	4,146,950	14.2	27,694,321	
15	Total Net Generation	65,911,262	51,039,432	14,871,830	29.1	50,626,240	
16	Other Power Supply						
17	Firm Purchases	802,809,227	795,243,794	7,565,433	1.0	788,801,546	
18	Non-Firm Purchases	4,181,207	674,301	3,506,906	520.1	2,953,398	
19	Total Other Power Supply	806,990,434	795,918,095	11,072,339	1.4	791,754,944	
20	TOTAL ENERGY SUPPLY	872,901,696	846,957,527	25,944,169	3.1	842,381,184	
21	ENERGY USES (kWh)	<i>(primarily billing period)</i>					
22	Retail Sales	<u># Custs</u>					
23	Electric - Residential Service	52,116	268,283,178	249,551,779	18,731,399	7.5	261,753,344
24	Electric - General Service & Industrial	5,092	508,502,971	524,856,706	(16,353,735)	(3.1)	504,682,423
25	Electric - Street & Highway Lighting	3	2,960,994	4,063,842	(1,102,848)	(27.1)	3,952,354
26	Electric - Rental Lights	n/a	554,785	606,938	(52,153)	(8.6)	599,844
27	Electric - Interdptmntl Service	1	5,644,926	4,893,335	751,591	15.4	5,166,787
28	Total Customers	<u>57,212</u>					
29	Total Retail Sales		785,946,854	783,972,600	1,974,254	0.3	776,154,752
30	Wholesale Sales		59,318,829	41,142,000	18,176,829	44.2	38,053,477
31	Company Use		1,522,242	2,188,890	(666,648)	(30.5)	1,589,069
32	TOTAL ENERGY USES		846,787,925	827,303,490	19,484,435	2.4	815,797,298
33	Lost & Unacctd For Last 12 Months		37,806,969	3.0%			
34	STEAM SALES (mlbs)	<i>(primarily billing period)</i>					
35	Steam Sales in Mlbs		312,377	360,553	(48,176)	(13.4)	339,328

Attachment: Division Reports September 2021 (13905 : Division Reports & Metrics - September 2021)

9/16/2021

1 **ROCHESTER PUBLIC UTILITIES**
 2 **PRODUCTION & SALES STATISTICS (continued)**
 3 **ELECTRIC UTILITY**

4 **August, 2021**

5 **YEAR-TO-DATE**

		<u>Actual YTD</u>	<u>Budget YTD</u>	<u>Variance</u>	<u>% Var.</u>		<u>Last Yr</u>	<u>Actual YTD</u>	
9	FUEL USAGE	<i>(calendar month)</i>							
10	Gas Burned								
11	SLP	424,187	MCF	475,931	MCF	(51,744)	(10.9)	453,893	MCF
12	Cascade	237,624	MCF	104,804	MCF	132,820	126.7	113,604	MCF
13	Westside	261,021	MCF	191,835	MCF	69,186	36.1	216,101	MCF
14	Total Gas Burned	922,832	MCF	772,570	MCF	150,262	19.4	783,598	MCF
15	Oil Burned								
16	Cascade	206,143	GAL	0	GAL	206,143	-	2,973	GAL
17	IBM	1,513	GAL	0	GAL	1,513	-	2,980	GAL
18	Total Oil Burned	207,656	GAL	0	GAL	207,656	-	5,953	GAL

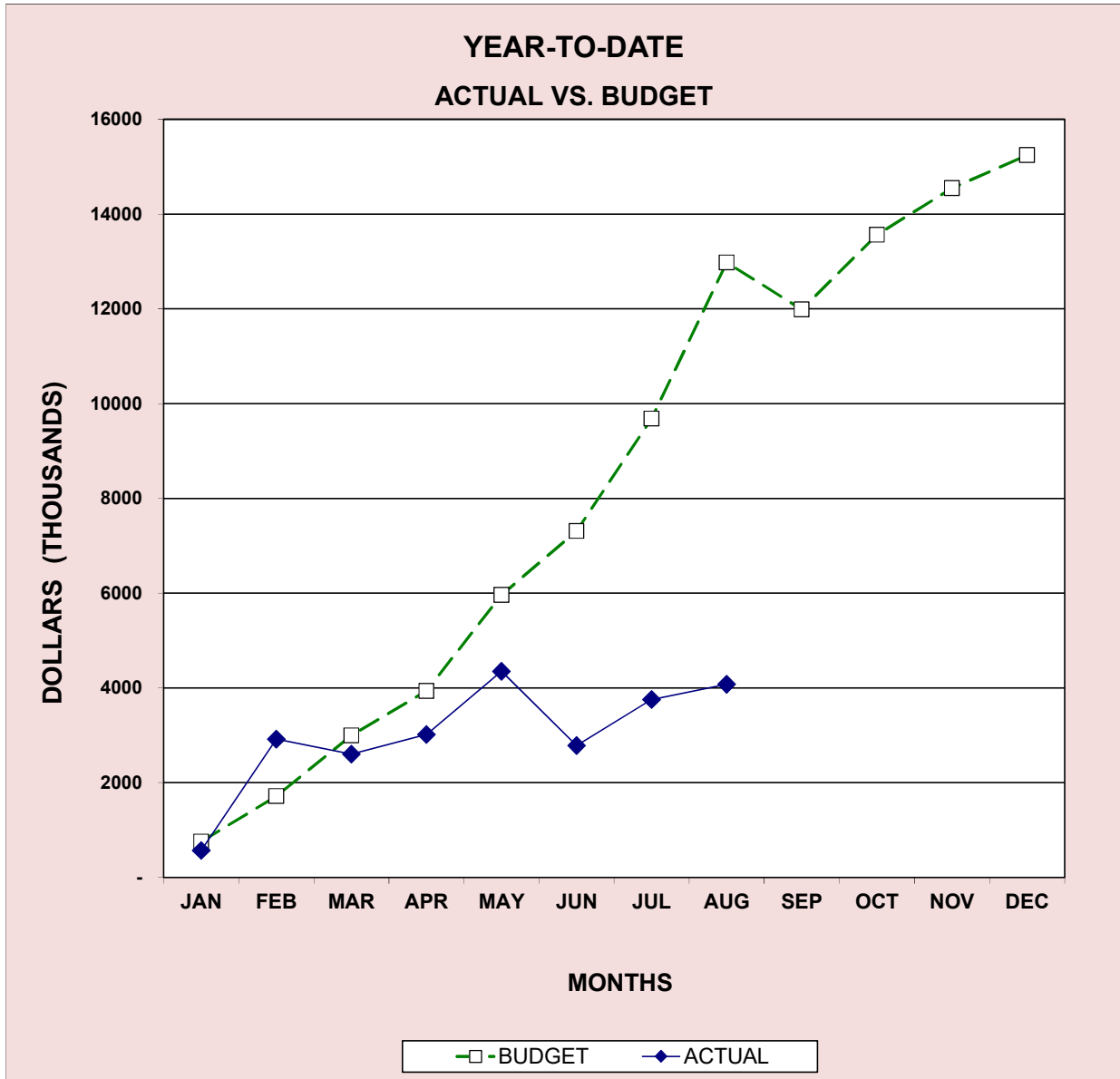
Attachment: Division Reports September 2021 (13905 : Division Reports & Metrics - September 2021)

**CAPITAL EXPENDITURES
ELECTRIC**

Current Year	
ANNUAL BUDGET	15,246,736
ACTUAL YTD	4,078,495
% OF BUDGET	26.7%

August, 2021

Prior Years Ending Dec 31st		
2020	2019	2018
15,059,888	21,990,984	31,779,490
10,078,628	11,174,211	16,646,579
66.9%	50.8%	52.4%



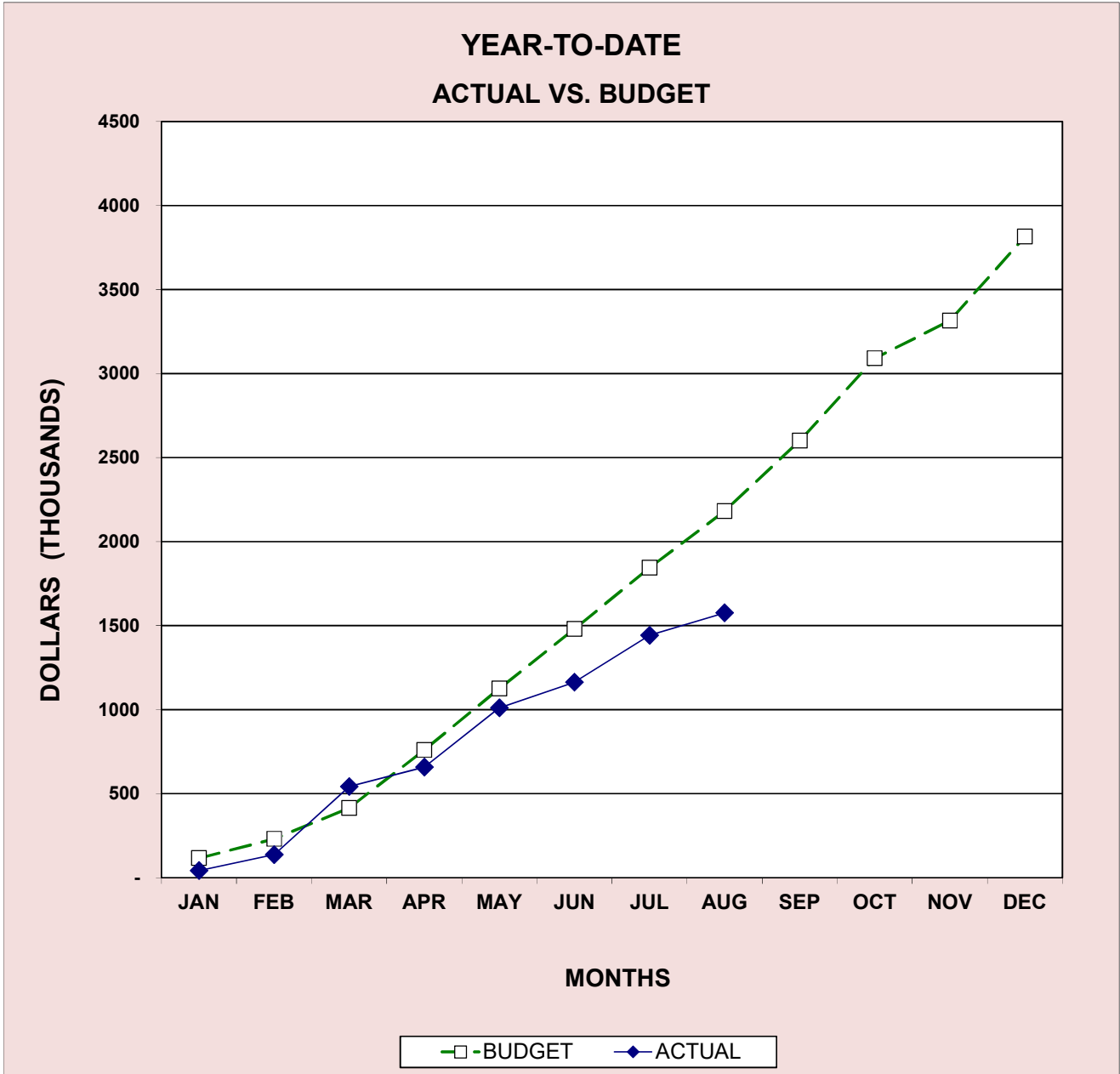
Attachment: Division Reports September 2021 (13905 : Division Reports & Metrics - September 2021)

**MAJOR MAINTENANCE EXPENDITURES
ELECTRIC**

August, 2021

Current Year	
ANNUAL BUDGET	3,815,243
ACTUAL YTD	1,575,462
% OF BUDGET	41.3%

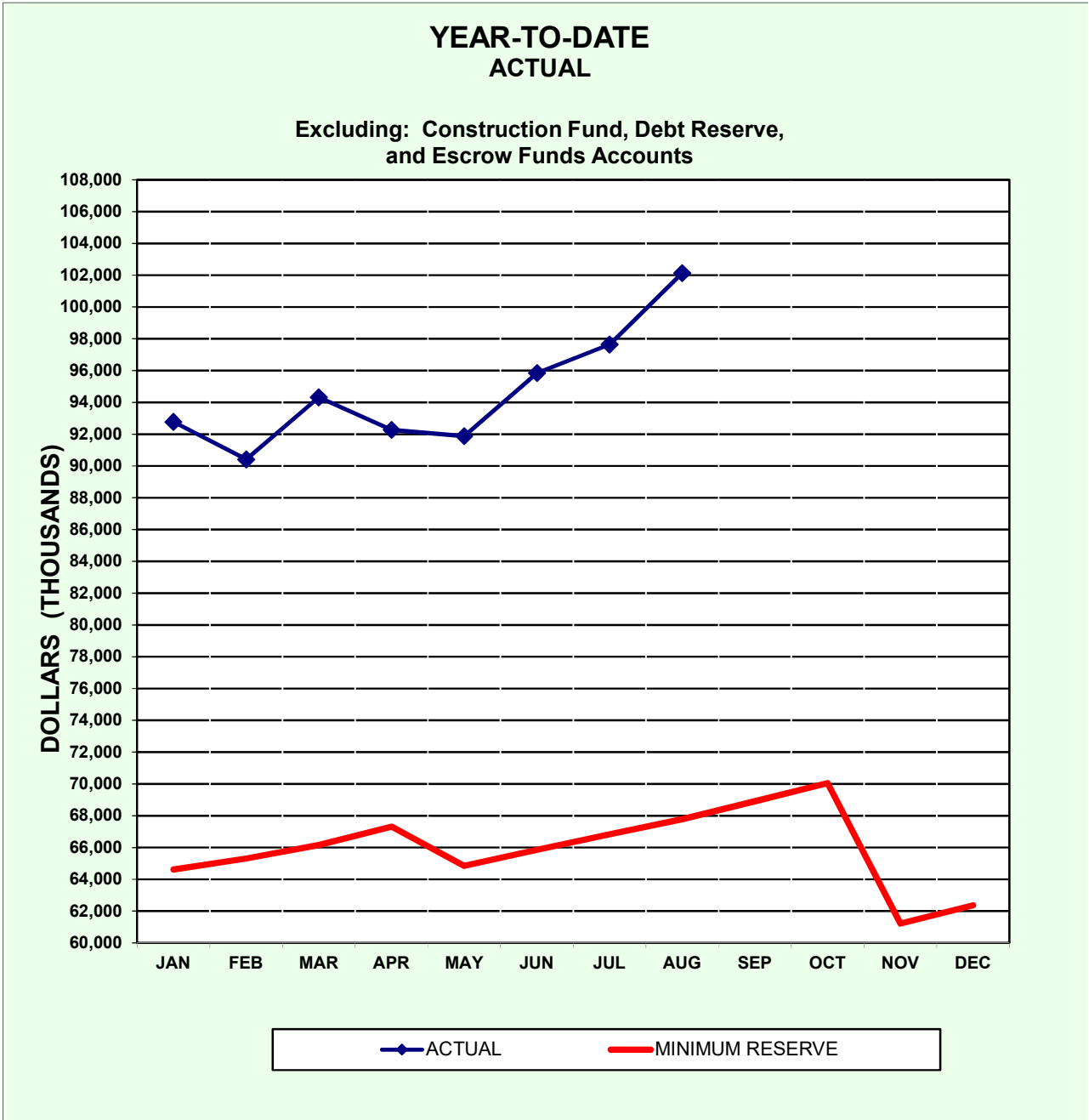
Prior Years Ending Dec 31st		
2020	2019	2018
4,010,088	3,353,049	3,038,283
3,111,620	2,881,017	2,421,088
77.6%	85.9%	79.7%



Attachment: Division Reports September 2021 (13905 : Division Reports & Metrics - September 2021)

CASH AND TEMPORARY INVESTMENTS ELECTRIC

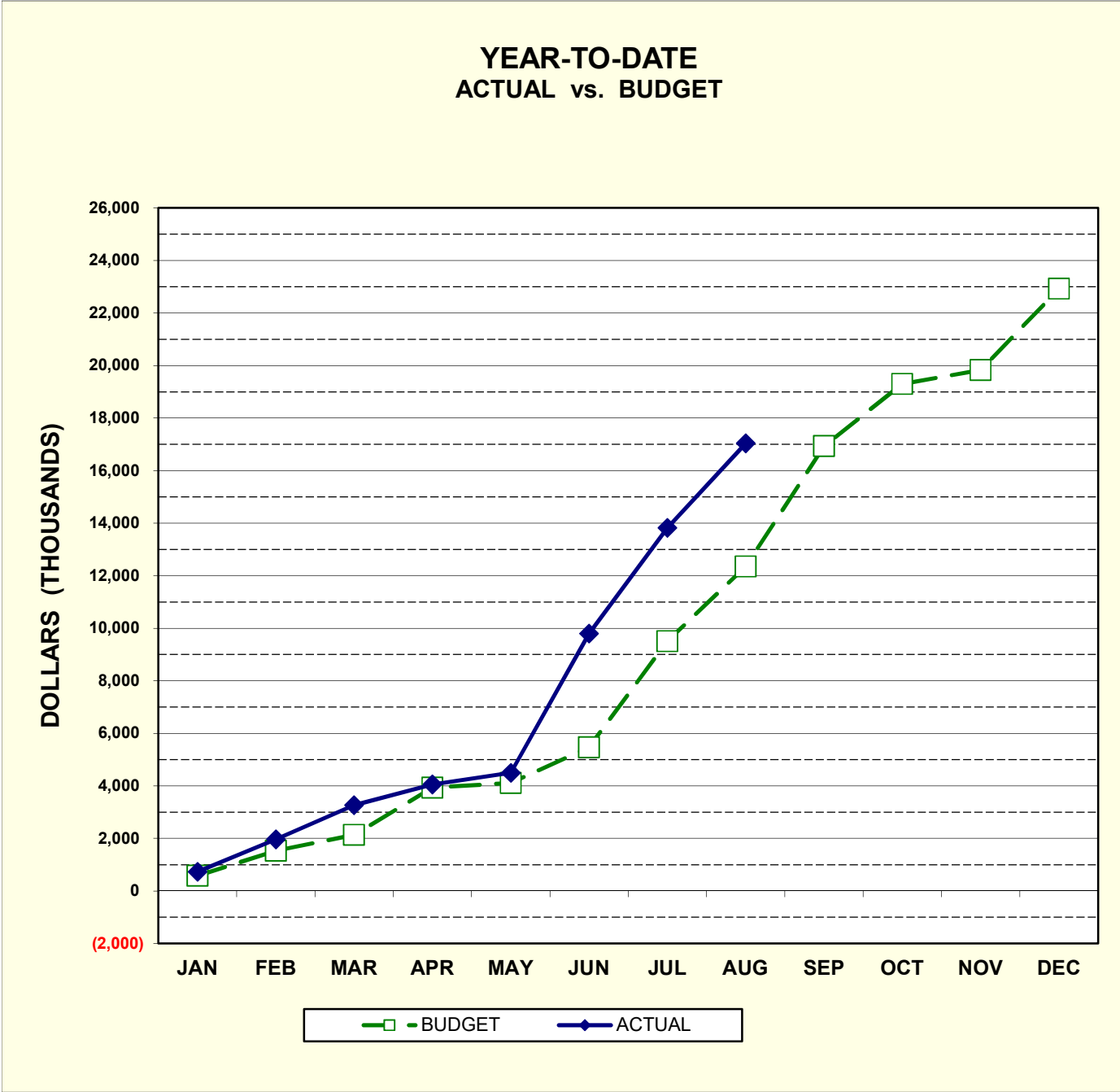
August, 2021



Attachment: Division Reports September 2021 (13905 : Division Reports & Metrics - September 2021)

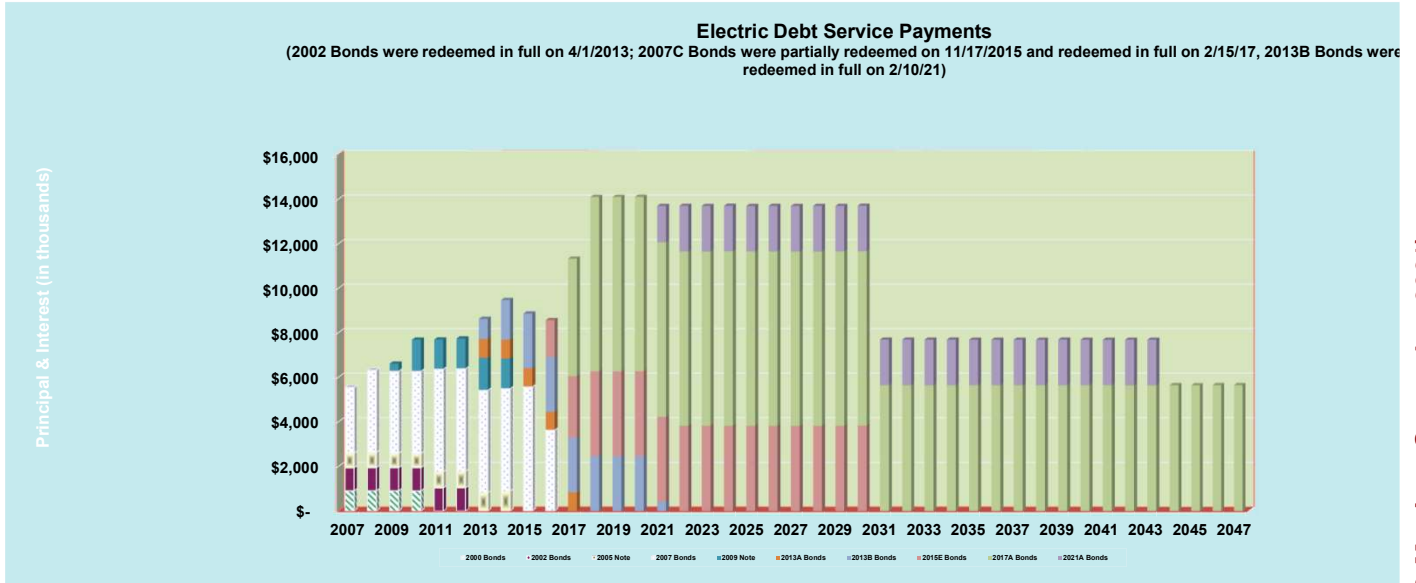
CHANGE IN NET POSITION ELECTRIC

August, 2021

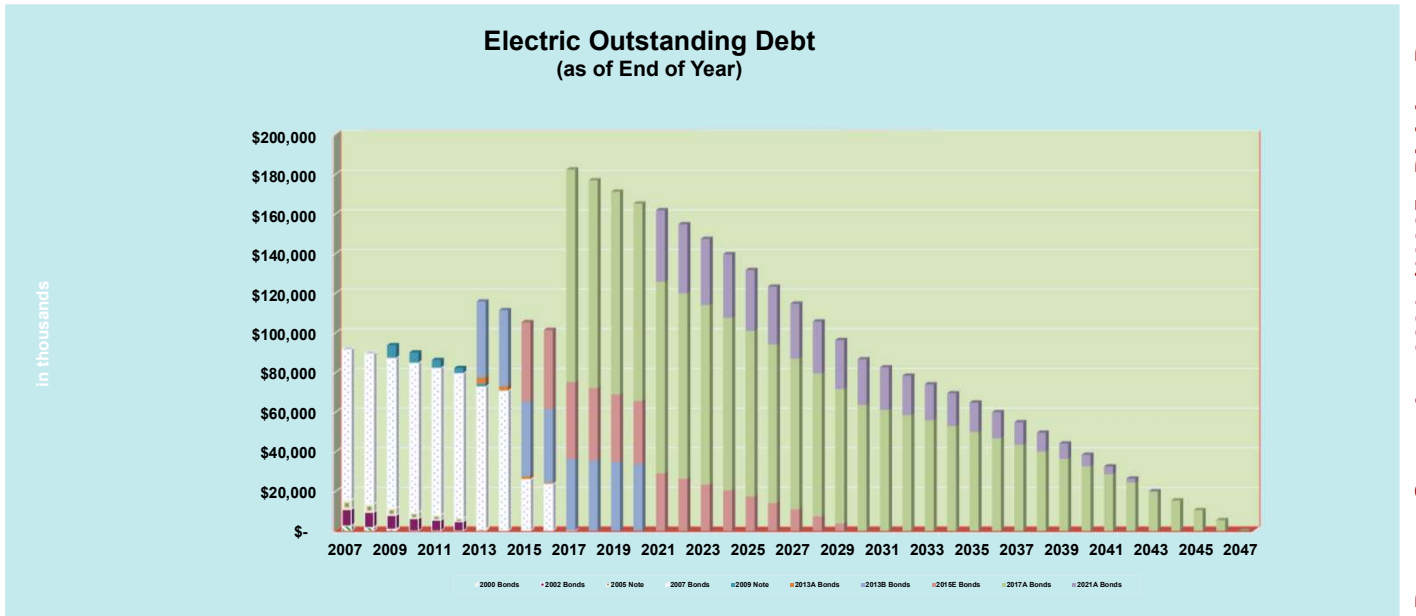


Attachment: Division Reports September 2021 (13905 : Division Reports & Metrics - September 2021)

8/31/2021



8/31/2021



Attachment: Division Reports September 2021 (13905 : Division Reports & Metrics - September 2021)

ROCHESTER PUBLIC UTILITIES
STATEMENT OF NET POSITION
WATER UTILITY
August 31, 2021

	<u>August 2021</u>	<u>August 2020</u>	<u>Difference</u>	<u>% Diff.</u>	<u>July 2021</u>
ASSETS					
CURRENT ASSETS					
CASH & INVESTMENTS					
Unreserved Cash & Investments	4,577,591	4,450,422	127,169	2.9	4,113,723
BOARD RESERVED CASH & INVESTMENTS					
Working Funds Reserve	1,045,000	1,086,000	(41,000)	(3.8)	1,045,000
Capital & Major Maintenance Reserve	5,766,000	5,238,000	528,000	10.1	5,766,000
Contingency Reserve	1,622,000	1,584,000	38,000	2.4	1,622,000
Total Reserved Cash & Investments	8,433,000	7,908,000	525,000	6.6	8,433,000
Total Cash & Investments	13,010,591	12,358,422	652,169	5.3	12,546,723
Receivables & Accrued Utility Revenues	1,217,670	1,219,838	(2,168)	(0.2)	1,350,815
Inventory	206,901	196,135	10,766	5.5	206,752
Other Current Assets	47,795	37,937	9,858	26.0	64,628
Total Current Assets	14,482,957	13,812,333	670,625	4.9	14,168,918
CAPITAL ASSETS					
NON-DEPRECIABLE ASSETS					
Land and Land Rights	677,486	677,486	0	0.0	677,486
Construction Work in Progress	3,771,418	2,197,819	1,573,599	71.6	3,623,216
Total Non-depreciable Assets	4,448,904	2,875,305	1,573,599	54.7	4,300,702
DEPRECIABLE ASSETS					
Utility Plant in Service, Net	95,469,961	94,811,716	658,245	0.7	95,369,001
Net Capital Assets	99,918,865	97,687,021	2,231,844	2.3	99,669,703
Total Non-Current Assets	99,918,865	97,687,021	2,231,844	2.3	99,669,703
TOTAL ASSETS	114,401,823	111,499,354	2,902,469	2.6	113,838,621
DEFERRED OUTFLOWS OF RESOURCES					
DEFERRED OUTFLOWS OF RESOURCES	219,061	111,831	107,230	95.9	216,305
TOTAL ASSETS + DEFERRED OUTFLOW RESOURCE	114,620,884	111,611,185	3,009,699	2.7	114,054,926
LIABILITIES					
CURRENT LIABILITIES					
Accounts Payable	723,634	370,692	352,942	95.2	360,163
Customer Deposits	124,402	121,976	2,425	2.0	113,372
Compensated Absences	288,247	324,789	(36,542)	(11.3)	297,134
Accrued Salaries & Wages	120,808	103,847	16,961	16.3	103,598
Total Current Liabilities	1,257,091	921,304	335,787	36.4	874,266
NON-CURRENT LIABILITIES					
Compensated Absences	203,882	162,131	41,751	25.8	204,363
Other Non-Current Liabilities	1,807,972	1,561,107	246,866	15.8	1,807,972
Total Non-Current Liabilities	2,011,855	1,723,238	288,616	16.7	2,012,335
TOTAL LIABILITIES	3,268,946	2,644,542	624,403	23.6	2,886,601
DEFERRED INFLOWS OF RESOURCES					
DEFERRED INFLOWS OF RESOURCES	412,690	573,550	(160,860)	(28.0)	510,599
NET POSITION					
Net Investment in Capital Assets	99,918,865	97,687,021	2,231,844	2.3	99,669,703
Unrestricted Net Assets (Deficit)	11,020,384	10,706,072	314,312	2.9	10,988,023
TOTAL NET POSITION	110,939,249	108,393,093	2,546,156	2.3	110,657,726
TOTAL LIAB, DEFERRED INFLOWS, NET POSITION	114,620,884	111,611,185	3,009,699	2.7	114,054,926

Attachment: Division Reports September 2021 (13905 : Division Reports & Metrics - September 2021)

09/16/2021

ROCHESTER PUBLIC UTILITIES
Statement of Revenues, Expenses & Changes in Net Position
WATER UTILITY
August, 2021
YEAR TO DATE

	<u>Actual YTD</u>	<u>Original Budget YTD</u>	<u>Actual to Original Budget</u>	<u>% Var.</u>	<u>Last Yr Actual YTD</u>
7					
8 RETAIL REVENUE					
9 Water - Residential Service	4,574,748	4,163,198	411,551	9.9	4,391,578
10 Water - Commercial Service	2,183,101	2,078,994	104,107	5.0	2,040,365
11 Water - Industrial Service	418,032	679,014	(260,982)	(38.4)	433,588
12 Water - Public Fire Protection	396,890	400,753	(3,862)	(1.0)	393,071
13 Water - Interdepartmental Service	15,864	18,983	(3,119)	(16.4)	12,877
14 TOTAL RETAIL REVENUE	7,588,636	7,340,941	247,695	3.4	7,271,480
15 COST OF REVENUE					
16 Utilities Expense	753,587	641,719	111,868	17.4	718,179
17 Water Treatment Chemicals/Demin Water	82,649	80,712	1,937	2.4	78,952
18 Billing Fees	498,984	499,834	(850)	(0.2)	356,012
19 TOTAL COST OF REVENUE	1,335,220	1,222,265	112,955	9.2	1,153,142
20 GROSS MARGIN	6,253,416	6,118,677	134,740	2.2	6,118,338
21 FIXED EXPENSES					
22 Depreciation & Amortization	1,844,223	1,908,800	(64,577)	(3.4)	1,829,183
23 Salaries & Benefits	1,817,023	1,982,882	(165,860)	(8.4)	1,746,723
24 Materials, Supplies & Services	805,260	1,111,025	(305,765)	(27.5)	827,037
25 Inter-Utility Allocations	1,257,425	1,146,000	111,425	9.7	1,161,725
26 TOTAL FIXED EXPENSES	5,723,931	6,148,707	(424,776)	(6.9)	5,564,669
27 Other Operating Revenue	984,452	965,891	18,561	1.9	956,691
28 NET OPERATING INCOME (LOSS)	1,513,938	935,861	578,077	61.8	1,510,360
29 NON-OPERATING REVENUE / (EXPENSE)					
30 Investment Income (Loss)	134,092	118,229	15,863	13.4	155,908
31 Interest Expense	(252)	0	(252)	0.0	(771)
32 Miscellaneous - Net	(94,209)	0	(94,209)	0.0	(15,912)
33 TOTAL NON-OPERATING REV (EXP)	39,631	118,229	(78,598)	(66.5)	139,226
34 INCOME (LOSS) BEFORE TRANSFERS / CAPITAL CONTRIBUTIONS	1,553,569	1,054,090	499,479	47.4	1,649,586
35 Transfers Out	(284,829)	(256,969)	(27,860)	(10.8)	(267,839)
36 Capital Contributions	0	0	0	0.0	0
37 CHANGE IN NET POSITION	1,268,740	797,121	471,620	59.2	1,381,747
38 Net Position, Beginning	109,670,508				107,011,346
39 NET POSITION, ENDING	110,939,249				108,393,093

Attachment: Division Reports September 2021 (13905 : Division Reports & Metrics - September 2021)

09/17/21

ROCHESTER PUBLIC UTILITIES
STATEMENT OF CASH FLOWS
WATER UTILITY
FOR
AUGUST, 2021
YEAR-TO-DATE

	<u>Actual YTD</u>	<u>Last Yr Actual YTD</u>
8 CASH FLOWS FROM OPERATING ACTIVITIES		
9 Cash Received From Customers	8,458,527	8,019,586
10 Cash Paid for:		
11 Operations and Maintenance	(5,085,478)	(4,789,231)
12 Payment in Lieu of Taxes	(267,516)	(247,304)
13 Net Cash Provided by(Used in) Utility		
14 Operating Activities	3,105,533	2,983,051
15 Sales Tax & MN Water Fee Collections		
16 Receipts from Customers	299,561	341,366
17 Remittances to Government Agencies	(290,840)	(285,811)
18 Net Cash Provided by(Used in) Non-Utility		
19 Operating Activities	8,721	55,555
20 NET CASH PROVIDED BY(USED IN)		
21 OPERATING ACTIVITIES	3,114,254	3,038,606
22 CASH FLOWS FROM CAPITAL & RELATED		
23 FINANCING ACTIVITIES		
24 Additions to Utility Plant & Other Assets	(2,212,935)	(1,364,518)
25 Payment on Long-Term Debt	0	0
26 Net Loan Receipts	0	0
27 Cash Paid for Interest & Commissions	0	0
28 NET CASH PROVIDED BY(USED IN)		
29 CAPITAL & RELATED ACTIVITIES	(2,212,935)	(1,364,518)
30 CASH FLOWS FROM INVESTING ACTIVITIES		
31 Interest Earnings on Investments	133,840	155,137
32 NET CASH PROVIDED BY(USED IN)		
33 INVESTING ACTIVITIES	133,840	155,137
34 Net Increase(Decrease) in Cash & Investments	1,035,159	1,829,225
35 Cash & Investments, Beginning of Period	11,975,432	10,529,197
36 CASH & INVESTMENTS, END OF PERIOD	13,010,591	12,358,422

Attachment: Division Reports September 2021 (13905 : Division Reports & Metrics - September 2021)

9/16/2021

1 **ROCHESTER PUBLIC UTILITIES**
 2 **PRODUCTION & SALES STATISTICS**
 3 **WATER UTILITY**

4 **August, 2021**

5 **YEAR-TO-DATE**

6						Last Yr	
7		<u>Actual YTD</u>	<u>Budget YTD</u>	<u>Variance</u>	<u>% Var.</u>	<u>Actual YTD</u>	
8		(ccf)	(ccf)	(ccf)			
9	PUMPAGE	<i>(primarily calendar month)</i>					
10	TOTAL PUMPAGE	4,358,677	3,832,479	526,198	13.7	4,082,067	
11	RETAIL SALES	<i>(primarily billing period)</i>					
		<u># Custs</u>					
12	Water - Residential Service	37,265	2,194,448	1,797,427	397,021	2,049,775	
13	Water - Commercial Service	3,870	1,507,967	1,453,835	54,132	1,391,710	
14	Water - Industrial Service	26	428,272	563,084	(134,812)	445,359	
15	Water - Interdptmntl Service	<u>1</u>	<u>12,876</u>	<u>15,293</u>	<u>(2,417)</u>	<u>9,559</u>	
16	Total Customers	<u><u>41,162</u></u>					
17	TOTAL RETAIL SALES	4,143,563	3,829,639	313,924	8.2	3,896,402	
18	Lost & Unacctd For Last 12 Months	308,060	5.0%				

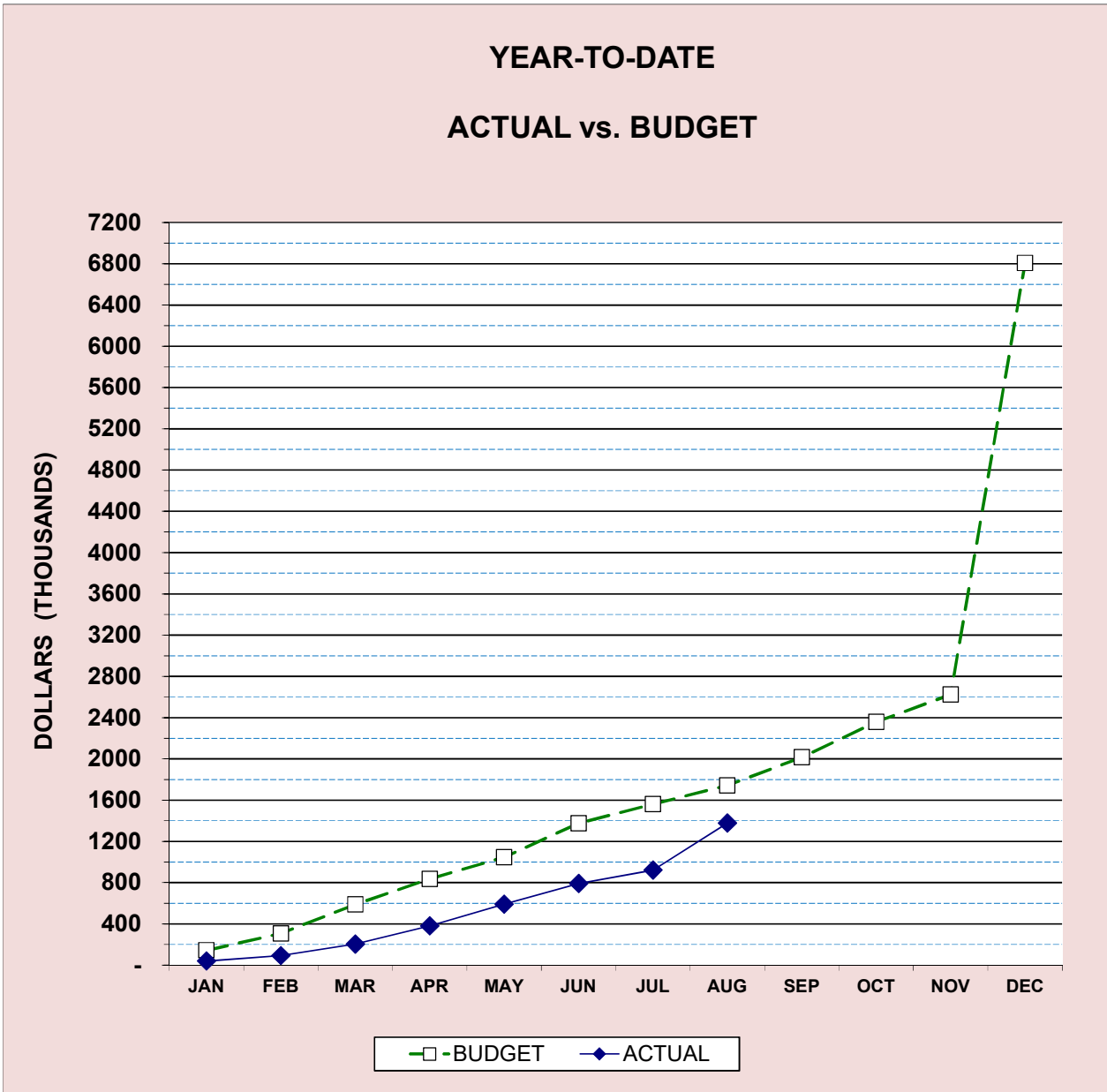
Attachment: Division Reports September 2021 (13905 : Division Reports & Metrics - September 2021)

**CAPITAL EXPENDITURES
WATER**

Current Year	
ANNUAL BUDGET	6,807,825
ACTUAL YTD	1,377,545
% OF BUDGET	20.2%

August, 2021

Prior Years Ending Dec 31st		
2020	2019	2018
5,917,740	4,554,317	3,171,521
2,365,830	1,689,025	2,264,812
40.0%	37.1%	71.4%



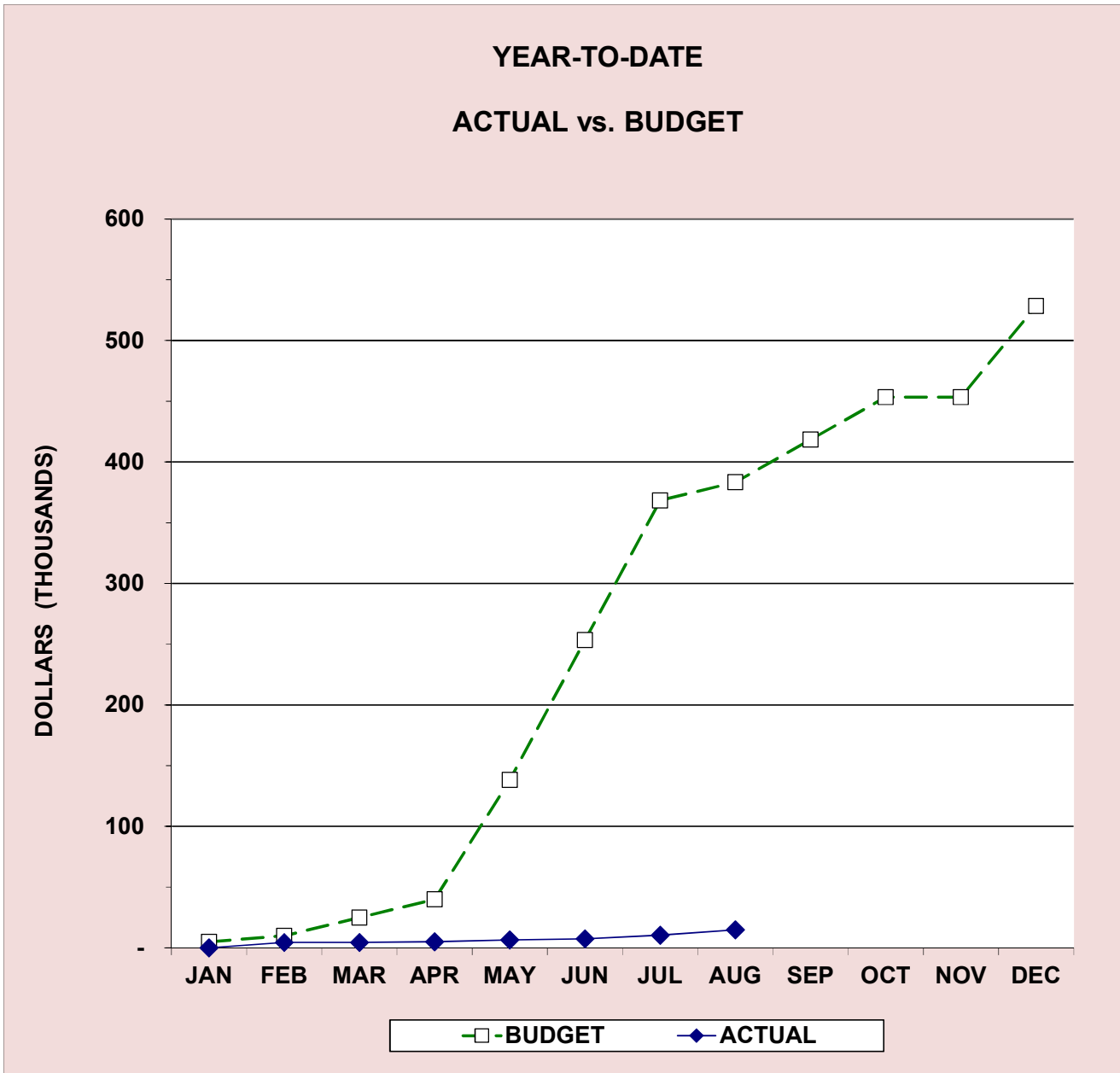
Attachment: Division Reports September 2021 (13905 : Division Reports & Metrics - September 2021)

**MAJOR MAINTENANCE EXPENDITURES
WATER**

August, 2021

<u>Current Year</u>	
ANNUAL BUDGET	528,408
ACTUAL YTD	14,804
% OF BUDGET	2.8%

<u>Prior Years Ending Dec 31st</u>		
<u>2020</u>	<u>2019</u>	<u>2018</u>
552,500	567,500	507,000
521,228	322,751	303,726
94.3%	56.9%	59.9%

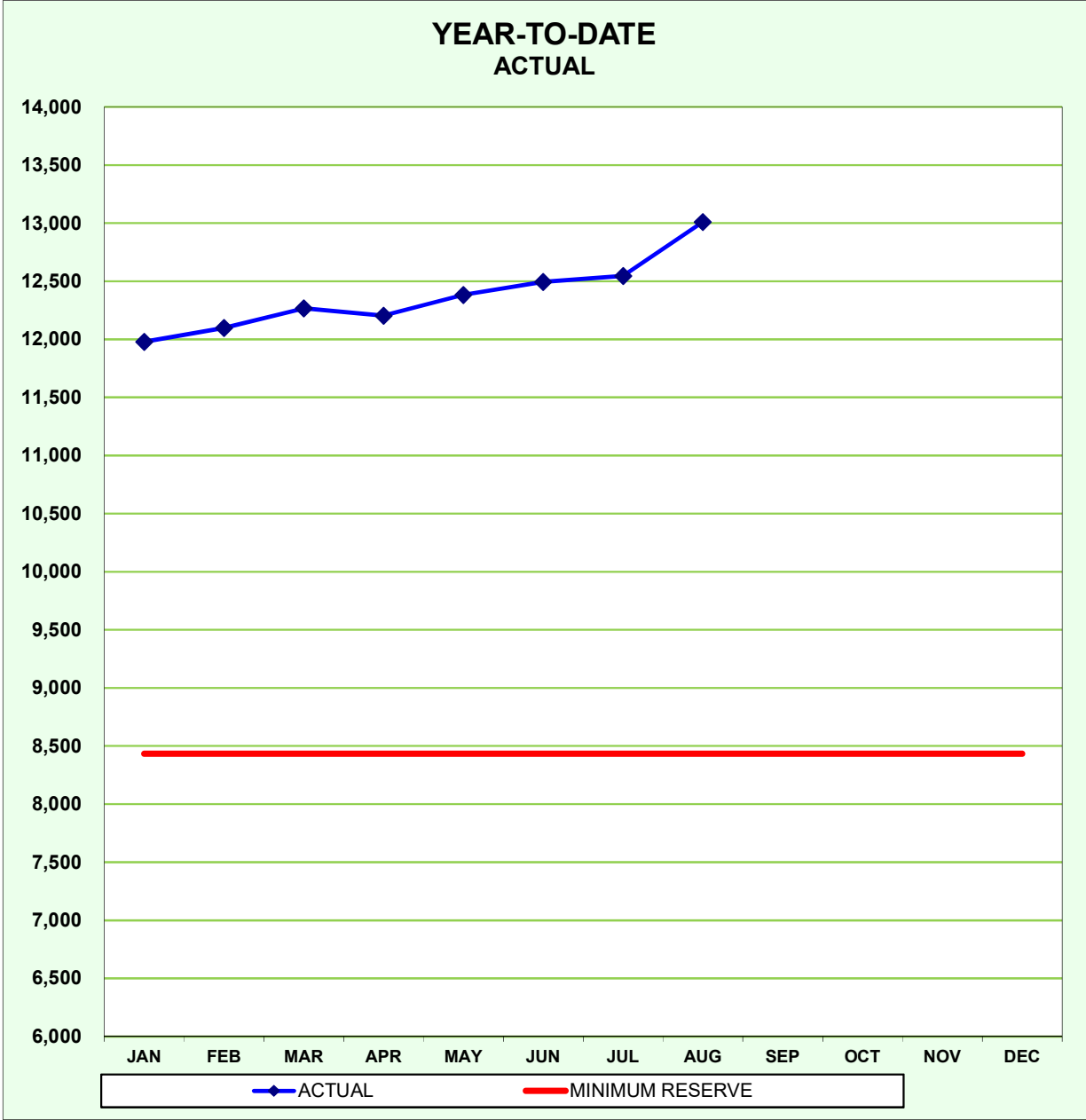


Attachment: Division Reports September 2021 (13905 : Division Reports & Metrics - September 2021)

CASH AND TEMPORARY INVESTMENTS

WATER

August, 2021

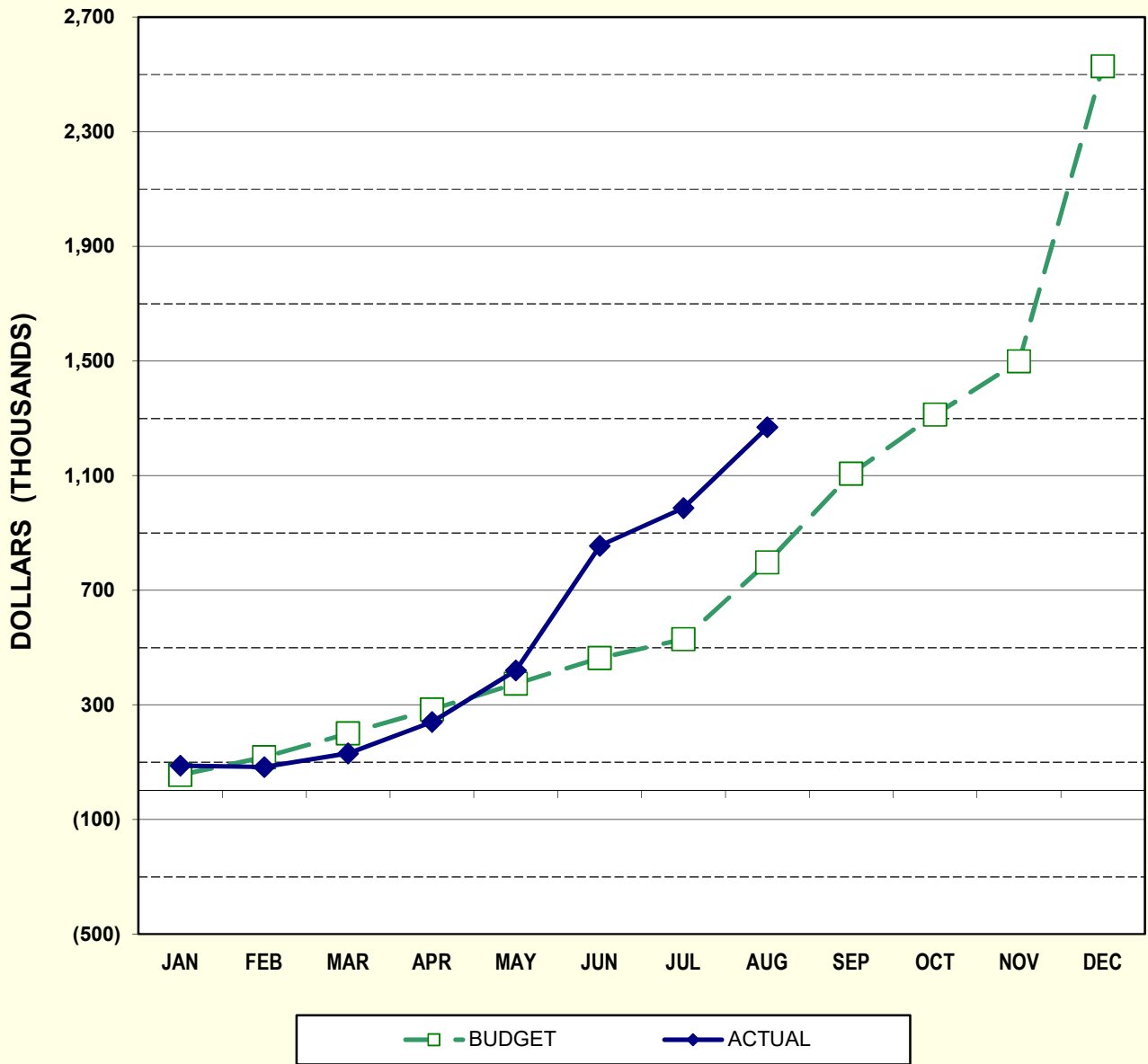


Attachment: Division Reports September 2021 (13905 : Division Reports & Metrics - September 2021)

CHANGE IN NET POSITION WATER

August, 2021

YEAR-TO-DATE ACTUAL vs. BUDGET



Attachment: Division Reports September 2021 (13905 : Division Reports & Metrics - September 2021)