

COMMUNITY ROOM
4000 EAST RIVER ROAD NE
ROCHESTER, MN 55906

4:00 PM

Attending and Viewing the Meeting:

Attend the Meeting in Person: RPU Community Room

View / Livestream Meeting via Teams: [Teams](#)

A video of the meeting will be posted on the City's website

Calling in to the Meeting: 1-347-352-4853 Conference ID: 114 653 829#

For Open Comment: Press *6 to mute or unmute your phone

Call to Order

1. **Approval of Agenda**
2. **Safety Moment**

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.)

3. Consent Agenda

1. Public Utility Board - Regular Meeting - Oct 25, 2022 4:00 PM
2. Review of Accounts Payable
3. SCADA Software Support Renewal
Resolution: SCADA Software Support Renewal
4. Smart Energy Water Subscription Renewal
Resolution: Smart Energy Water Subscription Renewal

4. Consideration Of Bids

1. Lump Sum and Hourly Power Line Clearance Tree Services (2023)
Resolution: Lump Sum and Hourly Power Line Clearance Tree Services (2023)
2. Backyard Digger Derrick (P714)
Resolution: Backyard Digger Derrick (P714)

5. Regular Agenda

1. 2023 Water Utility Budget
Resolution: Approval of the 2023 Water Utility Budget
2. 2023 Electric Utility Budget
Resolution: Approval of the 2023 Electric Utility Budget
3. 2023 Water Utility Rate Adjustment
Resolution: Approval of the 2023 Water Utility Rate Adjustment
4. 2023 Electric Utility Rate Adjustment
Resolution: Approval of the 2023 Electric Utility Rate Adjustment
5. RPU General Manager Executive Search
Resolution: RPU General Manager Executive Search
- 6. Informational**
 1. MISO Tranche 1 Transmission Projects
- 7. Board Policy Review**
 1. RPU Index of Board Policies
- 8. General Managers Report**
- 9. Division Reports & Metrics**
 1. Division Reports & Metrics - November 2022
- 10. Other Business**
- 11. Adjourn**

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



MEETING MINUTES – OCTOBER 25, 2022

COMMUNITY ROOM
4000 EAST RIVER ROAD NE
ROCHESTER, MN 55906

4:00 PM

Attending and Viewing the Meeting:

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Calling in to the Meeting: 1-347-352-4853 Conference ID: 403 247 594#

For Open Comment: Press *6 to mute or unmute your phone

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

- Motion to:** approve the agenda as presented

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

2. Safety Moment

RPU Safety Technician Todd Kylo spoke regarding being a safety professional in 2022.

3. Consent Agenda

- Public Utility Board - Regular Meeting - Sep 27, 2022 4:00 PM
- Review of Accounts Payable
- Transmission Pole Foundation Construction

Resolution: Transmission Pole Foundation Construction

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve a resolution to accept the bid from Primoris Electric, Inc. in the amount of \$129,419.88, plus a contingency of \$12,900.00, for transmission pole foundation construction, and authorize the Mayor and City Clerk to execute the agreement. This resolution authorizes the RPU project manager to perform the acts necessary to execute the project.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 25th

Minutes Acceptance: Minutes of Oct 25, 2022 4:00 PM (Consent Agenda)

day of October, 2022.

4. PURPA Public Hearing Notice

Resolution: PURPA Public Hearing Notice

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to hold a public hearing on Tuesday, January 10, 2023, beginning at 5:00 PM, at the RPU Service Center, to receive public comment on certain standards required by the Public Utility Regulatory Policies Act of 1978, as amended by the Infrastructure Investment and Jobs Act of 2021, pertaining to demand-response and demand management practices and measures to promote greater electrification of the transportation sector. The RPU General Manager is authorized to take such actions necessary to provide notice to the public and facilitate the public hearing.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 25th day of October, 2022.

5. Authorized Depositories

Resolution: Authorized Depositories

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, that the following banks, authorized to do business in Minnesota, are the designated depositories for the demand deposit accounts and temporary investment of funds of Rochester Public Utilities, City of Rochester, Minnesota, within the limits established by the City of Rochester, for the term commencing November 1, 2022 through the 31st day of December, 2023.

US Bank

Wells Fargo

Minnesota Municipal Money Market Fund (4M Fund)

The above depositories, and any added during the term by the City Finance Director, shall pay interest at such rates or rates, per annum, as may be mutually agreed upon by Rochester Public Utilities and the respective depository at the time such deposits and investments are made.

The depository shall pay on demand all deposits subject to payment on demand, with accrued interest, and pay on demand all time deposits with accrued interest, at or after maturity.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 25th day of October, 2022.

6. **Motion to:** approve the consent agenda as presented

Board Member Patrick Keane asked why the transmission pole foundation construction had been placed on the consent agenda. General Manager Mark Kotschevar said it was due to having several bids and coming in below budget.

President Johnson recused herself from voting on the authorized depositories agenda item.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Patrick Keane, Board Member
SECONDER:	Brett Gorden, Board Vice President
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. Regular Agenda

1. Distributed Energy Resources Management (DERM) Agreement

At the November 30, 2021 RPU Board meeting, the Board was introduced to a plan to implement a direct load control smart thermostat program to decrease load on RPU's peak demand and align with the goals of the 2030 Resource Plan. In August 2022, RPU's Utility Programs and Services staff issued a RFP to secure the services of a Distributed Energy Resources Management (DERM) provider for software and services. Following evaluation and the selection of a vendor, Manager of Marketing and Energy Services Patty Hanson presented a request to the Board to approve Virtual Peaker, Inc. as RPU's DERM provider to facilitate a Bring Your Own Thermostat (BYOT) smart thermostat program for participating RPU customers. Ecobee, NEST and Honeywell smart thermostats will be compatible with the program, which would allow RPU to adjust the thermostat settings of enrolled customers during peak energy usage times, in exchange for energy savings on their bills.

The three-year agreement with Virtual Peaker, estimated at \$140,000.00 per year, includes costs for implementation, device, and annual subscription fees, which would automatically renew for an additional three years, contingent upon approval of the budget. The agreement also includes services for electric vehicles (EV) and solar battery storage options in the future. Ms. Hanson said the agreement with Virtual Peaker is based on per unit fees but program costs will be variable based on the number of customers enrolled. Board Member Patrick Keane questioned not having a firm dollar amount to approve but understood the Board was being asked to approve a vendor and per-unit cost.

Board Member Brian Morgan asked what the return on investment would be for the program. When the numbers were run with consultant Burns and McDonnell in 2019 for RPU's demand side management study, there was a positive cost-benefit ratio, said Ms. Hanson. Mr. Morgan requested that this information be shared with the Board. Ms. Hanson added that enrollment in the program will be managed through the thermostat manufacturers and customers will not deal directly with RPU.

Resolution: Distributed Energy Resources (DERM) Agreement

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve an agreement with Virtual Peaker, Inc. as RPU's distributed energy resources provider and authorize the Mayor and City Clerk to execute the agreement, subject to the General Manager and City Attorney's review of the final agreement, with future funding contingent on Board and Common Council approval of the annual budget.

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

2. Distributed Energy Resources Rules

Senior Electrical Engineer Steve Cook presented a request to the Board to adopt an updated version of process and rules documents for distributed energy resources (DER). All municipal utilities in the state are required to allow distributed energy resources to interconnect to the distribution grid, and the interconnection process standards documents and procedures are provided to all interconnection customers upon making the request for interconnection. Templates for the documents were provided by the Minnesota Municipal Utilities Association (MMUA), which RPU customized for its use. One important change in the new version of the rules document from those previously approved by the Board is that RPU reserves the right to be the exclusive provider of electric service to all present and future customers in its service territory and does not allow third party sale agreements. The effective date of the rules documents is November 11, 2022.

Board Member Patrick Keane asked for examples of interconnects that use these processes and policies. RPU receives 100+ DER applications per year, said Mr. Cook. Most are residential property owners and small commercial customers. DER includes wind, solar, battery and diesel-fired generators that run parallel to the RPU system.

Board Member Brian Morgan asked if RPU has enough staff to work with all the applications. The process takes time especially when installers from out of the area come to Rochester and RPU has different technical specifications, said Mr. Cook. The utility has seen an increase in rooftop residential solar applications, said General Manager Mark Kotschevar, which require more staff time to review. If the applications continue to increase, he said, RPU may have to look at adding additional resources in the future.

Resolution: Distributed Energy Resources Rules

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to Adopt the MMUA updated process and rules documents with an effective date of November 11, 2022, and authorize staff to make minor changes and corrections to these documents as needed with approval of the General Manager.

Minutes Acceptance: Minutes of Oct 25, 2022 4:00 PM (Consent Agenda)

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

3. 2023 Insurance Renewals

The Board was asked to approve renewals for RPU insurance coverage for 2023 for commercial auto and general liability, excess liability and all risk property and equipment. The policies cover the period from November 1, 2022 through October 31, 2023. Business Services Manager Deb Donahue said premiums increased 10.4% overall from last year.

Resolution: 2023 Insurance Renewals

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve the 2022-23 annual insurance renewals with North Risk Partners and the League of Minnesota Cities Insurance Trust in the amount of \$1,187,457.00.

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

5. Board Policy Review

The next Board policy to be reviewed will be the Mission Statement. General Manager Mark Kotschevar said the policy will be distributed to Board members Morgan and Haskin for their input.

6. General Managers Report

General Manager Mark Kotschevar reported that SMMPA, RPU's wholesale power supplier, voted to approve the 10% wholesale rate increase that had been previously proposed, to take effect November 1, 2022. The increase will appear on the RPU bill starting in December. In January, there will be an increase to the power cost adjustment (PCA) tariff, resulting in a \$3-\$5 charge for the average RPU customer. However, this charge may be mitigated by SMMPA imposing a PCA for the agency to be passed on to members. If there is an agency PCA, it will take effect on February 1, 2023 and be passed on to RPU customers in March 2023. Mr. Kotschevar said there will be an article in RPU's newsletter *Plugged In* in the near future to inform customers.

The Board will be approving RPU's 2023 budget and rates at the November 29, 2020 meeting. Members of the public are invited to provide any public comment they may have at the November meeting.

Registration for the APPA Legislative Rally is currently open if Board members would like to attend. The event will be held on February 27 - March 2, 2023 in Washington, DC.

After doing some research on the state building and plumbing codes, RPU staff determined that the utility is not allowed to require materials more strict than required by the code for the water service line running from the home to the curb box. RPU has, until now, used copper service line, but with the rising prices of copper tubing and supply chain shortages, was considering the use of plastic tubing, which is commonly used at other municipalities. Although the use of copper tubing may be a best practice, said City Attorney Michael Spindler-Krage, there is no legal basis to require it. Mr. Kotschevar said RPU will still install copper from the main to the curb box, and the customer or builder can decide what material to use for the curb box to the home. President Johnson asked if RPU's Service Assured residential water repair program will change based on

the materials used. No, the program will still cover all services regardless of material, said Mr. Kotschevar.

7. Division Reports & Metrics

Board Member Patrick Keane stated that the October 5th community weatherization event at Willow Ridge manufactured home park with Minnesota Energy is great to see and should be shared with the public.

Board Member Tim Haskin asked if the variance in the load forecast is due to weather or societal changes. Director of Power Resources Jeremy Sutton said it is completely weather-driven.

8. Other Business

9. 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

FOR BOARD ACTION

Agenda Item # (ID # 15113)

Meeting Date: 11/29/2022

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 10/12/2022 To 11/09/2022
Consolidated & Summarized Below 1,000

Greater than 50,000 :

SOUTHERN MN MUNICIPAL POWER A	October SMMPA Bill	6,308,377.20
MN DEPT OF REVENUE	September Sales & Use Tax	950,871.47
BENIKE CONSTRUCTION (P)	Site Construction Marion Rd Substation	617,508.96
CONSTELLATION NEWENERGY-GAS D	September Gas for SLP	536,131.05
PDS	HDW/SKS/Maint/Set Up-VDI Proj Site's 1 & 2	210,192.34
CRESCENT ELECTRIC SUPPLY CO	120EA-SL Pole, 30' 9" Mtg Ht	192,375.00
CARL BOLANDER & SONS LLC	Marion Rd Sub Grading, Excavation, Fence	121,233.55
IRBY UTILITIES dba	38259FT-Wire, AL, 15kV, 1/0 Solid, 1/C,	97,598.71
IRBY UTILITIES dba	18926FT-Cable in Conduit AL 15kV 1/0 Sol	86,548.60
CONSTELLATION NEWENERGY-GAS D	September Gas CC	83,505.87
CONSTELLATION NEWENERGY-GAS D	September Gas WES	80,808.92
MEYER UTILITY STRUCTURES LLC	2EA-Steel Transmission Pole 80'En.Foundation	73,308.00
ASPLUNDH TREE EXPERT LLC (P)	2022 Hourly Tree Trimming	69,187.47
CRESCENT ELECTRIC SUPPLY CO	120EA-Mast Arm, 6' for 2690	52,261.87
PAYMENTUS CORPORATION	September Electronic Bill Payment Services	51,839.39
HYLAND LLC	2023 Perceptive Software Maintenance	50,297.95

Price Range Total: 9,582,046.35

5,000 to 50,000 :

IBM CORPORATION	Customer Experience Mapping	48,400.00
IRBY UTILITIES dba	16479FT-Wire, AL, 15kV, 4/0 Str, 1/C, Jk	47,031.07
NORTH COUNTRY CHEVROLET BUICK	1EA-2022 GMC Sierra 1500 Chassis (V721)	46,014.93
MN MUNICIPAL UTILITIES ASSN C	MMUA Safety Program 10/1/22-9/30/23	44,459.00
BORDER STATES ELECTRIC SUPPLY	480EA-Meter, FM2S CL200 240V 2WAY W/Disc	43,127.91
UTIL-ASSIST INC	AMI/MDM/Install Consulting	42,990.00
APPLIED AIR SYSTEMS INC	Air Compressor System	39,065.28
DELL MARKETING LP	35EA-Computer, Dell Optiplex 7000	38,551.63
DAKOTA SUPPLY GROUP	7040FT-Conduit, 3", PVC Sch 40	37,511.23
HAWK & SON'S INC	Steel Structure Construction Marion Rd Sub	36,000.00
A & A ELECT & UNDERGROUND CON	2022-23 Directional Boring	34,296.39
EPLUS TECHNOLOGY INC	Fortinet Firewall Maintenance 3 years	31,800.70
DOYLE CONNER CO INC (P)	Water Main Repairs-Concrete	30,901.00
DOXIM UTILITEC LLC	October Bill Print and Mail Services	30,634.17
MEYER UTILITY STRUCTURES LLC	1EA-Steel Transmission Pole 75'En.Foundation	29,621.00
US BANK-VOYAGER	October Fuel	29,198.14
PEAKER SERVICES INC	2JOB-Valve Rebuild, Liquid Shutoff, LSOV	26,878.86
VIKING ELECTRIC SUPPLY INC	5000FT-Wire, AL, 600V, 350-4/0 NEU YS Tr	26,441.20
SCHOEPPNER INC	Re-Construction Wellhouse #26 Final/Release	25,303.45
WARTSILA NORTH AMERICA	2EA-DISPLAY UNIT,SGE,LDU-WES	24,368.92
DAKOTA SUPPLY GROUP	5000FT-Conduit, HDPE, 4", Empty	22,350.00
DAVIES PRINTING COMPANY INC	Plugged In Printing Services	21,956.94
CENTER FOR ENERGY AND ENVIRON	Multi-Family Program-Market Rate w/MERC	21,195.90
API CONSTRUCTION CO	GT 1 Insulation Installation	20,551.57
VIKING ELECTRIC SUPPLY INC	6000FT-Wire, AL, 600V, 4/0-2/0 NEU YS Tr	20,103.54
USIC HOLDINGS INC	October 2022 Locating Services	20,095.82

Attachment: AP Board List Current Month (15113 : Review of Accounts Payable)

ROCHESTER PUBLIC UTILITIES
A/P Board Listing By Dollar Range
For 10/12/2022 To 11/09/2022
Consolidated & Summarized Below 1,000

50	PDS	Sharepoint Deployment	19,936.25
51	IRBY UTILITIES dba	9EA-Trans, PM, 1ph, 50kVA, 13.8/8, 240	19,881.00
52	PEOPLES ENERGY COOPERATIVE (P)	October 2022 Compensable	19,623.69
53	RDO EQUIPMENT COMPANY (P)	2EA-Towmaster Trailer 2022 T723 & T724	19,523.90
54	KANTOLA CONSULTING	Cayenta, Time of Use & SEW Project Meetings	17,600.00
55	VIKING ELECTRIC SUPPLY INC	1140FT-Conduit, 4", PVC Sch 40	17,476.20
56	IRBY UTILITIES dba	10EA-Trans, PM, 1ph, 15kVA, 13.8/8, 24	17,230.00
57	PEACE UNITED CHURCH OF CHRIST	Customer Refunds 15382	17,220.00
58	FS3 INC	12000FT-Conduit, HDPE, 2", Empty	17,040.00
59	GRAYBAR ELECTRIC COMPANY INC	90EA-Luminaire, Residential, LED, PC, 12	15,973.86
60	HARRIS ROCHESTER INC (HIMEC)	Repair Leaks on Boiler Tubes	15,936.39
61	IRBY UTILITIES dba	90EA-Luminaire, Residential, LED, PC, 12	15,582.38
62	HAWKINS INC	99EA-Chlorine Gas 2022	15,518.74
63	MN MUNICIPAL UTILITIES ASSN C	MMUA Legal & Legislative Contribution	15,000.00
64	NEW AGE TREE SERVICE INC	402 Tree Clearance	14,901.05
65	VISION COMPANIES LLC (P)	Employee Development	14,812.50
66	CENTURYLINK (P)	2022 Monthly Telecommunications	14,744.98
67	VIKING ELECTRIC SUPPLY INC	6EA-Enclosure, 30 x 24 x 8	14,533.38
68	POWER PRODUCTS & SERVICES	2EA-Air Register Drives 1, 2 & 3, JD	14,374.69
69	HAWKINS INC	1232GAL-Carus 8500 2022	14,345.41
70	VIKING ELECTRIC SUPPLY INC	Material for Yard Piping for Marion Road	13,727.42
71	ASSISI HEIGHTS CONVENT	CIP-Cooling Eq. (C&I)-Incentives/Rebates	12,500.00
72	MEYER UTILITY STRUCTURES LLC	1EA-Steel Transmission Pole 95' H-3	11,818.00
73	CRESCENT ELECTRIC SUPPLY CO	300EA-Anchor Bolt, 1.00" x 40.00", Stree	11,782.97
74	BORDER STATES ELECTRIC SUPPLY	36EA-Meter, FM16S CL200 MRV 2-Way	11,614.64
75	CRESCENT ELECTRIC SUPPLY CO	14EA-Mast Arm, 6' for 2690	11,217.39
76	NORTH RISK PARTNERS	Agency Fee 11/1/22-11/01/23	11,000.00
77	VEIT & CO INC (CONSTRUCTION)	Downstream Powerhouse Inspection- Hydro	10,900.00
78	DELL MARKETING LP	10EA-Laptop, 3560	10,821.40
79	MN UNCLAIMED PROPERTY DIVISIO	2022 MN Unclaimed/Aggregate CRA's	10,771.54
80	VIKING ELECTRIC SUPPLY INC	20EA-Elbow, 5", Steel, 36 Radius, 90Deg	10,103.00
81	MITSUBISHI POWER AERO LLC (P)	1EA-Transducer, NH Speed Pick Up	10,057.08
82	STOEL RIVES LLP	Retainer Legal Services-Grid North Project	10,000.00
83	EPLUS TECHNOLOGY INC	2022 Network Maintenance Services	9,990.50
84	SMART ENERGY SYSTEMS LLC	2018-22 Smart Customer Subscription	9,877.00
85	ELEVATE MARKETING SOLUTIONS L	October 2022 Advertising	9,630.00
86	DOYLE CONNER CO INC (P)	Concrete Install/Removal, Service Center	9,564.00
87	VIKING ELECTRIC SUPPLY INC	12EA-Gardo Light	9,126.00
88	QW FURNITURE	CIP-Cooling Eq. (C&I)-Incentives/Rebates	8,845.00
89	HAWKINS INC	20097LB-Hydrofluosilicic Acid 2022	8,649.74
90	HDR ENGINEERING INC	Water Facilities Communication Study	8,638.48
91	WUNDERLICH-MALEC ENGINEERING	Engineering Services - SLP Unit 2	8,554.00
92	VIKING ELECTRIC SUPPLY INC	760FT-Conduit, 5", PVC Sch 40	8,228.22
93	VIKING ELECTRIC SUPPLY INC	20EA-Elbow, 4", Rigid Steel, 36 Radius,	8,054.40
94	SLACK PAINTING	Exterior Tower Washing Apache #87	8,000.00
95	GRAYBAR ELECTRIC COMPANY INC	3600FT-Wire, AL, 600V, #2-#4 ACSR NEU Tr	7,848.90
96	PDS	HP SimpliVity RapidDR Starter License	7,641.57
97	DURST OUTDOOR SERVICES	Replace Asphalt Driveway-Golden Hills WT	7,326.00
98	WARTSILA NORTH AMERICA	1EA-Manifold, Main Gas, B Bank, WS NGS	7,265.75
99	KATS EXCAVATING LLC	SA Water, Water Service Repair	7,000.00

Attachment: AP Board List Current Month (15113 : Review of Accounts Payable)

ROCHESTER PUBLIC UTILITIES
A/P Board Listing By Dollar Range
For 10/12/2022 To 11/09/2022
Consolidated & Summarized Below 1,000

100	BORDER STATES ELECTRIC SUPPLY	5EA-Junction, LB, 200A, 5 Pos, w/Strap	6,992.45
101	IRBY UTILITIES dba	4000FT-Wire, ACSR, 1/0, 6/1, XLP, Almond	6,640.00
102	VIKING ELECTRIC SUPPLY INC	440GAL-Cable Pulling Lube	6,623.28
103	SLACK PAINTING	Exterior Tower Washing CCM #89	6,500.00
104	SLACK PAINTING	Exterior Tower Washing Golden Hill #91	6,500.00
105	CLARK CONCRETE INC	Replace City Sidewalks	6,450.00
106	HERZOG CONSTRUCTION LLC	Digger Derrick Operator Training & Cert	6,320.00
107	PDS	VMWare Licenses for Infrastructure Project	6,137.56
108	IRBY UTILITIES dba	48EA-Pedestal, Base, Secondary, w/o Cove	6,000.00
109	IRBY UTILITIES dba	48EA-Pedestal, Dome Cover, Box Style	6,000.00
110	WIESER PRECAST STEPS INC (P)	1EA-Pulling Vault, Custom, FDR 715	5,930.00
111	GDS ASSOCIATES INC	MVP Project Review	5,892.50
112	CUSTOM TRUCK ONE SOURCE L.P.	SDP Rental - Backyard Digger Derrick	5,814.00
113	MERRICK INC	80CAS-Paper, Copier, 8-1/2 x 11 White 20	5,809.72
114	PEAK DEMAND INC	45EA-CT, Small Bar Type 600/5	5,570.55
115	VIKING ELECTRIC SUPPLY INC	Wire for Marion Road Substation	5,451.79
116	TWIN CITY SECURITY INC	2022 Security Services	5,349.96
117	NEW LINE MECHANICAL (P)	Install 2" RPZ-CSC Main Line	5,231.53
118	VERIZON WIRELESS	2022 Cell & iPad Monthly Service	5,181.23
119	SCHAEFFER ACADEMY	CIP-Lighting (C&I)-Incentives/Rebates	5,165.00
120	VIKING ELECTRIC SUPPLY INC	1EA-Pipe Threading Machine	5,025.38
121	WARTSILA NORTH AMERICA	1EA-Control Unit CCM	5,001.10
122			
123		Price Range Total:	1,590,242.12
124			

1,000 to 5,000 :

125			
126			
127	SNAP ON INDUSTRIAL	1EA-Scan Tool	4,955.59
128	NALCO COMPANY LLC	2DRM-Sur-Gard 1700 Oxygen Scavenger DEMI	4,791.90
129	HAWK & SON'S INC	1JOB-Install Beam & Hoist, Cascade Creek	4,777.31
130	AMWA	2023 Association Dues	4,750.00
131	VIKING ELECTRIC SUPPLY INC	1000FT-Wire, Copper, 4/0 Str, Bare, 19 S	4,736.20
132	MINNESOTA ENERGY RESOURCES CO	September Gas SLP	4,663.56
133	CORE & MAIN LP (P)	Water Main Break Supplies	4,623.81
134	FRANA NOEL	Customer Refunds 15475	4,530.02
135	WHITE SPACE LLC NEIGHBORLY CR	2022 Plugged In Design	4,500.00
136	IRBY UTILITIES dba	60EA-Arrester, 10kV, Dist, Elbow MOV	4,440.00
137	ARCHKEY TECHNOLOGIES dba	2022 Facilities	4,359.43
138	KATS EXCAVATING LLC	SA Water, Service Line Replaced	4,300.00
139	JOHNSON HARDWARE CO LLC	Replacement Doors Project Well #35	4,258.80
140	IHEART MEDIA dba	October Radio Adv Public Power Week	4,224.00
141	VIKING ELECTRIC SUPPLY INC	7000FT-Wire, Copper, 600V, 12-2 Solid w/	4,210.45
142	KATS EXCAVATING LLC	SA Water, Service Line Repair/Replacement	4,200.00
143	BORDER STATES ELECTRIC SUPPLY	1EA-Switch, Air, 3 Phase Riser	4,152.62
144	DAKOTA SUPPLY GROUP	130EA-Elbow, 3" PVC Sch 40, 36.0 Radius	4,066.40
145	ENGINEERING PARTNERS INTENATI	Engineering Services-Pole Foundations	4,000.00
146	IRBY UTILITIES dba	32EA-Pedestal, Base, Secondary, w/o Cove	4,000.00
147	KNXR - FM	October Advertising-Public Power Week	4,000.00
148	MINNESOTA ENERGY RESOURCES CO	September Gas WES	3,973.63
149	BORDER STATES ELECTRIC SUPPLY	120EA-Elbow, 15kV, 200A, LB, 1/0 Sol, 175-	3,801.60

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ROCHESTER PUBLIC UTILITIES
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150	CONSOLIDATED COMMUNICATIONS d	October Network and Co-location Services	3,755.50
151	THOMPSON GARAGE DOOR CO INC	Overhead Door Service-Materials & Labor	3,750.65
152	CORE & MAIN LP (P)	10EA-WB-67 Breakoff Flange Kit, K528	3,734.20
153	IRBY UTILITIES dba	20EA-Fuselink, 100E, SMU-20	3,700.00
154	DAKOTA SUPPLY GROUP	500FT-Conduit, 3", Corrugated PVC	3,425.25
155	SOLID WASTE OLMSTED COUNTY	September Electricity Purchased	3,344.78
156	MALLOY ELECTRIC dba	1EA-Charging Motor, 48V AC/DC, 161KV, NH	3,334.00
157	VIKING ELECTRIC SUPPLY INC	100EA-Coupling, Repair, PVC, 5" Slip	3,321.68
158	ALLIED VALVE INC	2EA-Transmitter, Tower, 0-150psi	3,300.00
159	NORTHWESTERN POWER EQUIPMENT	1EA-Pressure Reducing Valve 3"	3,250.00
160	ALLIED VALVE INC	2EA-Transmitter, Pressure, 0-150psi	3,240.00
161	CORE & MAIN LP (P)	Valves for Service Assured	3,181.90
162	US BANK CORPORATE REAL ESTATE	CIP-Lighting (C&I)-Incentives/Rebates	3,166.50
163	UNITED RENTALS INC	Boom Rental for Marion Road Substation	3,064.12
164	TERRACON CONSULTANTS, INC.	Marion Road Sub Testing and Inspection	3,028.75
165	PDS	HP SimpliVity RapidDR Maintenance	3,014.94
166	CDW GOVERNMENT INC	1EA-Rack Enclosure	2,995.56
167	ALTERNATIVE TECHNOLOGIES INC	Oil Sample Testing	2,920.00
168	HATHAWAY TREE SERVICE INC	Brush Dump	2,850.00
169	API SUPPLY INC	Rental of 9K 43" Telehandler	2,746.69
170	BORDER STATES ELECTRIC SUPPLY	1EA-Cable Kit, 95'	2,709.55
171	LRS OF MINNESOTA, LLC	2022 Waste removal SC	2,683.87
172	EPLUS TECHNOLOGY INC	Maintenance Renewal VPN Security Devices	2,637.14
173	BADGER METER INC (P)	54EA-Meter, Bare 5/8x3/4" Badger Disc	2,588.76
174	GDS ASSOCIATES INC	MISO Attachment O Consulting Service	2,575.00
175	MITSUBISHI POWER AERO LLC (P)	4EA-Filter, Element, w/O-Ring, CT117062-	2,528.11
176	GOPHER STATE ONE CALL	September Completed Tickets	2,513.70
177	IHEART MEDIA dba	September Ads-Utility Scams Communication	2,496.00
178	JENNINGS, STROUSS & SALMON PL	Legal Fees	2,469.50
179	HI LINE UTILITY SUPPLY CO (P)	9ROL-Pull Tape, 3/4" x 3000', Printed	2,446.15
180	GOPHER STATE ONE CALL	October Completed Tickets	2,421.90
181	MIDCONTINENT ISO INC	October MISO Fees	2,407.28
182	MAYO CLINIC	CIP-Lighting (C&I)-Incentives/Rebates	2,390.29
183	UNITED RENTALS INC	Articulating Boom Rental	2,381.50
184	CITY OF ROCHESTER	SafetyNow LMS	2,377.11
185	SEVENTH DAY ADVENTIST CHURCH	CIP-Lighting (C&I)-Incentives/Rebates	2,356.45
186	VIKING ELECTRIC SUPPLY INC	1EA-Crimper, Battery Operated	2,333.20
187	CLARK CONCRETE INC	Install Pedestrian Ramp	2,300.00
188	ASSISI HEIGHTS CONVENT	CIP-VSDs-Incnetivs/Rebates	2,300.00
189	WINKELS ELECTRIC INC	Watermain Break Undermined Streetlight	2,286.00
190	RESCO	60EA-Elbow, 15kV, 200A, LB, 1/0 Sol, 175-2	2,263.80
191	AMARIL UNIFORM COMPANY	8EA-Bibs, FR, Unlined, Waterproof	2,257.20
192	K A A L TV LLC	October Public Power Week Advertising	2,200.00
193	DECOOK EXCAVATING INC	SA Water, Water Service Repair	2,140.00
194	GOAT PROS	Goats-Land Management	2,137.50
195	OPEN ACCESS TECHNOLOGY	2022 NERC Web Compliance Software	2,130.82
196	HAWK & SON'S INC	Hoist Transformer-Labor	2,125.00
197	HAWKINS INC	3EA-Auto Switchover Module 771, 100ppd m	1,998.00
198	AE2S	Consulting Services HVAC Wellhouse	1,966.15
199	SANDERS GREG	ltron Inspire Conference, Lodging	1,942.08

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200	CORE & MAIN LP (P)	2EA-Coupling, 12" Alpha XL 2-Bolt Restra	1,937.80
201	WESCO DISTRIBUTION INC	84EA-Conn, Ped, 350, 6-Tap, Deadfront, C	1,930.32
202	GOAT PROS	Goat Pro's - WS Weed Control	1,923.75
203	RESCO	200EA-Conn, Bump Sleeve, #4 ACSR	1,918.00
204	ONLINE INFORMATION SERVICES I	October 2022 Utility Exchange Report	1,869.44
205	HAWK & SON'S INC	Hoist Transformer	1,800.00
206	LAWSON PRODUCTS INC (P)	2022 Free Bin - Meter Repair Shop	1,777.31
207	CLARK CONCRETE INC	Install City Sidewalk	1,750.00
208	BORDER STATES ELECTRIC SUPPLY	1EA-Cable Kit, 20'	1,720.79
209	SPECTRUM PRO-AUDIO dba	Community Room Microphone	1,718.02
210	NATIONAL VISION INC	CIP-Lighting (C&I)-Incentives/Rebates	1,666.35
211	ADVANTAGE DIST LLC (P)	55GAL-Oil, DTE Heavy Med. (55 Gal Drum)	1,646.46
212	DAVIS TRUCKING	CDL Training	1,631.00
213	VERIZON CONNECT NWF INC	October 2022 GPS Fleet Tracking	1,613.26
214	ADVANTAGE DIST LLC (P)	Hydro Hydraulic Oil	1,602.10
215	CORE & MAIN LP (P)	60EA-Riser, 1.50 Slip Type Riser (65-A)	1,599.60
216	LEAGUE OF MN CITIES INS TRUST	Insurance Claim	1,577.72
217	GENERAL REPAIR SERVICE	1EA-Pump, Chemical, 39.6 GPD 150PSI Fluo	1,546.00
218	MINNESOTA ENERGY RESOURCES CO	Natural Gas - CSC	1,540.21
219	PDS	VMWare Support	1,534.64
220	TRACTOR SUPPLY COMPANY	CIP-Lighting (C&I)-Incentives/Rebates	1,512.00
221	VIKING ELECTRIC SUPPLY INC	2520FT-Wire, Copper, #6 SD Solid, Bare	1,504.22
222	HOMES OF HARMONY	Relocate Job Office Trailer-Marion Road	1,500.00
223	IRBY UTILITIES dba	40EA-Elbow, 15kV, 200A, LB, 1/0 Sol, 175-2	1,500.00
224	CENTRAL STATES GROUP	3EA-Filter, Prefilter Element, #3032566	1,494.11
225	RESCO	25EA-Arrester, 10kV, Dist, Riser MOV	1,462.50
226	TOWNSQUARE MEDIA - ROCHESTER	October Advertising Public Power Week	1,440.00
227	FASTENAL COMPANY	10CAS-Paint, Location Marking, Blue	1,412.78
228	MCNEILUS STEEL INC	40EA-Indoor/Outdoor Aluminum Bus Bar	1,409.60
229	CENTRAL STATES GROUP	3EA-Filter, After filter Element, #30325	1,404.34
230	PEAK DEMAND INC	6EA-CT, Big BarType, 600/5	1,378.92
231	WIESER PRECAST STEPS INC (P)	1EA-Grd Sleeve, Switch Basement, PME	1,355.00
232	IRBY UTILITIES dba	24EA-Terminator, Stress Cone, 1/0-4/0, C	1,314.00
233	WILDER JAMES	Harris Customer Training Conf, Lodging	1,299.35
234	ELITE CARD PAYMENT CENTER	422 9th Ave SE, First Homes TEMP 5400 ____	1,294.00
235	CITY OF ROCHESTER	WC Admin Fees September 22	1,282.00
236	RESCO	2EA-Hot Stick, Telescoping, 8'	1,265.00
237	U S A SAFETY SUPPLY	40EA-Cap, Beanie Style Stocking Cap, FR	1,264.97
238	NORTHERN / BLUETARP FINANCIAL	Storage Unit	1,250.43
239	WESCO DISTRIBUTION INC	100EA-Grnd Clamp, #8-#2, Transformer	1,248.30
240	ELITE CARD PAYMENT CENTER	Server Management	1,246.41
241	VAN METER INC dba	ITool Jack-1 Set for Marion Road Sub	1,216.91
242	KRANZ JEFFREY A	Doble Client Committe Conference, Lodging	1,199.25
243	OLSON JEFF	Gas Turbine Users Conference, Lodging	1,194.68
244	POMPS TIRE SERVICE INC	Tires	1,179.82
245	EPLUS TECHNOLOGY INC	2EA-Fortinet Secondary Power Supply	1,177.00
246	GARCIA GRAPHICS INC	Design 2023 Calendar	1,175.00
247	WARTSILA NORTH AMERICA	1EA-ELECTRONIC UNIT SGE,WCS-10,WES	1,118.41
248	OPEN ACCESS TECHNOLOGY	November NERC Tag Agent, WebSmart	1,110.93
249	ELITE CARD PAYMENT CENTER	Travel,DKlamerus,AWWA Exec Conf,Registra	1,100.00

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250	CRESCENT ELECTRIC SUPPLY CO	2EA-Elbow, 5", Steel, 36 Radius, 90Deg	1,097.60
251	IRBY UTILITIES dba	2EA-Hot Stick, Telescoping, 8'	1,087.60
252	SHIRE ABDI	Customer Refunds 15779	1,080.15
253	ENGINEERED SALES CO	5EA-Repeater/Splitter, Analog, Water Sca	1,080.00
254	MINNESOTA ENERGY RESOURCES CO	September Gas CC	1,077.36
255	CRESCENT ELECTRIC SUPPLY CO	19EA-Elbow, PVC Sch 40, 5", 45 deg-bell	1,074.61
256	SHARP BRENNNA	CIP-AirSrc Heat Pumps-Incentives/Rebates	1,060.00
257	BORDER STATES ELECTRIC SUPPLY	100EA-Clamp, Parallel, #8-1/0 ACSR, 1/0-	1,056.00
258	IRBY UTILITIES dba	5EA-Arrester, 10kV, Dist, Parking Stand	1,054.75
259	VIKING ELECTRIC SUPPLY INC	36EA-Fuse Block, 30A, 2-Pole	1,049.04
260	LANDHUIS KEITH V	CIP-AirSrc Heat Pumps-Incentives/Rebates	1,043.00
261	ON SITE SANITATION INC	2022 Toilet Rental Services	1,032.52
262	ROCHESTER ARMORED CAR CO INC	October 2022 Pick Up Services	1,025.87
263	VALERE MIKKI	Harris Computer Training Conference, Lodging	1,000.01
264	ELITE CARD PAYMENT CENTER	Training, Operations Training, Mike L	1,000.00
265			
266		Price Range Total:	325,233.11
267			
268	<u>0 to 1,000 :</u>		
269			
270	REBATES	Summarized transactions: 136	43,403.08
271	ELITE CARD PAYMENT CENTER	Summarized transactions: 81	17,136.14
272	Customer Refunds (CIS)	Summarized transactions: 105	12,096.40
273	VIKING ELECTRIC SUPPLY INC	Summarized transactions: 65	10,092.61
274	FIRST CLASS PLUMBING & HEATIN	Summarized transactions: 16	6,843.45
275	BORDER STATES ELECTRIC SUPPLY	Summarized transactions: 32	5,778.66
276	LAWSON PRODUCTS INC (P)	Summarized transactions: 27	5,534.54
277	RESCO	Summarized transactions: 13	4,338.88
278	IRBY UTILITIES dba	Summarized transactions: 16	4,273.17
279	SANDERS GREG	Summarized transactions: 14	4,034.49
280	CORE & MAIN LP (P)	Summarized transactions: 14	4,000.00
281	WESCO DISTRIBUTION INC	Summarized transactions: 12	3,684.84
282	AMARIL UNIFORM COMPANY	Summarized transactions: 20	3,334.39
283	WARTSILA NORTH AMERICA	Summarized transactions: 21	3,309.29
284	INGERSOLL RAND COMPANY	Summarized transactions: 10	2,960.50
285	ADVANCE AUTO PARTS	Summarized transactions: 28	2,785.61
286	READY MIX CONCRETE COMPANY LL	Summarized transactions: 8	2,626.44
287	CITY LAUNDERING COMPANY	Summarized transactions: 11	2,625.03
288	US BANK PURCHASING CARD	Summarized transactions: 26	2,558.34
289	MALLOY ELECTRIC dba	Summarized transactions: 4	2,328.98
290	U S A SAFETY SUPPLY	Summarized transactions: 23	2,255.64
291	BOLTON AND MENK (P)	Summarized transactions: 3	1,890.00
292	AMAZON.COM	Summarized transactions: 42	1,747.98
293	FORSTNER JAY	Summarized transactions: 6	1,682.97
294	NETWORK SERVICES COMPANY	Summarized transactions: 7	1,672.02
295	LUHMANN ABE	Summarized transactions: 7	1,652.64
296	MSC INDUSTRIAL SUPPLY CO INC	Summarized transactions: 8	1,614.69
297	HAWKINS INC	Summarized transactions: 8	1,572.74
298	ARNOLDS A KLEEN-TECH COMPANY	Summarized transactions: 24	1,536.22
299	RDO EQUIPMENT COMPANY (P)	Summarized transactions: 7	1,527.19

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300	HALL SHAUN	Summarized transactions: 6	1,509.46
301	NORTHERN / BLUETARP FINANCIAL	Summarized transactions: 7	1,508.44
302	DAKOTA SUPPLY GROUP	Summarized transactions: 24	1,491.50
303	BADGER METER INC (P)	Summarized transactions: 8	1,459.95
304	KRANZ JEFFREY A	Summarized transactions: 6	1,440.46
305	KLAMERUS DOUG	Summarized transactions: 7	1,403.78
306	COOKE ROBERT	Summarized transactions: 7	1,397.12
307	ARCHKEY TECHNOLOGIES dba	Summarized transactions: 3	1,387.53
308	BOB THE BUG MAN LLC	Summarized transactions: 4	1,370.00
309	G A ERNST & ASSOCIATES INC	Summarized transactions: 4	1,361.91
310	FASTENAL COMPANY	Summarized transactions: 18	1,346.34
311	DELL MARKETING LP	Summarized transactions: 3	1,330.13
312	HAWKINS INC	Summarized transactions: 7	1,309.03
313	HACH COMPANY	Summarized transactions: 6	1,265.18
314	BIZCO	Summarized transactions: 3	1,260.06
315	MN DEPT OF PUBLIC SAFETY	Summarized transactions: 2	1,213.56
316	CRESCENT ELECTRIC SUPPLY CO	Summarized transactions: 16	1,210.94
317	OLSON JEFF	Summarized transactions: 7	1,196.23
318	FLUKE ELECTRONICS INC	Summarized transactions: 14	1,188.92
319	VIKING ELECTRIC SUPPLY (P)	Summarized transactions: 8	1,135.23
320	INNOVATIVE OFFICE SOLUTIONS L	Summarized transactions: 12	1,121.40
321	U S POSTMASTER	Summarized transactions: 2	1,100.00
322	REGIONAL CONCRETE CUTTING INC	Summarized transactions: 2	1,074.53
323	RONCO ENGINEERING SALES INC	Summarized transactions: 10	1,063.08
324	CITY OF ROCHESTER	Summarized transactions: 7	1,021.04
325	IDEXX DISTRIBUTION CORP	Summarized transactions: 3	1,016.30
326	POMPS TIRE SERVICE INC	Summarized transactions: 3	1,014.87
327	FIRST SUPPLY (P)	Summarized transactions: 2	1,012.92
328	GARCIA GRAPHICS INC	Summarized transactions: 6	994.00
329	LARRY KINSEY	Summarized transactions: 1	980.00
330	CUSTOM COMMUNICATIONS INC	Summarized transactions: 1	962.26
331	MERIT CONTRACTING INC (P)	Summarized transactions: 1	947.00
332	JENNINGS, STROUSS & SALMON PL	Summarized transactions: 1	921.50
333	CENTURYLINK (P)	Summarized transactions: 3	912.18
334	MN DEPT OF COMMERCE	Summarized transactions: 1	911.47
335	ESSENTRA COMPONENTS dba	Summarized transactions: 4	902.78
336	MITSUBISHI POWER AERO LLC (P)	Summarized transactions: 8	892.44
337	OVERHEAD DOOR CO OF OLMSTED C	Summarized transactions: 2	886.48
338	TOWNE MELANI	Summarized transactions: 2	862.33
339	DANA LARSON	Summarized transactions: 2	862.33
340	POLLARDWATER dba	Summarized transactions: 2	859.20
341	LRS OF MINNESOTA, LLC	Summarized transactions: 1	857.01
342	DAVIES PRINTING COMPANY INC	Summarized transactions: 7	849.13
343	MENARDS ROCHESTER NORTH	Summarized transactions: 4	841.45
344	ALTEC INDUSTRIES INC	Summarized transactions: 4	841.07
345	PDS	Summarized transactions: 3	839.46
346	POWERMATION DIVISON	Summarized transactions: 2	818.48
347	NORTHERN / BLUETARP FINANCIAL	Summarized transactions: 4	810.41
348	THE ENERGY AUTHORITY INC	Summarized transactions: 1	789.23
349	DAVE SYVERSON TRUCK CENTER IN	Summarized transactions: 5	773.82

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350	DAKOTA SUPPLY GROUP	Summarized transactions: 2	755.41
351	LITTLE DAVID	Summarized transactions: 4	738.01
352	SEEME PRODUCTIONS LLC	Summarized transactions: 1	735.00
353	EXPRESS SERVICES INC	Summarized transactions: 1	721.92
354	CENTURYLINK	Summarized transactions: 1	718.35
355	SCHUMACHER ELEVATOR COMPANY	Summarized transactions: 1	695.57
356	ENGINEERED SALES CO	Summarized transactions: 3	687.13
357	SOMA CONSTRUCTION INC	Summarized transactions: 1	680.95
358	WARNING LITES OF MN INC (P)	Summarized transactions: 2	666.40
359	HALO BRANDED SOLUTIONS (P)	Summarized transactions: 2	639.72
360	GRAINGER INC	Summarized transactions: 10	626.60
361	BOSTON KRISTA	Summarized transactions: 5	623.98
362	LUKE WILDER	Summarized transactions: 4	586.61
363	IEA (P)	Summarized transactions: 1	580.09
364	AT&T	Summarized transactions: 1	575.82
365	CHEMSEARCH	Summarized transactions: 3	554.99
366	MINNESOTA ENERGY RESOURCES CO	Summarized transactions: 5	540.14
367	MCMASTER CARR SUPPLY COMPANY	Summarized transactions: 8	530.95
368	VAN METER INC dba	Summarized transactions: 15	526.11
369	ROCHESTER CHEVROLET CADILLAC	Summarized transactions: 4	515.97
370	INSPEC INC.	Summarized transactions: 1	500.00
371	HI LINE UTILITY SUPPLY CO (P)	Summarized transactions: 3	499.24
372	GREAT RIVER ENERGY	Summarized transactions: 1	496.91
373	HOGAN PETER	Summarized transactions: 3	479.72
374	ALLIED ELECTRONICS INC	Summarized transactions: 4	476.03
375	CORPORATE WEB SERVICES INC	Summarized transactions: 2	467.12
376	MENARDS ROCHESTER SOUTH	Summarized transactions: 5	459.08
377	LEKATZ CARTER	Summarized transactions: 4	452.27
378	SUPERIOR COMPANIES OF MINNESO	Summarized transactions: 1	447.50
379	ALTERNATIVE TECHNOLOGIES INC	Summarized transactions: 3	446.00
380	LEAGUE OF MN CITIES INS TRUST	Summarized transactions: 1	445.95
381	KAESER COMPRESSORS INC.	Summarized transactions: 8	441.11
382	PEOPLES ENERGY COOPERATIVE	Summarized transactions: 3	439.75
383	WSB & ASSOCIATES	Summarized transactions: 1	420.50
384	DELMAR COMPANY	Summarized transactions: 3	413.47
385	FARRELL EQUIPMENT (P)	Summarized transactions: 2	412.67
386	CHOSEN VALLEY TESTING	Summarized transactions: 1	411.50
387	JIM WHITING NURSERY/GARDEN CT	Summarized transactions: 1	407.96
388	WIESER PRECAST STEPS INC (P)	Summarized transactions: 1	407.69
389	EPLUS TECHNOLOGY INC	Summarized transactions: 4	403.45
390	FOX CONNIE	Summarized transactions: 4	402.84
391	EARLS SMALL ENGINE REPAIR INC	Summarized transactions: 9	400.50
392	KRUSE LUMBER	Summarized transactions: 6	398.84
393	UNITED RENTALS INC	Summarized transactions: 2	395.53
394	DEVTRA INC	Summarized transactions: 15	394.64
395	WILDER JAMES	Summarized transactions: 3	394.50
396	MISSISSIPPI WELDERS SUPPLY CO	Summarized transactions: 7	394.04
397	TRUCKIN' AMERICA	Summarized transactions: 2	384.75
398	KAMAN INDUSTRIAL TECHNOLOGIES	Summarized transactions: 8	377.69
399	McGRANN SHEA CARNIVAL STRAUGH	Summarized transactions: 1	375.00

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400	SYNERGY SYSTEMS INC	Summarized transactions: 3	373.05
401	MORGAN BRIAN	Summarized transactions: 2	366.00
402	ST JOSEPH EQUIPMENT INC (P)	Summarized transactions: 1	364.52
403	KOTSCHERVAR MARK	Summarized transactions: 2	354.87
404	CDW GOVERNMENT INC	Summarized transactions: 3	354.22
405	HARRIS ROCHESTER INC (HIMEC)	Summarized transactions: 1	346.19
406	MRO SYSTEMS LLC	Summarized transactions: 2	337.70
407	CITY LAUNDERING COMPANY	Summarized transactions: 2	334.50
408	PROCESS MEASUREMENT CO	Summarized transactions: 7	331.74
409	PEOPLES ENERGY COOPERATIVE	Summarized transactions: 2	324.53
410	VALERE MIKKI	Summarized transactions: 2	319.00
411	MANAHAN MACHINE SHOP INC	Summarized transactions: 2	318.10
412	WESTENDORF KRAIG	Summarized transactions: 4	308.52
413	BURNS & MCDONNELL INC (P)	Summarized transactions: 1	306.95
414	GARCIA GRAPHICS INC	Summarized transactions: 1	300.00
415	HANSON PATRICIA S	Summarized transactions: 2	298.84
416	MENARDS ROCHESTER NORTH	Summarized transactions: 5	289.62
417	GRAYBAR ELECTRIC COMPANY INC	Summarized transactions: 4	288.93
418	ADAMSON MOTORS INC	Summarized transactions: 2	279.33
419	KAUTZ TRUCKING INC	Summarized transactions: 1	250.00
420	NICKELS SCOTT	Summarized transactions: 2	249.75
421	VANCO SERVICES LLC	Summarized transactions: 1	245.84
422	ANDERTON RANDY	Summarized transactions: 1	245.00
423	ANCOM COMMUNICATIONS INC	Summarized transactions: 3	239.93
424	J HARLEN CO INC	Summarized transactions: 1	236.62
425	RONCO ENGINEERING SALES INC	Summarized transactions: 1	228.98
426	FARRELL EQUIPMENT (P)	Summarized transactions: 3	224.36
427	PETTIS JAMES	Summarized transactions: 1	224.00
428	NAPA AUTO PARTS dba	Summarized transactions: 8	219.84
429	NUVERA	Summarized transactions: 1	207.90
430	1SOURCE	Summarized transactions: 3	207.15
431	SOLAR CONNECTION INC	Summarized transactions: 1	200.00
432	MN DEPT OF HEALTH - ENVIRO HE	Summarized transactions: 1	200.00
433	FIRST SUPPLY (P)	Summarized transactions: 5	198.74
434	NALCO COMPANY LLC	Summarized transactions: 6	194.40
435	ADVANTAGE DIST LLC (P)	Summarized transactions: 1	188.82
436	FEDEX SHIPPING	Summarized transactions: 18	187.39
437	SUTTON JEREMY	Summarized transactions: 2	175.85
438	SARGENTS LANDSCAPE NURSERY IN	Summarized transactions: 1	173.38
439	VERIZON WIRELESS	Summarized transactions: 1	167.82
440	KAUTZ TRAILER SALES INC	Summarized transactions: 2	162.19
441	BIERBAUM DIRK	Summarized transactions: 1	160.00
442	MIDWEST SIGNTECH OF ROCHESTER	Summarized transactions: 1	154.76
443	BORDER STATES	Summarized transactions: 1	152.50
444	PROPERTY RECORDS OLMSTED COUN	Summarized transactions: 3	146.00
445	UNITED RENTALS INC	Summarized transactions: 1	141.00
446	API SUPPLY INC	Summarized transactions: 2	140.26
447	HYLAND LLC	Summarized transactions: 1	124.03
448	ULINE	Summarized transactions: 2	120.08
449	WATER SYSTEMS COMPANY	Summarized transactions: 2	117.90

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For 10/12/2022 To 11/09/2022
Consolidated & Summarized Below 1,000

450	BARRY SCREEN PRINT CO dba	Summarized transactions: 6	114.89
451	PODEINS POWER EQUIPMENT (P)	Summarized transactions: 2	105.45
452	MIDWEST DETAIL SUPPLY COMPANY	Summarized transactions: 2	101.72
453	CORE & MAIN LP (P)	Summarized transactions: 1	100.25
454	CITY OF ROCHESTER	Summarized transactions: 2	100.00
455	MCMASTER CARR SUPPLY COMPANY	Summarized transactions: 5	98.82
456	MCNEILUS STEEL INC	Summarized transactions: 1	96.81
457	TIMBERS SHAWN	Summarized transactions: 1	96.00
458	WHITNEY SCOTT	Summarized transactions: 1	96.00
459	MENARDS ROCHESTER SOUTH	Summarized transactions: 4	95.01
460	VIKING ELECTRIC SUPPLY INC	Summarized transactions: 2	92.82
461	ST MARIE THOMAS	Summarized transactions: 1	90.27
462	FLUITEK CORP	Summarized transactions: 2	87.51
463	SLEEPY EYE TELEPHONE CO	Summarized transactions: 1	84.76
464	REINDERS INC	Summarized transactions: 1	79.35
465	FITCH NICK	Summarized transactions: 2	76.75
466	POWER PRODUCTS & SERVICES	Summarized transactions: 1	73.57
467	BURGGRAFS ACE HARDWARE OF ROC	Summarized transactions: 3	72.42
468	AMAZON.COM	Summarized transactions: 6	71.49
469	CUSTOM TRUCK ONE SOURCE L.P.	Summarized transactions: 1	68.00
470	ROSEMOUNT INC	Summarized transactions: 1	67.21
471	MN GROUND WATER ASSOC	Summarized transactions: 1	65.00
472	NYHUS STEVE	Summarized transactions: 1	62.50
473	CENTRAL STATES GROUP	Summarized transactions: 1	62.02
474	FASTENAL COMPANY	Summarized transactions: 2	55.20
475	GOODIN COMPANY	Summarized transactions: 2	55.13
476	CHS ROCHESTER	Summarized transactions: 2	53.82
477	REBATES	Summarized transactions: 2	50.00
478	MILESTONE MATERIALS	Summarized transactions: 1	44.73
479	GENERAL REPAIR SERVICE	Summarized transactions: 1	43.78
480	AIRGAS SAFETY INC	Summarized transactions: 6	41.49
481	NORTH CENTRAL INTERNATIONAL L	Summarized transactions: 1	39.20
482	ON SITE SANITATION INC	Summarized transactions: 2	37.57
483	ALLIED VALVE INC	Summarized transactions: 1	35.60
484	GOODIN COMPANY	Summarized transactions: 2	33.36
485	FEDEX SHIPPING	Summarized transactions: 2	32.36
486	T E C INDUSTRIAL INC	Summarized transactions: 1	31.50
487	MINNESOTA ENERGY RESOURCES CO	Summarized transactions: 1	28.09
488	OSWEILER TODD	Summarized transactions: 1	26.25
489	FERGUSON ENTERPRISES INC #165	Summarized transactions: 1	25.20
490	DONAHUE DEBRA	Summarized transactions: 1	25.18
491	MISSISSIPPI WELDERS SUPPLY CO	Summarized transactions: 1	24.90
492	PARK PLACE TECHNOLOGIES LLC	Summarized transactions: 2	22.71
493	PAPENFUSS RAY	Summarized transactions: 1	19.00
494	CRESCENT ELECTRIC SUPPLY CO	Summarized transactions: 2	13.13
495	ARROW HARDWARE & PAINT (P)	Summarized transactions: 1	13.00
496	BATTERIES PLUS	Summarized transactions: 1	12.72
497	U S BANK	Summarized transactions: 1	9.00
498	WABASHA IMPLEMENT	Summarized transactions: 1	8.76
499	FLEETPRIDE INC	Summarized transactions: 1	3.86

Attachment: AP Board List Current Month (15113 : Review of Accounts Payable)

ROCHESTER PUBLIC UTILITIES
A/P Board Listing By Dollar Range
For 10/12/2022 To 11/09/2022
Consolidated & Summarized Below 1,000

500
501
502
503
504
505

Price Range Total:

255,892.10

Grand Total:

11,753,413.68

Attachment: AP Board List Current Month (15113 : Review of Accounts Payable)

FOR BOARD ACTION

Agenda Item # (ID # 15115)

Meeting Date: 11/29/2022

SUBJECT: SCADA Software Support Renewal

PREPARED BY: Phil Teng

ITEM DESCRIPTION:

The SCADA software support service contract with Open Systems International (OSI) renews on January 16, 2023. This is the system our operations center uses for data and control of our electric and water systems. The total cost of this three-year renewal is \$281,301.00 plus applicable tax, subject to operating budget approval in years two and three. The year 2023 amount is within the proposed 2023 budget. This agreement was previously approved by staff on an annual basis, but we chose to transition to a three year agreement which allows us to lock in a 4% escalator for years two and three. Staff feels this is prudent given the recent economic volatility.

UTILITY BOARD ACTION REQUESTED:

Approve a resolution authorizing the renewal of the SCADA software support service contract with Open Systems International, Inc. in the amount of \$281,301.00 plus applicable tax.

RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve a resolution authorizing the renewal of the SCADA software support service contract with Open Systems International, Inc. in the amount of \$281,301.00 plus applicable tax.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 29th day of November, 2022.

President

Secretary

FOR BOARD ACTION

Agenda Item # (ID # 15116)

Meeting Date: 11/29/2022

SUBJECT: Smart Energy Water Subscription Renewal

PREPARED BY: Phil Teng

ITEM DESCRIPTION:

Smart Energy Water is RPU's platform for customer self-service and communication, including the web-based customer portal, mobile app, and text (SMS) based communications, e.g., outage communications for planned or unplanned outages.

The total cost of the three-year agreement is estimated to be \$399,000.00. This total includes the base subscription cost of \$339,000.00 plus applicable tax, and an estimated three-year total cost of \$60,000.00 based on the volume of calls and SMS messages.

This cost is subject to operating budget approval in years two and three. The year 2023 amount is within the proposed 2023 budget.

UTILITY BOARD ACTION REQUESTED:

Approve a resolution authorizing the renewal of an agreement with Smart Energy Systems, Inc. dba Smart Energy Water ("Provider" or "SEW") and enter into a three-year agreement for \$399,000.00, plus applicable tax.

Order Form for Smart Energy Water SaaS and Cloud Subscription

Between

Smart Energy Systems, Inc. dba Smart Energy Water
15495 Sand Canyon Avenue, STE 100
Irvine, CA 92618
("SEW")

And

City of Rochester (RPU)
4000 E River Rd NE
Rochester, MN 55906
("Customer")

1. Order Form

This Order Form, as issued by SEW, shall constitute an offer made by SEW to a Customer. When signed and returned to SEW by Customer, it shall become a binding agreement for the SEW Cloud Service(s) or other Services listed in this Order Form and effective on the date signed by Customer. This Order Form shall be governed by both (i) that certain Software as a Service Subscription (SaaS) 17-282 dated January 3, 2018 ("Original Agreement") except Sections 3.2.1, 4, and 14.1 thereof, (ii) the SEW Standard SaaS Subscription Terms and Conditions attached hereto to the extent they do not directly contradict a comparable provision, if any, in the Original Agreement, and (iii) and the applicable terms and conditions in section 5 of the Vender Cyber Risk Assessment Questionnaire.

2. SEW Platform Modules and Service(s) / Upgrade

The table below shows the SEW Platform(s) and associated Service(s) thereof being purchased by Customer, the number of user licenses, initial subscription term, and fees.

This Order Form also includes, at no additional cost, a "like-for-like" upgrade of Customer's current SCM modules to SEW's V10 iteration.

<input checked="" type="checkbox"/>	Product Code	Product Name
<input checked="" type="checkbox"/>	Smart Customer Mobile (SCM®) – Mass Market Persona	
<input checked="" type="checkbox"/>	SCM-10-Web	Customer Web Portal
<input checked="" type="checkbox"/>	SCM-10-Mobile	Customer Mobile Apps (iOS & Android)
<input type="checkbox"/>	SCM-10-WebX	Smart Web Experience
<input checked="" type="checkbox"/>	SCM-10-1	SCM – My Account
<input checked="" type="checkbox"/>	SCM-10-2	SCM – Billing
<input checked="" type="checkbox"/>	SCM-10-3	SCM – Usage
<input checked="" type="checkbox"/>	SCM-10-4	SCM – Compare
<input checked="" type="checkbox"/>	SCM-10-5	SCM – Outages
<input checked="" type="checkbox"/>	SCM-10-6	SCM – Notifications
<input checked="" type="checkbox"/>	SCM-10-7	SCM – Service
<input checked="" type="checkbox"/>	SCM-10-8	SCM – Connect Me
<input checked="" type="checkbox"/>	SCM-10-9	SCM – Efficiency / Conservation
<input checked="" type="checkbox"/>	SCM-10-10	SCM – Smart Home
<input checked="" type="checkbox"/>	SCM-10-11	SCM – Electric Vehicle
<input checked="" type="checkbox"/>	SCM-10-12	SCM – Footprint
<input checked="" type="checkbox"/>	SCM-10-13	CSP – Dashboard
<input type="checkbox"/>	SCM-10-14	CSP – Efficiency / Conservation
<input checked="" type="checkbox"/>	SCM-10-15	CSP – Notifications
<input checked="" type="checkbox"/>	SCM-10-16	CSP – CSR
<input checked="" type="checkbox"/>	SCM-10-17	CSP – Administration
<input type="checkbox"/>	SCM-10-18	CSP – Outages
<input type="checkbox"/>	SCM-10-19	CSP – Customer AI / Analytics
<input type="checkbox"/>	SCM-10-22	CSP – Smart Home
<input type="checkbox"/>	SCM-10-24	CSP – Demand Response
<input type="checkbox"/>	SCM-10-28	CSP – Smart CRM – Marketing & Campaign
<input type="checkbox"/>	SCM-10-29	CSP – Smart CRM – Notifications
<input type="checkbox"/>	SCM-10-30	CSP – Smart CRM – Case Management
Support & Maintenance		
<input checked="" type="checkbox"/>	Sup-1	Base Support and Maintenance
<input type="checkbox"/>	Sup-2	Max Support

3. Subscriptions, Term, and Fees

The number of subscribers listed below represents the committed number of subscriptions authorized to utilize the SEW Cloud Service(s). Additional subscriptions may be purchased at an additional cost by contacting your local SEW representative or sending a request to contracts@sew.ai

Attachment: 17-282 Smart Energy Systems SaaS (15116 : Smart Energy Water Subscription Renewal)

<input checked="" type="checkbox"/>	Product	Subscription Metric	# of Subscriptions	Annual Subscription Fee
<input checked="" type="checkbox"/>	SCM® Mass Market Persona	Active end user subscriptions	50,000	\$113,000
<input checked="" type="checkbox"/>	SCM® Customer Service / Admin Portal	Number of Administrators/ Utility Users	15	Included

The term of this Agreement commences on the date of signature of this Order Form and continues for the initial term set forth below, unless earlier terminated in accordance with this Agreement.

Term	Total Fee for Order Form	Payment Conditions for Term
Three Years	\$339,000 (\$113,000 annually)	Total fee due upon signing and invoiced in three (3) equal installments: <ul style="list-style-type: none"> On the Effective Date. Upon the 1st anniversary of the Effective Date Upon the 2nd anniversary of the Effective Date

The fees for additional services purchased under Section 4 and 5 shall be invoiced separately under the respective terms of such service.

4. Notification Subscriptions

The table below shall display the SEW Notification Service(s) selected to be purchased by Customer, subject to the SEW Notification Services Terms and Conditions (below).

<input checked="" type="checkbox"/> TEXT MESSAGING SERVICE			
Service Type		Price (USD)	Description
<input type="checkbox"/>	Random Short Code	\$1,900 / Month per Short Code	Number of codes: _____
<input checked="" type="checkbox"/>	Vanity Short Code	\$1,900 / Month per Short Code	Number of codes: _____
<input checked="" type="checkbox"/>	In/Outbound SMS Text Messaging	\$0.04 / Message	
<input checked="" type="checkbox"/>	In/Outbound MMS Messaging	\$0.04 / Message	
SMS Volume SLA		<input type="checkbox"/> Included	Standard: Up to 5 Messages/Sec/Short Code
		<input type="checkbox"/> Premium: \$286 / Month	Premium: Up to 25 Messages/Sec/Short Code
		<input type="checkbox"/> Premium Pro: \$442 / Month	Premium Pro: Up to 50 Messages/Sec/Short Code
		<input type="checkbox"/> Elite: \$689 / Month	Elite: Up to 100 Messages/Sec/Short Code
		<input type="checkbox"/> Enterprise: \$947 / Month	Enterprise: Up to 200 Messages/Sec/Short Code
One-time Initial Setup		N/A	
Annual Service Maintenance & Support		\$78,000 Waived	

<input checked="" type="checkbox"/> VOICE CALL SERVICE				
Service Type		Price (USD)		Description
<input checked="" type="checkbox"/>	Toll-Free			
	Lines	\$15 / Month per Line	Number of Toll-free Lines: _____	
	In/Outbound Toll-Free Voice Call	\$0.04 / Minute per Call (Duration less than or equal to 59 seconds per call)		
<input checked="" type="checkbox"/>	Local Number			
	Lines	\$10 / Month per Line	Number of Local Lines: _____	
	Inbound Voice Call	\$0.019 / Minute per Call (Duration <=59 seconds per call)		
	Outbound Voice Call	\$0.03 / Minute per Call (Duration <=59 seconds per call)		
Voice Call Volume SLA		<input type="checkbox"/>	Included	Standard: Up to 1 Call / Sec
		<input type="checkbox"/>	Premium: \$237 / Month	Premium: Up to 5 Calls / Sec
		<input type="checkbox"/>	Premium Pro: \$912 / Month	Premium Pro: Up to 10 Calls / Sec

	<input type="checkbox"/>	Elite: \$2941 / Month	Elite: Up to 25 Calls / Sec
	<input type="checkbox"/>	Enterprise: \$9702 / Month	Enterprise: Up to 50 Calls / Sec
One-time Initial Setup	\$N/A		
Annual Service Maintenance & Support	\$78,000 Waived		

5. Acceptance and Authorization

CITY OF ROCHESTER

SMART ENERGY WATER

By: _____
Kim Norton, Mayor

By: _____
Harman Sandhu, President

Attest: _____
Kelly K. Geistler, City Clerk

Approved
as to Form: _____
Michael Spindler-Krage, City Attorney

ROCHESTER PUBLIC UTILITIES

By: _____
Mark Kotschevar, General Manager

Appendix A: SEW Software-as-a-Service Subscription Terms
Appendix B: SEW Notification Services Agreement
Appendix C: Data Retention Policy

Appendix A

SEW Software-as-a-Service Subscription Terms

Smart Energy Systems, Inc. dba Smart Energy Water ("Provider" or "SEW") has developed certain proprietary software applications, and the Parties have agreed that Provider will make the software-as-a-service platform(s) set forth on the Order Form attached hereto (the "Software") available via the Internet to the Customer hereunder. Therefore, in consideration of the mutual covenants, terms, and conditions set forth below and in any relevant exhibits or documents, the adequacy of which is hereby acknowledged, the Parties agree as follows:

1. DEFINITIONS. The following capitalized terms will have the following meanings whenever used in this Agreement.

- 1.1. "Agreement" means these SEW Software-as-a-Service Subscription Terms & Conditions, including any applicable Order Form.
- 1.2. "Customer Data" means the data uploaded or otherwise input by Customer and/or Subscribers into the Software.
- 1.3. "Documentation" means the Software's standard user manuals and any other accompanying documents related to the Software, in each case, that are delivered by SEW to Customer during Implementation.
- 1.4. "Feedback" means any suggestions, comments for enhancements or functionality or other feedback regarding SEW's products and/or services that are communicated by Customer to SEW.
- 1.5. "Implementation" means the process for gathering requirements, configuring, testing, training, and integrating the Software for Customer's use, as set forth in a Statement of Work.
- 1.6. "Maintenance and Support" means, unless Customer is subscribing to SEW's Max Support Plan, SEW's maintenance and support performed in accordance with SEW's then current Standard Support Plan (a copy of which will be provided to Customer upon request).
- 1.7. "Order Form" means an Order Form for Smart Energy Water Cloud Services executed between SEW and Customer.
- 1.8. "Software" means the SEW software that Customer has subscribed to as identified in an applicable Order Form.
- 1.9. "Specifications" means SEW's specifications for the Software.
- 1.10. "Statement of Work" means a statement of work that (a) expressly references, and is governed by, this Agreement, (b) is executed by an authorized representative of each party and (c) sets forth, at a minimum, the Services to be performed by SEW and the related fees to be paid by Customer in consideration thereof.
- 1.11. "Subscribers" means an active account registered with the Customer to use the Software, either from a preexisting account of Customer or as associated with an active utility meter, as set forth in an applicable Order Form.

2. SOFTWARE DELIVERY.

- 2.1. Right to Access and Use Software. Subject to the terms and conditions of this Agreement, SEW hereby grants Customer a non-exclusive, non-sublicensable, non-transferable limited right to access and use the Software for Customer's business purposes.
- 2.2. Restrictions on Software Use. Customer will not permit any third parties to access and use the Software other than Subscribers. Customer will not permit Subscribers in excess of the cap set forth in the applicable Order Form to access or use the Software. Customer will be responsible and liable for all Subscribers' compliance with the terms and conditions of this Agreement. Customer will not: (a) modify, translate or create derivative works from the Software; (b) allow third parties to exploit the Software; (c) reverse engineer, decompile, or attempt to derive any of the Software's source code, object code or underlying structure, ideas or algorithms of the Software; (d) remove or modify any program markings or any notice of SEW's proprietary rights; (e) copy, rent, lease, distribute, pledge, assign or otherwise transfer or allow any lien, security interest or other encumbrance on the Software; (f) use the Software for timesharing or service bureau purposes or otherwise for the benefit of a third party; or (g) hack, manipulate interfere with or disrupt the integrity or performance of or otherwise attempt to gain unauthorized access to the Software or its related systems, hardware or networks or any content or technology incorporated in any of the foregoing. Customer will (i) use commercially reasonable efforts to prevent unauthorized access to or use of the Software and notify SEW promptly of any such unauthorized access or use, and (ii) use the Software only in accordance with the Documentation and all applicable laws, rules and regulations.

3. UPDATES AND SERVICE LEVELS.

- 3.1. Provision of Updates and Maintenance SEW will provide regular Maintenance and Support, including by making available to Customer any modifications, bug-fixes, or security updates to the Software that SEW generally makes available to its customers, for no additional fee ("Updates"). "Software" as defined herein will incorporate any Updates, as well as any custom upgrades provided to Customer pursuant to a Statement of Work as contemplated herein.
- 3.2. Service Level Availability: SEW will use commercially reasonable efforts to make the Software available in accordance with the Availability Service Level Agreement ("SLA" stated hereunder. SEW will provide Availability (as defined below) of at least 99.5% each month as calculated below. "Availability" is calculated as follows:

$$\text{Availability} = ([\# \text{ of minutes in month}] - [\# \text{ of minutes per month the Software is Unavailable}]) / [\# \text{ of minutes in month}]$$

"Unavailable" means the Software is not available for access and use through Customer's Internet connection, excluding any performance issues: (i) caused by factors outside of SEW's reasonable control, including any force majeure event or Internet access or related problems beyond the demarcation point of SEW; (ii) that result from any actions or inactions of Customer or any third party; (iii) that result from Customer's equipment, software or other technology and/or third-party equipment, software or other technology (other than third-party equipment within SEW's direct control); (iv) that result from any planned maintenance as described in this Agreement or (v) arising from SEW's suspension or termination of Customer's right to use the Software.

4. FEES.

- 4.1. Fees. Fees shall be based upon the SEW Platform(s), modules, number of Subscribers, and Services selected from the Order Form and the pricing stated therein. Customer agrees to make all payments to SEW within thirty (30) calendar days after receipt of invoice. Late invoices will incur a late payment fee of 1.5% or the maximum allowable under the law, whichever is less. If Customer's account is sixty (60) days or more overdue, SEW reserves the right with prior written notice to withhold performance of its obligations under this Agreement, without liability, until such payments are paid in full, or to terminate for cause. Fees under this Agreement shall additionally be exclusive of all taxes, levies, or duties imposed by taxing authorities, and Customer shall be responsible for all applicable taxes, levies, or duties hereunder.

5. INTELLECTUAL PROPERTY RIGHTS.

- 5.1. Customer Data. As between SEW and Customer, Customer owns the Customer Data. Customer hereby grants to SEW: (a) a non-exclusive, worldwide, royalty-free, fully paid up, non-sublicensable (except to contractors and service SEWs providing services on behalf of SEW), non-transferable (subject to Section 12.3) right and license to copy, distribute, display, create derivative works of and otherwise use the Customer Data (i) to perform its obligations under this Agreement, (ii) to internally improve its products and services and (iii) to create aggregated and/or anonymized data from such Customer Data (the "Aggregated Data"); and (b) a non-exclusive, perpetual, irrevocable worldwide, royalty-free, fully paid up, sublicensable (through multiple tiers), transferable right and license to copy, distribute, display, create derivative works of and otherwise use the Aggregated Data. Customer reserves any and all right, title and interest in and to the Customer Data other than the rights and licenses expressly granted to SEW in this Section 5.1.
- 5.2. Software. SEW retains all right, title, and interest in and to the Documentation and Software, as well as any related modifications, improvements, methodologies, techniques processes, and instruction developed by SEW and used in the course of performing the Services (collectively "SEW IP"). Nothing in this Agreement will be construed to grant Customer any ownership in the SEW IP. Customer recognizes that the Software and its components are protected by copyright and other laws. SEW grants no, and reserves any and all, rights other than the rights expressly granted to Customer under this Agreement with respect to the Software.
- 5.3. Feedback. Customer hereby grants SEW a perpetual, irrevocable, unrestricted, worldwide license to use any Feedback, without compensation or any obligation to report or such use, and without any other restriction. Such rights will include, without limitation, the right to exploit Feedback in any way and the right to grant sublicenses (through multiple tiers). Notwithstanding the provisions of Article 6 (*Confidential Information*) below, Feedback will not be considered Customer's Confidential Information.

6. CONFIDENTIAL INFORMATION.

- 6.1. Confidential Information Defined. "Confidential Information" refers to the following types of material or content one party to this Agreement ("Discloser") discloses to the other ("Recipient"): (a) any information Discloser marks or designates as "Confidential" at the time of disclosure; and (b) any other nonpublic, sensitive information disclosed by Discloser including, but not limited to code, inventions, know-how, business, technical, and financial information, or other information which should reasonably be known by the Recipient to be confidential at the time it is disclosed, due to the nature of the information and the circumstances surrounding such disclosure. Notwithstanding the foregoing, Confidential Information does not include information that: (i) is in Recipient's possession at the time of disclosure; (ii) is independently developed by Recipient without use of or reference to Confidential Information; (iii) becomes known publicly, before or after disclosure, other than as a result of Recipient's improper action or inaction or (iv) is rightfully obtained by Recipient from a third party without breach of any confidentiality obligations.
- 6.2. Nondisclosure. Recipient will not use Confidential Information of the Discloser for any purpose other than to exercise its rights or perform its obligations under this Agreement (the "Purpose"). Recipient: (a) will not disclose Confidential Information of the Discloser to any employee or contractor of Recipient unless such person needs access in order to facilitate the Purpose and executes a written agreement with Recipient with terms no less restrictive than those of this Article 6; and (b) will not disclose Confidential Information of the Discloser to any other third party without Discloser's prior written consent. Recipient will protect Confidential Information of the Discloser with the same degree of care it uses to protect its own confidential information of a similar nature, but with no less than reasonable care. Recipient will promptly notify Discloser of any misuse or misappropriation of Confidential Information of the Discloser that comes to Recipient's attention. Notwithstanding the foregoing, Recipient may disclose Confidential Information of the Discloser as required by applicable law or by proper legal or governmental authority. Recipient will give Discloser prompt notice of any such legal or governmental demand and reasonably cooperate with Discloser in any effort to seek a protective order or otherwise to contest such required disclosure, at Discloser's expense.
- 6.3. Injunction. Recipient agrees that breach of this Article 6 may cause Discloser irreparable injury, for which monetary damages may be inadequate, and in addition to any other remedy, Discloser will be entitled to seek injunctive relief against such breach or threatened breach, without proving actual damage.
- 6.4. Termination & Return. Upon expiration or termination of this Agreement, Recipient will return to the Discloser all copies (excepting one (1) copy archived for purposes of Recipient's back-up processes) of Confidential Information of the Discloser or certify, in writing, the destruction thereof.
- 6.5. Retention of Rights. This Agreement does not transfer ownership of Confidential Information or grant a license or any other right thereto. Discloser will retain all right, title, and interest in and to all of its Confidential Information.

7. DATA PRIVACY & SECURITY.

- 7.1. Data Security. Each party will be responsible for establishing and maintaining its own data privacy and information security policies, including physical, technical, administrative and organizational safeguards to ensure the security and confidentiality of Customer Data; protect against any anticipated threats or hazards to the security of Customer Data protect against unauthorized disclosure, access to, or use of Customer Data; ensure the proper disposal of Customer Data; and ensure that all employees, agents, and subcontractors, if any, comply with the above.

8. REPRESENTATIONS & WARRANTIES.

- 8.1. From SEW.
 - (a) Re: Function. SEW represents and warrants that, during the Term, the Software will perform materially in accordance with the Software Specifications.
 - (b) Re: Intellectual Property Rights in the Software. SEW represents and warrants that it owns the Software, and has the power and authority to grant the rights in this Agreement without the further consent of any third party. In the event of a breach of the warranty in this Section 8.1(b), SEW, at its own expense and election, will promptly take the following actions: (i) secure for Customer the right to continue using the Software; (ii) replace or modify the Software to make it non-infringing, provided such modification or replacement will not materially degrade any functionality listed in the Specifications; or (iii) refund the prorated SaaS subscription fee paid for the Software for every month remaining in the Term, following the date after which Customer is required to cease use of the Software. In conjunction with Customer's right to terminate for breach where applicable and the provisions of Section 9.1 below (*Indemnified Claims*), the preceding sentence states SEW's sole obligation and liability, and Customer's sole remedy, for breach of the warranty in this Section 8.1(b) and for potential or actual infringement by the Software. SEW's representations and warranties herein will not apply to the extent any infringement arises out of any conditions listed in Section 9.1 (a) - 9.1(f) below.
- 8.2. From Both Parties. Each party represents and warrants that (a) it has the full right and authority to enter into, execute, and perform its obligations under this Agreement, (b) no pending or threatened claim or litigation known to it would have a material adverse impact on its ability to perform as required hereunder, (c) the execution of this Agreement and performance of its obligations thereunder do not and will not violate any other agreement to which it is a party; and (c) this Agreement constitutes a legal, valid and binding obligation when signed by both Parties.
- 8.3. Warranty Disclaimers. Except for the express warranties in Sections 8.1 and 8.2 above, SEW MAKES NO WARRANTIES, EITHER EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTY OF MERCHANTABILITY, NON-INFRINGEMENT, TITLE OR FITNESS FOR A PARTICULAR PURPOSE. SEW does no warrant that the Software will perform without error or that it will run without immaterial interruption. SEW provides no warranty regarding, and will have no responsibility for, any claim arising out of: (a) a modification of the Software made by anyone other than SEW, unless SEW approves such modification in writing; or (b) use of the Software in combination with any operating system, hardware, software or other third-party materials not authorized or specifically forbidden in the Specifications or Documentation.

9. INDEMNIFICATION.

- 9.1. Indemnification by SEW. SEW will defend and indemnify Customer and its officers, directors, shareholders, parents, subsidiaries, agents, successors, and assigns against any settlement amounts, damages, liabilities, costs and expenses (including reasonable attorneys' fees) (collectively, "Liabilities") that are payable to any third party or incurred by Customer arising from any third-party claim, suit, or proceeding arising out of an allegation that Customer's authorized use of the Software infringes or misappropriates a third party's intellectual property rights. SEW's obligations set forth in this Section 9.1 do not apply to the extent that any claim arises out of: (a) Customer's breach of this Agreement; (b) revisions to the Software made without SEW's written consent; (c) Customer's failure to incorporate Upgrades that would have avoided the alleged infringement provided SEW offered such Upgrades without charges not otherwise required pursuant to this Agreement; (d) SEW's modification of Software in compliance with Customer's specifications; (e) unauthorized use of the software by third parties; or (f) use of the Software with hardware or software not provided by or approved of by SEW.
- 9.2. Indemnification by Customer. Customer will indemnify, defend and hold SEW and its officers, directors, shareholders, parents, subsidiaries, agents, successors, and assigns against any Liabilities that are payable to any third party or incurred by SEW arising from any third-party claim, suit, or proceeding arising out of (a) SEW's authorized use of the Customer Data or (b) any use of the Software by Customer and/or its Subscribers in violation of this Agreement.
- 9.3. Indemnification Procedure. If an indemnified party becomes aware of any matter it believes it should be indemnified under Section 9.1 or Section 9.2, as applicable, involving any claim, action, suit, investigation, arbitration or other proceeding against the indemnified party by any third party (each an "Action"), the indemnified party will give the other party prompt written notice of such Action. The indemnified party will cooperate, at the expense of the indemnifying party, with the indemnifying party and its counsel in the defense and the indemnified party will have the right to participate fully, at its own expense, in the defense of such Action with counsel of its own choosing. Any compromise or settlement of an Action will require the prior written consent of both Parties hereunder, such consent not to be unreasonably withheld or delayed.

10. LIMITATION OF LIABILITY.

- 10.1. Liability Cap. UNDER NO CIRCUMSTANCES WILL SEW'S LIABILITY FOR ALL CLAIMS ARISING UNDER OR RELATING TO THIS AGREEMENT (INCLUDING BUT NOT LIMITED TO WARRANTY CLAIMS) EXCEED THE AGGREGATE FEES PAID BY CUSTOMER TO SEW UNDER THIS AGREEMENT DURING THE TWELVE (12) MONTH PERIOD PRECEDING THE EVENT OR CIRCUMSTANCES GIVING RISE TO SUCH LIABILITY.
- 10.2. Exclusion of Consequential Damages. IN NO EVENT WILL SEW BE LIABLE TO CUSTOMER FOR ANY CONSEQUENTIAL, INDIRECT, SPECIAL, INCIDENTAL, OF PUNITIVE DAMAGES OF ANY KIND, INCLUDING LOST PROFITS OR LOST REVENUE, ARISING OUT OF OR RELATED TO THIS AGREEMENT.
- 10.3. Clarifications & Disclaimers. THE LIABILITIES LIMITED BY THIS ARTICLE 9 APPLY REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT, TORT STRICT PRODUCT LIABILITY, OR OTHERWISE; EVEN IF SEW IS ADVISED IN ADVANCE OF THE POSSIBILITY OF THE DAMAGES IN QUESTION AND EVEN IF SUCH DAMAGES WERE FORESEEABLE; AND EVEN IF CUSTOMER'S REMEDIES FAIL OF THEIR ESSENTIAL PURPOSE. If applicable law limits the application of the provisions of this Section 10, SEW's liability will be limited to the maximum extent permissible by law. For the avoidance of doubt, SEW's liability limits apply to SEW's affiliates SEWs, agents, sponsors, directors, officers, employees, consultants, and other representatives.

10.4. Exceptions to Limitation of Liability. The foregoing limitations do not apply to any liability arising from SEW's indemnification obligations under Section 9.1 above.

11. TERM & TERMINATION.

- 11.1. Term. The Initial Term of this Agreement shall begin on the Effective Date and continue for the Term as stated in the applicable Order Form. Thereafter, unless this Agreement is earlier terminated in accordance with its terms, this Agreement will automatically renew for additional one (1) year terms (each, a "Renewal Term", and together with the Initial Term, the "Term"), unless either party delivers to the other party written notice of non-renewal at least ninety (90) days' prior to the end of the then-current term.
- 11.2. Termination. Either party may terminate this Agreement: (a) upon written notice to the other party if such other party materially breaches this Agreement and fails to cure such breach within thirty (30) days of written notice thereof; or (b) upon written notice to the other party if such other party becomes the subject of a petition in bankruptcy or any other proceeding related to insolvency, receivership, liquidation or assignment for the benefit of creditors (which, if involuntary, is not dismissed within sixty (60) days of its institution).
- 11.3. Effects of Termination. Upon expiration or termination of this Agreement, Customer will immediately cease all use of the Software and delete, destroy, or return all copies of the Documentation in its possession or control. SEW shall similarly delete, destroy, or return all relevant copies of Customer data which may be entitled to preservation based on state or federal data retention requirements. The following provisions will survive termination or expiration of this Agreement: (a) any obligation of Customer to pay fees incurred before termination (in addition to any fees owed under Section 11.3 above, if applicable) and (b) Sections 1, 4, 5, 6, 8.3, 9, 10, 11 and 12.

12. MISCELLANEOUS.

- 12.1. Independent Contractors. The Parties are independent contractors and will so represent themselves in all regards. Neither party is the agent of the other, and neither may make commitments on the other's behalf.
- 12.2. Force Majeure. No delay, failure, or default, other than a failure to pay fees, will constitute a breach of this Agreement to the extent caused by causes beyond the performing party's reasonable control or acts of war, terrorism, earthquakes, other acts of God or of nature, strikes or labor disputes, embargoes.
- 12.3. Assignment & Successors. Customer may not assign this Agreement or any of its rights or obligations hereunder without SEW's written consent. SEW may freely assign this Agreement. Except to the extent forbidden herein, this Agreement will be binding upon and inure to the benefit of the Parties' respective successors and assigns.
- 12.4. Severability. To the extent permitted by law, the Parties waive any provision of law that would render any clause of this Agreement invalid or unenforceable. In the event that a provision herein is held to be invalid or unenforceable, such provision will be interpreted to fulfill its intended purpose to the maximum extent permitted by law, and the remaining provisions of this Agreement will continue in full force and effect.
- 12.5. No Waiver. Neither party will be deemed to have waived any of its rights under this Agreement by lapse of time or by any statement or representation other than by an authorized representative in an explicit written waiver. No waiver of a breach hereof will constitute a waiver of any other breach of this Agreement.
- 12.6. Choice of Law & Jurisdiction: This Agreement will be governed by the laws of the State of Minnesota, without reference to any conflicts of law principles. The Parties consent to the personal and exclusive jurisdiction of the federal and state courts of Olmsted County, Minnesota.
- 12.7. Conflicts. Should this Agreement conflict with any other agreements, this Agreement will govern.
- 12.8. Construction. The Parties agree that the terms of this Agreement result from negotiations between them. This Agreement will not be construed in favor of or against either party by reason of authorship.
- 12.9. Entire Agreement. This Agreement sets forth the entire agreement of the Parties and supersedes all prior or contemporaneous writings, negotiations, and discussions with respect to its subject matter. Neither party has relied upon any such prior or contemporaneous communications.
- 12.10. Execution in Counterparts. This Agreement may be executed in one or more counterparts. Each counterpart will be an original, but all such counterparts will constitute a single instrument.
- 12.11. Modification. This Agreement may be modified from time to time by SEW, with Customer to be provided notice of no less than thirty (30) days prior to such Terms and Conditions taking effect.

Appendix B

SEW Notification Services Agreement

Smart Energy Systems, Inc. dba Smart Energy Water ("Provider" or "SEW") has developed certain proprietary software applications and services for a Customer, and the Parties have agreed that Provider will make the Services described in the Order Form available to the Customer hereunder. Therefore, in consideration of the mutual covenants, terms, and conditions set forth below and in any relevant exhibits or documents, the adequacy of which is hereby acknowledged, the Parties agree as follows

1. Definitions

- 1.1. **"Monthly Uptime Percentage"** shall refer to the difference between 100% and the percentage of time during which the Services are unavailable.
- 1.2. **"Services"** shall refer to notification services for the SCM® Cloud Services platform utilized to establish form(s) of contact between the Customer and end user of the SEW Cloud Services Platform, which include, but are not limited to, SMS text messaging, email, and interactive voice response (IVR) services.
- 1.3. **"SEW Cloud Services Platform"** shall refer to Customer's deployment of the SCM® platform, or other applicable software of SEW sold through an authorized reseller.
- 1.4. **"Term"** shall mean the Term set forth in the applicable license agreement, SaaS subscription agreement, cloud services agreement, or if not defined in an applicable signed writing, one (1) year from the Effective Date.

2. Scope and General Terms

- 2.1. SEW shall provide the following Services selected within the Order Form in accordance with the following terms and conditions.
- 2.2. Customer may use the Services solely to:
 - a) Use and make the Services available to end users in connection with the use of SEW Cloud Services Platform.
 - b) Use the Services in connection with and as necessary for Customer's activities pursuant to these terms or the terms set forth in an applicable license agreement, SaaS subscription agreement, or cloud services agreement.
 - c) Allow any affiliates to use the Services, subject to the terms hereunder.
- 2.3. In relation to the Services provided under this Agreement, Customer agrees that:
 - a) Customer shall not transfer, resell, lease, license, or otherwise make available the Services or SEW Cloud Services Platform to third parties or offer it on a standalone basis, or make any representation, warranty, or guarantee to any end user or third party on behalf of SEW concerning the Services.
 - b) SEW shall be entitled to use any Customer data that is necessary to provide the Services.
 - c) Customer's use of the Services does not violate the terms of this Agreement.
 - d) Customer shall not use the Services or SEW Cloud Services Platform to create, train, or improve (directly or indirectly) a substantially similar product or service.
 - e) Customer shall not reverse engineer, decompile, disassemble, or otherwise create, attempt to create or derive, or permit or assist anyone else to create or derive the source code of any Services or SEW Cloud Services Platform provided in connection with this Agreement.
- 2.4. SEW shall make the Services available and guarantee a Monthly Uptime Percentage of 99.5%, notwithstanding any unavailability or performance issues of the Services caused by or as a result of the following (collectively, the "Exclusions"):
 - a) Factors that are outside of SEW's reasonable control, including, without limitation, any force majeure event, telecommunications provider-related problems or issues, internet access or related problems occurring beyond the point in the network where SEW maintains access and control of the Services.
 - b) Any actions or inactions of Customer or any third party.
 - c) Any Customer application(s), equipment, software, or other technology, third party equipment, software, etc. not authorized for use with the Services.
 - d) Routine or scheduled maintenance for which SEW will provide at least twenty-four (24) hours of advanced notice.
 - e) Problems or issues related to alpha, beta, or not otherwise generally available in SEW features or products.
- 2.5. Notification Services shall commence at the rates and volumes selected by Customer in the Order Form.
 - a) In the event that Customer exceeds the number of emails per month selected, SEW shall automatically escalate Customer to the next service tier and corresponding rates. Customer shall thereafter be invoiced according to the rates set forth for the escalated tier for the remaining Term for such Order Form.
 - b) At any time during the Term of the Order Form, Customer can contact SEW to request to be change their service to a lower tier. Such changes to revert to a lower tier and corresponding rates can be made only once during a twelve month period. Customer shall not be entitled to any credits for unused volumes when reverting to a lower service tier after having been escalated to a higher tier as a result of having exceeded notification volume limits.
 - c) In the event Customer requires a higher notification Volume SLA tier in order to meet increased demand or to ensure timely delivery of the Services for Customer's end users, Customer shall contact SEW detailing the Email Volume SLA or SMS Volume SLA tier customer wishes to upgrade to.

3. Term

- 3.1. The Initial Term of this Agreement shall begin on the Effective Date and continue for the Term as stated in the applicable Order Form.

4. Renewals

- 4.1. This Agreement shall automatically renew upon the expiration of the Initial Term as stated in the Order Form for one (1) year intervals ("Renewal Term"), unless terminated by Customer by providing written notice to SEW ninety (90) days prior to the expiration of the Term. For the avoidance of doubt, SEW shall not be required to refund any previously paid fees, regardless of when termination occurs during the Term or Renewal Term.

5. Fees

- 5.1. Fees for the Services shall be set forth in the Order Form. Customer shall be invoiced for applicable one-time initial setup fees, maintenance and support fees, and monthly service type fees upfront upon signing of this Agreement and annually thereafter if applicable. The usage fees applicable to inbound and outbound SMS messaging or voice call messages that are selected by the Customer shall be invoiced based on monthly intervals. Customer agrees to make all payments to SEW within thirty (30) calendar days after receipt of invoice. Late invoices will incur a late payment fee of 1.5% or the maximum allowable under the law, whichever is less. If Customer's account is sixty (60) days or more overdue, SEW reserves the right with prior written notice to withhold performance of its obligations under this Agreement without liability, until such payments are paid in full, or to terminate for cause. Fees under this Agreement shall additionally be exclusive of all taxes, levies, or duties imposed by taxing authorities, and Customer shall be responsible for all applicable taxes, levies, or duties hereunder.

6. Warranty and Liability

- 6.1. **DISCLAIMER OF WARRANTY.** WITH THE EXCEPTION OF THE SERVICE LEVEL COMMITMENT SET FORTH IN SECTION 2.4, THE SERVICES UNDER THIS AGREEMENT ARE PROVIDED "AS-IS," EXCLUSIVE OF ANY WARRANTY, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTY OF MERCHANTABILITY, SATISFACTORY QUALITY, FITNESS FOR A PARTICULAR PURPOSE, NONINFRINGEMENT, OR ANY OTHER WARRANTY, WHETHER EXPRESS OR IMPLIED. SEW DOES NOT WARRANT THAT THE SERVICES ARE OR WILL BE ERROR-FREE OR MEET ALL CUSTOMER REQUIREMENTS WITHOUT LIMITING THE FOREGOING, SERVICES MAY BE SUBJECT TO LIMITATIONS OF THE TELECOMMUNICATIONS PROVIDER, HOSTING ENVIRONMENT, DELAYS, INTERNET SERVICE PROVIDER, THIRD PARTIES, ACTIONS OR INACTIONS OF THE CUSTOMER, AND OTHER PROBLEMS INHERENT TO THE USE OF MASS-MARKET NOTIFICATION SERVICES AND ELECTRONIC COMMUNICATIONS. SEW IS NOT RESPONSIBLE FOR ANY DELAYS, DELIVERY FAILURES, DELETIONS, LOSS OF DATA, DATA CORRUPTION, THIRD-PARTY PUBLICATION, OR OTHER DAMAGES RESULTING FROM SUCH PROBLEMS NOT CAUSED BY SEW OR OUTSIDE OF SEW'S REASONABLE CONTROL. TO THE EXTENT SUCH DISCLAIMER CONFLICTS WITH APPLICABLE LAW, THE SCOPE AND DURATION OF ANY APPLICABLE WARRANTY WILL BE THE MINIMUM PERMITTED UNDER SUCH LAW. SEW SHALL NOT BE LIABLE AND WILL HAVE NO OBLIGATION TO INDEMNIFY CUSTOMER FOR END USER DATA OR ANY OTHER PERSONALLY IDENTIFIABLE INFORMATION SENT TO SEW.
- 6.2. **LIMITATION OF LIABILITY.** IN NO EVENT WILL SEW'S AND ITS LICENSORS' TOTAL AGGREGATE LIABILITY ARISING FROM OR RELATING TO THIS AGREEMENT EXCEED THE AMOUNT PAID FOR THE NOTIFICATION SERVICES UNDER THIS AGREEMENT DURING THE TWELVE (12) MONTHS IMMEDIATELY BEFORE SUCH CLAIM AROSE. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, AND REGARDLESS OF WHETHER ANY REMEDY SET FORTH HEREIN FAILS OF ITS ESSENTIAL PURPOSE, IN NO EVENT WILL SEW OR ITS LICENSORS BE LIABLE TO YOU OR ANY THIRD PARTY.

FOR ANY CONSEQUENTIAL, INDIRECT, INCIDENTAL, SPECIAL OR SIMILAR DAMAGES, INCLUDING WITHOUT LIMITATION, ANY LOST PROFITS OPPORTUNITIES, DATA, OR USE, ARISING OUT OF THE USE OR INABILITY TO USE THE SERVICES, EVEN IF SEW HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES OR A REMEDY FAILS OF ITS ESSENTIAL PURPOSE.

- 6.3. **Recordings and Communications Monitoring.** In the event Customer records or monitors any SMS messages, IVR communications, or other communications using the Services, then Customer represents and warrants that it shall comply with all applicable laws prior to doing so at all times. SEW makes no representations or warranties with respect to recording or monitoring telephone calls/IVR communications, SMS messages, or other communications, and recommends that Customer always secure prior consent to record or monitor communications using the Services. Customer acknowledges that these representations, warranties, and obligations are essential to SEW's ability to provide the Services, and further agrees to indemnify SEW and its affiliates or providers in the event of any acts or omissions in connection with recording or monitoring IVR communications, SMS messages, or other communications, whether such claims arise under contract, tort, statute, or other legal theory.

7. Additional Terms

- 7.1. **Short Codes.** If Customer utilizes a short code with SEW as a part of the Services, Customer:
- Shall not change the short code use case without first having such new use case approved by SEW or the applicable provider.
 - Shall stop sending additional messages to any party that replies by texting "STOP" (or the equivalent) to the short code, except for a single text message confirming that such party has been successfully opted out of the short code.
 - Shall follow all applicable rules, regulations, laws, statutes, or guidelines set by state, local, or federal legal authorities, or as imposed by SEW or its affiliates or providers, etc. pertaining to the use of short codes or voice recordings.
- 7.2. **Compliance with Laws.** Both Customer and SEW agree to comply with the applicable laws relating to each Party's respective activities pursuant to this Agreement.
- 7.3. **No Waiver.** Our failure to enforce at any time, any provision of this Agreement, or any other applicable policy or signed writing in connection hereto shall not waive our right to do so later. Any waiver must be in writing and signed by both Parties to be legally binding.
- 7.4. **Independent Contractors.** The Parties are independent contractors and will so represent themselves in all regards. Neither Party is the agent of the other, and neither may make commitments on the other's behalf.
- 7.5. **Force Majeure.** No delay, failure, or default, other than a failure to pay fees, will constitute a breach of this Agreement to the extent that such delay, failure, or default or any other breach is caused by acts of war, terrorism, earthquakes, other acts of God or of nature, strikes or labor disputes, embargoes, or other causes beyond the performing Party's reasonable control.
- 7.6. **Assignment & Successors.** Customer may not assign this Agreement or any of its rights or obligations hereunder without Provider's prior written consent. Except to the extent forbidden herein, this Agreement will be binding upon and inure to the benefit of the Parties' respective successors and assigns. Any attempt to assign transfer, or delegate the terms under this Agreement shall be null and void.
- 7.7. **Notices.** Any notice required or permitted to be given under this Agreement will be given in writing to the receiving Party by personal delivery, certified mail, return receipt requested, overnight delivery recognized by a nationally recognized carrier, or by email upon confirmation of receipt. Notices to SEW shall be copied to contracts@sew.ai
- 7.8. **Modification.** Modifications to the Services and associated fees thereof may be made from time to time, and any modifications made to the Services, or associated fees, shall be noticed to the Customer thirty (30) days prior to such modifications taking effect.
- 7.9. **Severability.** To the extent permitted by law, the Parties waive any provision of law that would render any clause of this Agreement invalid or unenforceable. In the event that a provision herein is held to be invalid or unenforceable, such provision will be interpreted to fulfill its intended purpose to the maximum extent permitted by law, and the remaining provisions of this Agreement will continue in full force and effect.
- 7.10. **Choice of Law & Jurisdiction:** This Agreement will be governed by the laws of the State of Minnesota, without reference to any conflicts of law principles. The Parties consent to the personal and exclusive jurisdiction of the federal and state courts of Olmsted County, Minnesota.
- 7.11. **Conflicts.** Should this Agreement conflict with any other agreements, this Agreement will govern.
- 7.12. **Construction.** The Parties agree that the terms of this Agreement result from negotiations between them. This Agreement will not be construed in favor of or against either party by reason of authorship.
- 7.13. **Entire Agreement.** This Agreement sets forth the entire agreement of the Parties and supersedes all prior or contemporaneous writings, negotiations, and discussions with respect to its subject matter, with the exception of an applicable license agreement, SaaS subscription agreement, or statement of work. Neither Party has relied upon any such prior or contemporaneous communications except those expressly referenced and named herein.
- 7.14. **Execution in Counterparts.** This Agreement may be executed in one or more counterparts. Each counterpart will be an original, but all such counterparts will constitute a single instrument.
- 7.15. **Amendment.** This Agreement may only be amended in writing by authorized representatives of each Party.

Appendix C

Data Retention Policy

1) Data Retention Policy

a) Introduction

- i) It shall be the policy of Smart Energy Water to maintain complete and accurate records for the usage, billing, behavior, or any of the specified types of data ("Data" of Client and its Users, for the duration described for historical reference, contractual or legal requirements, or for any other purposes as set forth in this Data Retention Policy ("Policy"). The types of Data stored and subsequent durations for each type, described in the Retention Summary set forth in Section 1(h) below shall be the recommended and standard retention periods based on legal requirements and practical considerations. In the event that Client wishes to have such Data retained for an extended period, such additional retention periods shall be agreed upon in a separate writing.
- ii) Data Retention shall include, but is not limited to, paper and electronic records, documentary materials, Customer Data, personally identifiable information, billing records, usage information, etc. Such information shall be managed and maintained in a manner that protects the integrity of the Data, while ensuring appropriate access for the durations described above.
- iii) Upon expiration of the above retention periods, such data shall be destroyed, deleted, returned or otherwise disposed of according to standard industry guidelines and in compliance with legal requirements, EXCEPT for those records pertaining to (1) matters under investigation or those matters that are the subject of any claim or litigation, and (2) matters that are anticipated to be the subject of reasonably foreseeable investigation, claim, or litigation.

b) Definitions

- i) "Audit Logs" shall refer to recordings of key system events, timestamps, and other records that otherwise maintain evidence of any processes or activities.
- ii) "Billing Data" shall refer to any information regarding the billing information of customers, which may include, but is not limited to, credit card information, security codes, expiration dates, billing addresses, names of customers, etc.
- iii) "Billing Summaries" shall refer to any information regarding the costs or charges relating to a customer's usage of utilities maintained over monthly billing periods.
- iv) "Customer Data" shall refer to any personally identifiable information of a Client's users, which may include, but is not limited to, name, address, personal Usage information, etc.
- v) "Investigation" shall refer to any business or legal process which requires the retention, examination, or review of any Data.
- vi) "Notifications" shall refer to logs of the information events (email, IVR, SMS text messaging) sent by a utility and received by a customer.
- vii) "Outages" shall refer to logs of outage events reported via OMS to the Services, by either the customer, if approved, or the Client.
- viii) "Retention" shall refer to storage of Data on either local, cloud-based, or archive storage or servers.
- ix) "Usage" shall refer to any customer's use of a utility as tracked and maintained by the Services.
- x) "User Behavior" shall refer to the interaction of Client's customers on the portal or mobile application, which may include, but is not limited to, log-on periods, active periods, interactions with particular modules, clicks, etc.

c) General

- i) SEW shall be bound in its obligations regarding the Data it processes and controls. These obligations shall include how long SEW retains Data, and when and how SEW can destroy such Data. These obligations may arise from industry standards, local laws or regulations, or arising out of agreements between the Parties.
- ii) SEW shall ensure that necessary records, documents, or Data are adequately protected and maintained, and additionally, that such records, documents, or Data are properly disposed of.
- iii) SEW shall not use Client or Customer Data except as necessary to provide the Services, or as necessary to comply with the law or binding order of a governmental body.

d) Cloud-Based Storage

- i) In maintaining the Data, SEW shall utilize its cloud-based scalable storage solutions which shall allow Client to store and display historical usage data, billing information, payment history, etc. SEW shall utilize industry standard methodologies, which shall ensure business continuity, continuous retention for the periods described, data recovery, and availability for its Users.

e) Archiving and Backups

- i) SEW shall utilize similar industry standard solutions for archiving, restoring, and backing up Data. Incremental Data (daily usage, user behavior, notifications outages) shall be recorded nightly, and full Data backups shall be executed over the weekend. Data shall be retained in both Cloud-based local storage form, as well as Array-based replication form offsite to be utilized as back-ups or archives in the event of system failure of the local Cloud-based storage.
- ii) SEW shall be notified via email confirmation of backups of Data being saved successfully or such backups failing to be saved. Backups shall be tested periodically by restoring such Data to a staging database to ensure that Data is not corrupted and are in proper usage compliance in its application configuration.

f) Destruction and Purging of Data

- i) Data that is personal or confidential in nature shall be disposed of according methodologies agreed upon by and between the parties in a signed writing.
- ii) Electronic Data shall be subject to secure electronic deletion.
- iii) Physical or paper documents shall be shredded using secure consoles through which waste shall be properly screened for disposal.
- iv) Specific deletion or destruction processes shall be carried out by an employee of SEW or by an internal or external service provider employed for the purposes of such proper and compliant disposal of Data.
- v) Data of Users or Clients who have been inactive for a period of twenty-four (24) months shall be deleted. Clients, if such Client or User account(s) are inactive for a period of eighteen (18) months, shall be notified of such inactivity via email.

g) Litigation or Investigation

- i) In the event that SEW becomes involved in any unforeseen litigation or business event that requires access to Client and Customer Data, such Data may need to be archived beyond its active use or as required by law.
- ii) Documents shall be retained in the event that they are subject to matters under investigation or those that are subject to any claim or litigation, or those matters that are anticipated to be the subject of reasonably foreseeable investigation, claim, or litigation.
- iii) Prior to the disclosure of any Client and Customer Data, SEW shall first disclose to Client of such requirement, so that Client may inform its users and allow users the opportunity to seek protection from such disclosure.

h) Retention Summary

- i) SEW, for the purposes of historical reference, contractual or legal requirements, or other requirements as a part of its delivery and maintenance of Services or Software to Client, shall retain the following types of Data for the durations set forth, and pursuant to the terms set forth in this Data Retention Policy.

Data Type	Description	Duration
Usage	Monthly Read	24 months
	Daily Read	12 months
	Hourly Read	6 months
	15-minute Read	3 months
Billing Data/Summary	Overview of Past Bills	24 months
User Behavior	User Interactions with Portal	12 months
Notifications	Text Message, IVR, Email Logs	6 months
Audit Logs	Timestamps, Recordings of Key Events	6 months
Bill PDF Storage	* Add-on Feature	12 months
Outages	History of Reported Outages	12 months

RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve a resolution authorizing the renewal of an agreement with Smart Energy Systems, Inc. dba Smart Energy Water ("Provider" or "SEW") for three years in the amount of \$399,000.00, plus applicable tax.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 29th day of November, 2022.

President

Secretary

FOR BOARD ACTION

Agenda Item # (ID # 15107)

Meeting Date: 11/29/2022

SUBJECT: Lump Sum and Hourly Power Line Clearance Tree Services (2023)

PREPARED BY: Mona Hoeft

ITEM DESCRIPTION:

This request seeks approval for 2023 costs for both the hourly and lump sum power line clearance tree services, subject to approval of the 2023 budget. This request is broken into two parts; hourly and lump sum.

Hourly: Hourly crews perform day-to-day work throughout the City based on customer requests, storm work or other areas impacted by special projects. In 2020, the board approved the first year costs of a five-year labor and equipment agreement with Asplundh Tree Expert. Today, staff is seeking approval for year three spending effective January 1, 2023, for an estimated amount of \$715,565.00, plus applicable tax.

Lump Sum: Sealed bids for the 2023 lump sum circuits of the power line tree clearance services were received on November 14, 2022, results below. Circuits for lump sum work are chosen based on RPU's maintenance cycle and include a fixed price for the trimming portion, plus a not to exceed price for tree removals within the easement. In addition to the trees within the easement area, we also seek landowner permission to remove trees outside the easement that would benefit our safety and reliability if removed. In all cases, the contractor and RPU staff work closely with the property owners to reach an agreeable solution for tree removals. Upon budget approval, RPU will have the funding to award all six circuits for a total of \$639,000.00, plus applicable tax.

Circuit	Asplundh	New Age
601	\$ 93,815.00	\$ 44,840.00
812	\$ 76,233.00	\$ 43,150.00
905	\$256,206.00	\$180,065.00
911	\$276,285.00	\$187,675.00
1601	\$129,285.00	\$ 78,175.00
Hydro	\$249,972.00	\$ 87,095.00

The proposed power line clearance tree services budget for 2023 is \$1.7 million. The total value of these contracts, with tax, is \$1,447,691.00. Since the bids came in under budget, staff will monitor the expenditures and possibly bid additional work if budget dollars are available. Those bids will come back to the board for approvals. It is important to use the available funds to maintain our trimming cycle and avoid negative impacts on safety, reliability and higher trimming expenses in the future. To this end, staff seeks approval for the RPU Project Manager to perform the acts to execute these services up to the approved budget.

FOR BOARD ACTION

Agenda Item # (ID # 15107)

Meeting Date: 11/29/2022

UTILITY BOARD ACTION REQUESTED:

Approve a resolution for power line clearance tree services, subject to approval of the 2023 budget, as follows: 1) Asplundh Tree Expert LLC for \$715,565.00, 2) New Age Tree Service of MN for \$639,000.00, and authorize the Project Manager to execute the services not to exceed the approved budget. All awards are subject to applicable tax.

Contract Signature Page
2023 Power Line Clearance Lump Sum Tree Services
Solicitation #2022-36

Contract Number: 22-214
Contractor Name: New Age Tree Service of MN, Inc.
Contractor Address: PO Box 543, Spring Grove MN 55974
Contract Price: \$639,000

The contract documents as provided in the solicitation form the entire agreement between the parties and all contract documents are as fully a part of the agreement as if attached hereto or herein repeated. The hierarchy of contract documents is listed in order of precedence.

The contract documents shall consist of the following:

Contract Signature Page
IFB and General Terms and Conditions
Technical Specifications including any/all addendums and Special Terms
Instructions to Bidders
Contractor's Proposal, Bid Form Supplement and Technical Exceptions
Approved Change Orders
Responsible Contractor Certificate and Supplemental Certificate
Personnel Risk Assessment Form
Contractor Safety Acknowledgement
Purchase Order
Insurance Certificate
SDE Form, if applicable

NEW AGE TREE SERVICE OF MN, INC.

CITY OF ROCHESTER

Kim Norton, Mayor

Attest

Kelly K. Geistler, City Clerk

Approved as to Form:

Michael Spindler-Krage, City Attorney

ROCHESTER PUBLIC UTILITIES

Mark Kotschevar, General Manager

Attachment: 22-214 New Age 2023 Lump Sum (15107 : Lump Sum and Hourly Power Line Clearance Tree Services (2023))

RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve a resolution for tree trimming services, subject to approval of the 2023 budget, as follows: Asplundh Tree Expert LLC in the amount of \$715,565.00, New Age Tree Service of MN in the amount of \$639,000.00, and authorize the RPU project manager to perform the acts to execute the services not to exceed the approved budget. All awards are subject to applicable tax.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 29th day of November, 2022.

President

Secretary

FOR BOARD ACTION

Agenda Item # (ID # 15055)

Meeting Date: 11/29/2022

SUBJECT: Backyard Digger Derrick (P714)

PREPARED BY: Mona Hoeft

ITEM DESCRIPTION:

The fleet services equipment replacement plan for 2022 included \$242,000 for a backyard digger derrick and trailer for electric maintenance and construction crews. This is a compact piece of equipment used to set and replace poles in space constrained back yards. It is specially designed to navigate through fence gates and work in areas not accessible with a full sized truck.

The extended warranty price extends the warranty from one year to two years.

A breakdown of the bids is as follows:

Vendor	Base Bid	Extended Warranty	Total
Altec Industries, Inc.	\$234,935.00	\$ 3,000.00	\$237,935.00
S.D.P. Manufacturing	\$259,782.00	\$11,000.00	\$270,782.00

The RPU team is requesting approval for the purchase of the Altec model year 2024 DB41B and Brooks Brothers trailer plus extended warranty. Delivery is expected in June 2023.

UTILITY BOARD ACTION REQUESTED:

Approve a resolution to accept the bid from Altec Industries, Inc. in an amount of \$237,935.00, plus applicable tax.

RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve the bid from Altec Industries, Inc. for the purchase of a backyard digger derrick in an amount of \$237,935.00 plus applicable tax.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 29th day of November, 2022.

President

Secretary

FOR BOARD ACTION

Agenda Item # (ID # 15086)

Meeting Date: 11/29/2022

SUBJECT: 2023 Water Utility Budget

PREPARED BY: Peter Hogan

ITEM DESCRIPTION:

The recommended budget for the Water Utility was presented to the Board and the public at the August 10, 2022 Board meeting. In addition, this preliminary budget has been included in several presentations to the City Council as part of the overall City budget review process. The public has had the opportunity to comment on the recommended budget during the September, October, and November Board meetings.

The 2023 Water Utility budget recommends a 5.0% general rate increase, which is a reduction from the 6.5% projected in 2021. This increase impacts the average residential customer's bill by \$0.72 per month.

The significant drivers for the 2023 Water Utility budget are:

- 3.0% increase in sales volume (CCF) and 1.0% increase in customers
- No additional full time positions
- Average cooling degree days (538) and rainfall (27.8 inches)
- City street projects (\$1,115K)
- Distribution system expansion (\$1,855K)
- Meter replacement/potential AMI (\$690K)
- Adoption of the Utility Method (industry standard) of rate setting:
 - o Sustainability: Rates set to recover revenue requirement and based on cost of service
 - o Establishing targeted change in net assets to fund operations and future capital replacements - \$5,370K; 2023 Budget \$ 1,236K
 - o Establishing a minimum cash reserves - per policy \$6,367K; 2023 Budget: Fully funded

The budget supports continued investment in infrastructure for both growth and replacement of aging infrastructure in 2023. Capital investments in meter replacement, development, growth and water main replacements will continue to be addressed in 2023 and beyond.

Summary financial sheets are attached reflecting the recommended budget. Staff will be available to answer questions.

UTILITY BOARD ACTION REQUESTED:

Management recommends that the Board approve and request City Council approval of the RPU Water Utility capital, including multi year projects, and operating budget for 2023.

ROCHESTER PUBLIC UTILITIES *RECOMMENDED*
2023 WATER UTILITY OPERATING BUDGET



ROCHESTER PUBLIC UTILITIES
RECOMMENDED

2023 WATER UTILITY OPERATING BUDGET

Attachment: Board Packet Wtr 2022 08 04 (15086 : 2023 Water Utility Budget)

**ROCHESTER PUBLIC UTILITIES
WATER UTILITY
2023 OPERATING BUDGET**

INDEX

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Assumptions	1
Forecast by Year 2022 through 2027	2
Condensed Income Statement	3
Revenue Sources & Expense Categories	4
Operating Expenditures Graph	5
Production & Sales Statistics Forecast	6

**ROCHESTER PUBLIC UTILITIES
WATER UTILITY
2023 OPERATING BUDGET**

ASSUMPTIONS

- Interest Earnings Rate: 1.25%
- Average Salary Expense Change: 2.4%
(excluding headcount additions) (consists of COLA, merit and promotion increases)
- Change in Full-time Equivalents: 0
- Minimum Cash Reserve Requirement: Current policy amount \$7,367,400

RETAIL REVENUES / SALES

- Revenue Adjustment: 5.0% proposed general rate increase
- Water CCF Sales Forecast 3.0% Increase from 2022 Year End Projected Sales
- Total Water Utility Customers 1.0% Increase over Year End 2022 Projected Customers
- Forecast Assumes Normal Weather : 538 Cooling Degree Days
27.85 Inches Summer Rainfall

OTHER ITEMS

- In Lieu of Tax forecast increasing \$28,320 to a total of \$438,287

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

	Historical Data		2022 F2					
	2020	2021		2023	2024	2025	2026	2027
in 000's								
	RPU Rate Increase	3.5%	0.0%	2.5%	5.0%	5.0%	5.0%	5.0%
1 Revenue								
2 Retail Water	\$10,665	\$11,064	\$11,048	\$11,746	\$12,478	\$13,205	\$14,022	\$14,753
3 Other Services & Fees	\$1,423	\$1,543	\$1,932	\$1,989	\$2,022	\$2,055	\$2,089	\$2,123
4 Total Revenue	\$12,088	\$12,607	\$12,980	\$13,734	\$14,501	\$15,260	\$16,111	\$16,875
5 Cost of Revenue								
6 Water Supply	\$1,758	\$2,002	\$2,059	\$2,023	\$2,053	\$2,066	\$2,087	\$2,091
7 Total Cost of Revenue	\$1,758	\$2,002	\$2,059	\$2,023	\$2,053	\$2,066	\$2,087	\$2,091
8 Gross Margin								
9 Retail Water	\$8,908	\$9,062	\$8,988	\$9,723	\$10,425	\$11,139	\$11,935	\$12,662
10 Other Services & Fees	\$1,423	\$1,543	\$1,932	\$1,989	\$2,022	\$2,055	\$2,089	\$2,123
11 TOTAL GROSS MARGIN	\$10,331	\$10,605	\$10,920	\$11,712	\$12,448	\$13,195	\$14,024	\$14,784
12 Controllable Costs								
13 Salaries & Benefits	\$3,065	\$3,197	\$3,213	\$3,493	\$3,598	\$3,855	\$4,005	\$4,285
14 Other Operating Expenses	\$1,145	\$1,329	\$1,231	\$1,360	\$1,368	\$1,406	\$1,445	\$1,485
15 Major Maintenance	\$521	\$225	\$972	\$705	\$567	\$670	\$939	\$824
16 Non-Bonded Capital Projects	\$2,441	\$4,088	\$4,592	\$4,966	\$6,960	\$5,931	\$5,021	\$5,910
17 TOTAL CONTROLLABLE COSTS	\$7,172	\$8,840	\$10,009	\$10,524	\$12,493	\$11,863	\$11,410	\$12,503
18 Depreciation & Amortization	\$2,745	\$2,785	\$2,965	\$3,121	\$3,213	\$3,286	\$3,409	\$3,533
19 Less Non Bonded Projects (capitalized)	(\$2,441)	(\$4,088)	(\$4,592)	(\$4,966)	(\$6,960)	(\$5,931)	(\$5,021)	(\$5,910)
20 Less Total Internal Costs (capitalized)	(\$426)	(\$398)	(\$383)	(\$482)	(\$357)	(\$350)	(\$388)	(\$338)
21 Interutility Allocation	\$1,737	\$1,876	\$1,872	\$1,983	\$2,023	\$2,063	\$2,104	\$2,146
22 Total Operating Expenses	\$8,788	\$9,014	\$9,870	\$10,181	\$10,411	\$10,930	\$11,513	\$11,934
23 Net Operating Income (Loss)	\$1,543	\$1,591	\$1,050	\$1,531	\$2,036	\$2,265	\$2,511	\$2,851
24 Financing & Other Non-Operating Items:								
25 Bond & Interest Related Expenses	(\$1)	-	-	-	-	-	-	-
26 Interest Income	\$223	\$196	\$170	\$143	\$141	\$141	\$141	\$150
27 Misc Non-Operating Income (Expense)	(\$5)	(\$126)	-	-	-	-	-	-
28 Total Financing & Non-Operating Items	\$218	\$70	\$170	\$143	\$141	\$141	\$141	\$150
29 Income Before Transfers or Capital Contributions	\$1,761	\$1,660	\$1,220	\$1,674	\$2,177	\$2,405	\$2,652	\$3,001
30 Transfers (In Lieu of Taxes)	(\$385)	(\$407)	(\$410)	(\$438)	(\$471)	(\$492)	(\$509)	(\$516)
31 Capital Contributions	\$1,283	\$3,160	\$1,100	\$1,100	\$1,100	\$1,100	\$1,100	\$1,100
32 Cash Transfers from City/Intercompany	-	\$540	\$156	\$530	\$2,500	\$1,000	-	\$1,575
33 NET INCOME	\$2,660	\$4,953	\$2,067	\$2,866	\$5,306	\$4,013	\$3,243	\$5,160
34 NET INCOME (Excluding Contrib & Cash Tfrs from City)			\$811	\$1,236	\$1,706	\$1,913	\$2,143	\$2,485
35 TARGET NET INCOME			\$ 5,159	\$ 5,370	\$ 6,992	\$ 7,253	\$ 7,490	\$ 7,760
36 Excess (Deficit) from Target			\$ (4,349)	\$ (4,134)	\$ (5,286)	\$ (5,340)	\$ (5,347)	\$ (5,274)
37 1/01 Cash Balance	\$ 11,975	\$ 12,903	\$ 12,903	\$ 11,825	\$ 11,264	\$ 11,366	\$ 11,283	\$ 11,426
38 Change in Net Assets	4,953	2,067	2,067	2,866	5,306	4,013	3,243	5,160
39 Depreciation & Amortization	2,785	2,965	2,965	3,121	3,213	3,286	3,409	3,533
40 Capital Additions	(4,486)	(4,975)	(4,975)	(5,448)	(7,318)	(6,282)	(5,410)	(6,248)
41 Non-Cash Contributions	(3,160)	(1,100)	(1,100)	(1,100)	(1,100)	(1,100)	(1,100)	(1,100)
42 Debt Principal Payments	-	-	-	-	-	-	-	-
43 Debt Proceeds	-	-	-	-	-	-	-	-
44 Net Change in Other Assets/Liabilities	836	(34)	(34)	-	-	-	-	-
45 Net Changes in Cash	928	(1,078)	(1,078)	(561)	102	(83)	143	1,345
46 12/31 Cash Balance	\$ 12,903	\$ 11,825	\$ 11,825	\$ 11,264	\$ 11,366	\$ 11,283	\$ 11,426	\$ 12,771
47 Minimum Cash Reserve	\$ 8,529	\$ 6,474	\$ 6,474	\$ 7,367	\$ 7,280	\$ 7,136	\$ 6,983	\$ 6,966
48 Excess (Deficit) from Minimum Cash Reserve	\$ 4,374	\$ 5,351	\$ 5,351	\$ 3,897	\$ 4,086	\$ 4,147	\$ 4,443	\$ 5,805

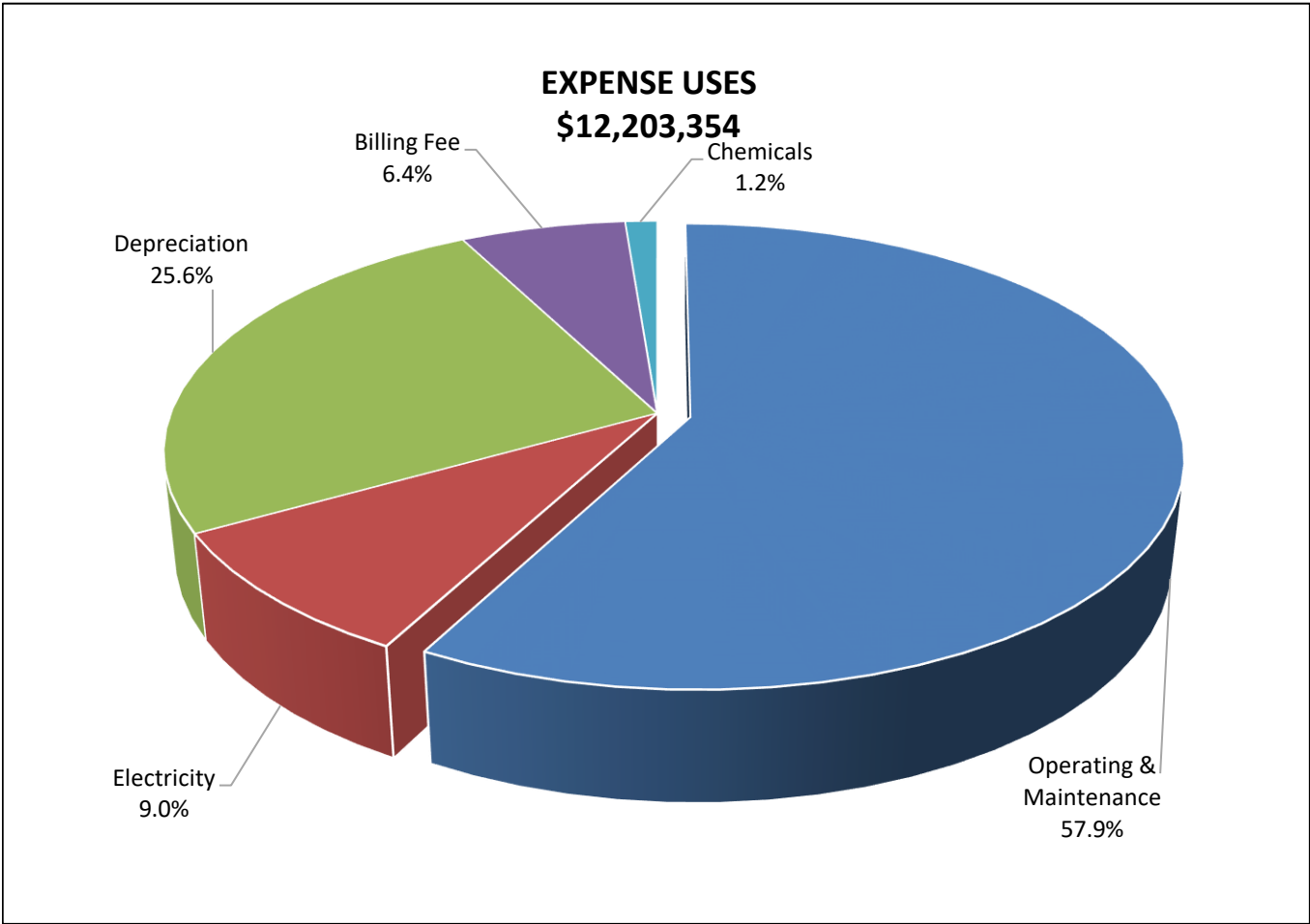
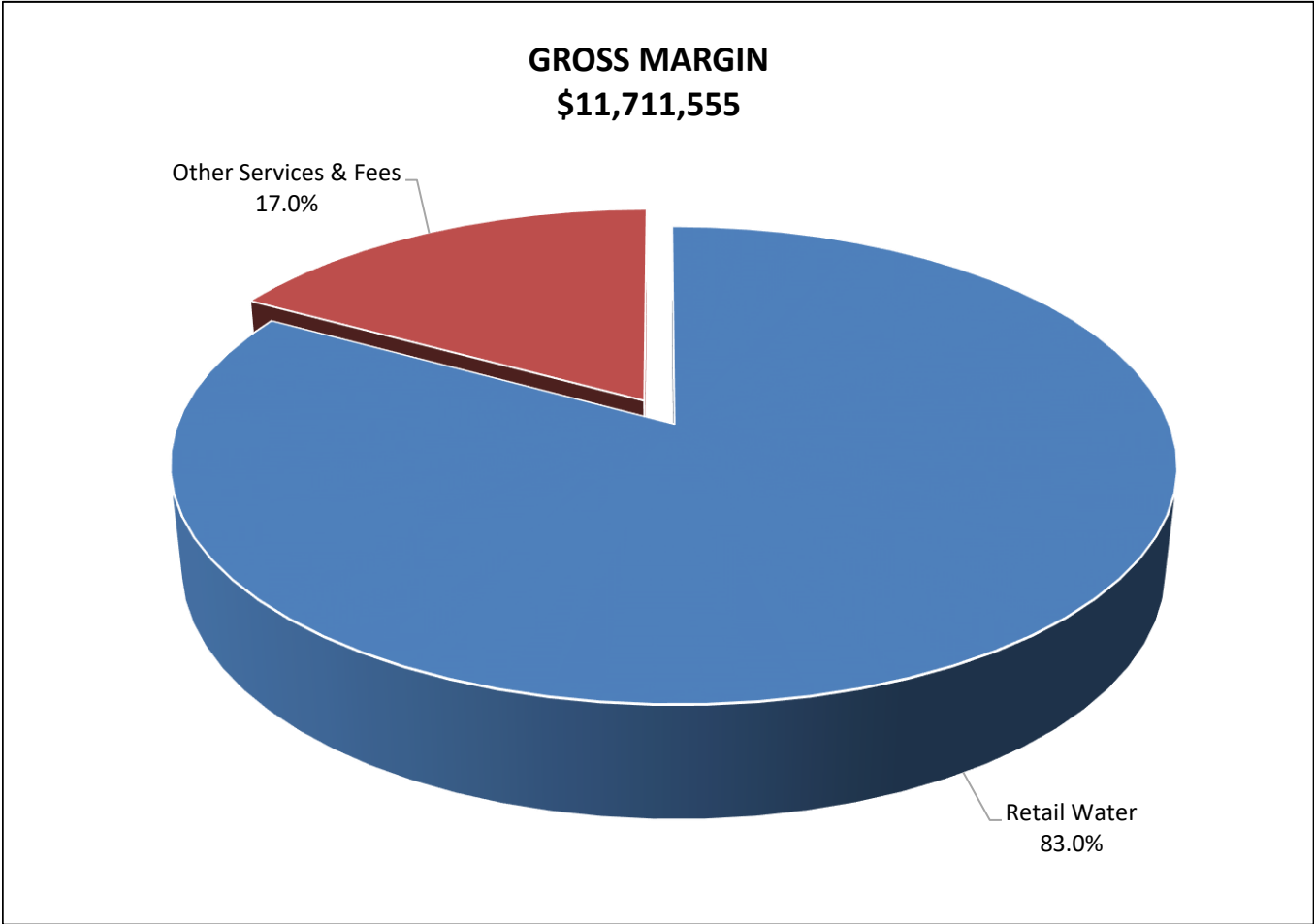
Attachment: Board Packet Wtr 2022 08 04 (15086 : 2023 Water Utility Budget)

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

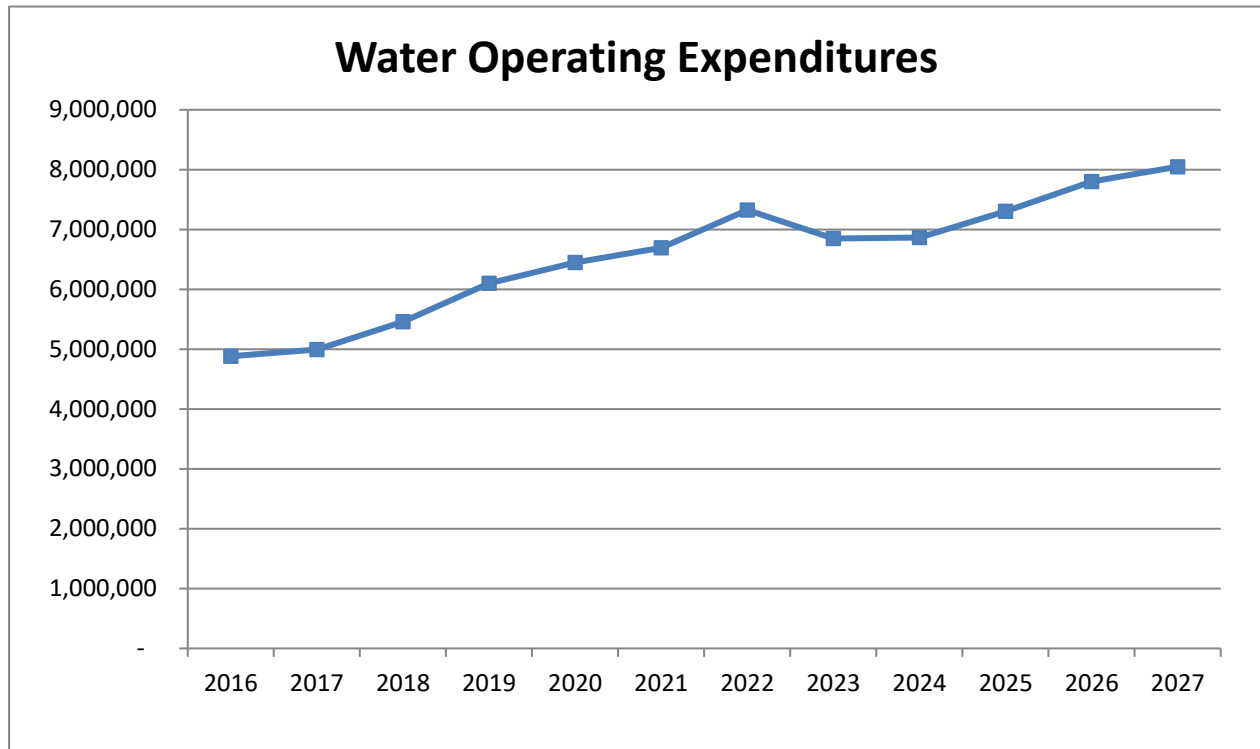
	Historical Data		2022		2023		Variance	%
	2020	2021	Orig Bdgt	2022 F2	2023	Orig Bdgt	2022 to Orig Bdgt	Variance
in 000's								
1 Revenue								
2 Retail Water	\$10,665	\$11,064	\$10,854	\$11,048	\$11,746	\$11,653	\$93	0.8%
3 Other Services & Fees	\$1,423	\$1,543	\$1,959	\$1,932	\$1,989	\$1,991	(\$2)	-0.1%
4 Total Revenue	\$12,088	\$12,607	\$12,812	\$12,980	\$13,734	\$13,643	\$91	0.7%
5 Cost of Revenue								
6 Water Supply	\$1,758	\$2,002	\$1,847	\$2,059	\$2,023	\$1,889	\$134	7.1%
7 Total Cost of Revenue	\$1,758	\$2,002	\$1,847	\$2,059	\$2,023	\$1,889	\$134	7.1%
8 Gross Margin								
9 Retail Water	\$8,908	\$9,062	\$9,007	\$8,988	\$9,723	\$9,764	(\$41)	-0.4%
10 Other Services & Fees	\$1,423	\$1,543	\$1,959	\$1,932	\$1,989	\$1,991	(\$2)	-0.1%
11 TOTAL GROSS MARGIN	\$10,331	\$10,605	\$10,965	\$10,920	\$11,712	\$11,754	(\$43)	-0.4%
12 Controllable Costs								
13 Salaries & Benefits	\$3,065	\$3,197	\$3,364	\$3,213	\$3,493	\$3,631	(\$138)	-3.8%
14 Other Operating Expenses	\$1,145	\$1,329	\$1,317	\$1,231	\$1,360	\$1,321	\$39	2.9%
15 Major Maintenance	\$521	\$225	\$1,015	\$972	\$705	\$686	\$19	2.8%
16 Non-Bonded Capital Projects	\$2,441	\$4,088	\$4,878	\$4,592	\$4,966	\$7,435	(\$2,469)	-33.2%
17 TOTAL CONTROLLABLE COSTS	\$7,172	\$8,840	\$10,575	\$10,009	\$10,524	\$13,073	(\$2,549)	-19.5%
18 Depreciation & Amortization	\$2,745	\$2,785	\$2,968	\$2,965	\$3,121	\$3,077	\$44	1.4%
19 Less Non Bonded Projects (capitalized)	(\$2,441)	(\$4,088)	(\$4,878)	(\$4,592)	(\$4,966)	(\$7,435)	\$2,469	-33.2%
20 Less Total Internal Costs (capitalized)	(\$426)	(\$398)	(\$391)	(\$383)	(\$482)	(\$301)	(\$180)	59.7%
21 Interutility Allocation	\$1,737	\$1,876	\$1,862	\$1,872	\$1,983	\$1,899	\$84	4.4%
22 Total Operating Expenses	\$8,788	\$9,014	\$10,136	\$9,870	\$10,181	\$10,313	(\$132)	-1.3%
23 Net Operating Income (Loss)	\$1,543	\$1,591	\$830	\$1,050	\$1,531	\$1,442	\$89	6.2%
24 Financing & Other Non-Operating Items:								
25 Bond & Interest Related Expenses	(\$1)	-	-	-	-	-	-	0.0%
26 Interest Income	\$223	\$196	\$200	\$170	\$143	\$206	(\$62)	-30.3%
27 Misc Non-Operating Income (Expense)	(\$5)	(\$126)	-	-	-	-	-	0.0%
28 Total Financing & Non-Operating Items	\$218	\$70	\$200	\$170	\$143	\$206	(\$62)	-30.3%
29 Income Before Transfers or Capital Contributions	\$1,761	\$1,660	\$1,030	\$1,220	\$1,674	\$1,647	\$27	1.6%
30 Transfers (In Lieu of Taxes)	(\$385)	(\$407)	(\$369)	(\$410)	(\$438)	(\$379)	(\$59)	15.6%
31 Capital Contributions	\$1,283	\$3,160	\$1,105	\$1,100	\$1,100	\$1,100	-	0.0%
32 Cash Transfers from City	-	\$540	\$85	\$156	\$530	\$4,010	(\$3,480)	-86.8%
33 NET INCOME	\$2,660	\$4,953	\$1,851	\$2,067	\$2,866	\$6,378	(\$32)	-0.5%
34 1/01 Cash Balance	\$ 11,975		\$ 11,283	\$ 12,903	\$ 11,825	\$ 11,194	\$ 631	5.6%
35 Change in Net Assets		4,953	1,851	2,067	2,866	6,378	(3,512)	-55.1%
36 Depreciation & Amortization		2,785	2,968	2,965	3,121	3,077	44	1.4%
37 Capital Additions/Service Territory Comp		(4,486)	(5,269)	(4,975)	(5,448)	(7,881)	2,433	-30.9%
38 Non-Cash Contributions		(3,160)	(1,105)	(1,100)	(1,100)	(1,100)	-	0.0%
39 Debt Principal Payments		-	-	-	-	-	-	0.0%
40 Debt Proceeds		-	-	-	-	12,150	(12,150)	-100.0%
41 Net Change in Other Assets/Liabilities		836	1,467	(34)	-	(11,953)	11,953	-100.0%
42 Net Changes in Cash		928	(88)	(1,078)	(561)	672	(1,232)	-183.5%
43 12/31 Cash Balance	\$ 12,903		\$ 11,194	\$ 11,825	\$ 11,264	\$ 11,866	\$ (601)	-5.1%
44 Minimum Cash Reserve	\$ 8,529		\$ 6,474	\$ 6,474	\$ 7,367	\$ 6,449	\$ 919	14.2%
45 Excess (Deficit) from Minimum Cash Reserve	\$ 4,374		\$ 4,720	\$ 5,351	\$ 3,897	\$ 5,417	\$ (1,520)	-28.1%

Attachment: Board Packet Wtr 2022 08 04 (15086 : 2023 Water Utility Budget)

ROCHESTER PUBLIC UTILITIES
WATER UTILITY
2023 OPERATING BUDGET



Attachment: Board Packet Wtr 2022 08 04 (15086 : 2023 Water Utility Budget)



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

	2022 F2	2023	2024	2025	2026	2027
1 CCF Pumped	5,779,565	5,972,755	6,036,057	6,060,581	6,128,464	6,092,549
2 % Change	-6.9%	3.3%	1.1%	0.4%	1.1%	-0.6%
3 Retail CCF	5,730,606	5,903,718	5,981,828	6,015,623	6,092,645	6,056,357
4 % Change	-3.2%	3.0%	1.3%	0.6%	1.3%	-0.6%
5 Number of Customers						
6 Residential	37,975	38,331	38,687	39,043	39,399	39,755
7 Commercial	3,820	3,883	3,935	3,988	4,042	4,098
8 Industrial	23	23	23	23	23	23
9 Interdepartmental	1	1	1	1	1	1
10 Total Customers	41,819	42,238	42,646	43,055	43,465	43,877
11 % Change	1.5%	1.0%	1.0%	1.0%	1.0%	0.9%

ROCHESTER PUBLIC UTILITIES *RECOMMENDED*
2023 WATER UTILITY CAPITAL IMPROVEMENT & MAJOR MAINTENANCE BUDGET



ROCHESTER PUBLIC UTILITIES
RECOMMENDED

2023 WATER UTILITY CAPITAL IMPROVEMENT & MAJOR MAINTENANCE BUDGET

Attachment: Board Packet Wtr 2022 08 04 (15086 : 2023 Water Utility Budget)

**ROCHESTER PUBLIC UTILITIES
WATER UTILITY
2023 CAPITAL IMPROVEMENT AND
MAJOR MAINTENANCE BUDGET**

INDEX

<u>Title</u>	<u>Pages</u>
5 Year Project List:	
Major Maintenance	1
Capital	2

Rochester Public Utilities
Water Utility
2023 - 2027 Major Maintenance Plan

		Multiple-Year Project Total	2023	2024	2025	2026	2027	5-Yr Total
1	Core Services							
2	Municipal Well Abandonment		50,000	-	-	-	-	50,000
3	Service Assured-Water		212,885	294,200	302,600	311,300	320,300	1,441,285
4	Allocation - Water Distribution System Maintenance		295,000	150,000	200,000	500,000	375,000	1,520,000
5	Water Storage Facility Painting		295,000	150,000	200,000	500,000	375,000	1,520,000
6	Water Cost-of-Service/Rate Design Study		-	-	45,000	-	-	45,000
7	Operating Contingency Fund		85,000	90,000	90,000	95,000	95,000	455,000
8	Total Core Services	-	642,885	534,200	637,600	906,300	790,300	3,511,285
9	Compliance and Public Affairs							
10	Old Municipal Wells Sealing		30,000	-	-	-	-	30,000
11	Water Quality Data Management		12,000	12,360	12,730	13,112	13,500	63,702
12	Total Compliance and Public Affairs	-	42,000	12,360	12,730	13,112	13,500	93,702
13	Power Resources							
14	Allocation - RPU Water Facilities		20,000	20,000	20,000	20,000	20,000	100,000
15	Total Power Resources	-	20,000	20,000	20,000	20,000	20,000	100,000
16	Total Major Maintenance Plan - External Expenditures	-	704,885	566,560	670,330	939,412	823,800	3,704,987

**Rochester Public Utilities
Water Utility
2023 - 2027 Capital Improvement Plan**

5.1.a

	Multi-Year Project Total	2023	2024	2025	2026	2027	5-Yr Total
1 Core Services							
2 Well & Booster Station Metering		10,000	11,000	11,000	-	-	32,000
3 Chlorine Sensor Replacement		24,633	-	-	-	-	24,633
4 Install New AC Units at Wells & Boosters		37,300	38,600	39,700	40,800	41,900	198,300
5 Water PLC		24,000	24,000	24,000	24,000	24,000	120,000
6 Meter ERT Replacement		510,000	510,000	510,000	510,000	510,000	2,550,000
7 Water Meter Replacements		690,000	690,000	690,000	690,000	690,000	3,450,000
8 Allocation - Water Distribution System Replacement		157,150	116,925	182,700	124,475	186,250	767,500
9 Replacement of Pumping Units		120,000	60,000	120,000	60,000	120,000	480,000
10 Well Motor Replacements		17,500	18,000	18,500	19,000	19,500	92,500
11 Installation of Variable Frequency Drive Units		19,650	15,225	19,800	20,375	20,950	96,000
12 Replacement of Booster Pumps		-	23,700	24,400	25,100	25,800	99,000
13 Allocation - Water Metering/AMR		290,160	200,500	180,800	160,500	139,600	971,560
14 Alloc - Residential Water Metering/AMR		158,400	137,400	115,800	93,500	70,600	575,700
15 Alloc - Commercial Water Metering/AMR		131,760	63,100	65,000	67,000	69,000	395,860
16 New Wells		280,000	135,000	395,000	850,000	150,000	1,810,000
17 Water Utility Contingency Fund		180,000	180,000	180,000	185,000	185,000	910,000
18 New Marion L 1.0MG Reservoir		-	-	-	-	1,575,000	1,575,000
19 1.0MG Baihly High Level Tower	4,030,000	530,000	2,500,000	1,000,000	-	-	4,030,000
20 DMC - Discovery Walk		200,000	-	-	-	-	200,000
21 DMC - Broadway N, Zumbro River Bridge N to Elton Hills Dr		-	400,000	200,000	-	-	600,000
22 DMC - 6th St SE Bridge Construction		-	-	-	210,000	-	210,000
23 DMC - 3rd Ave SW - 2nd St SW to 4th St SW		-	200,000	-	-	-	200,000
24 DMC - Rochester Rapid Transit 2nd St SW Recon		-	880,000	200,000	-	-	1,080,000
25 Willow Heights High Level Booster Station		100,000	-	-	-	-	100,000
26 Center St to 11th Ave NE		-	-	690,000	-	-	690,000
27 Center St to 16th Ave NW		-	-	-	600,000	-	600,000
28 Marion Rd Duct Project		665,000	-	-	-	-	665,000
29 Scenic Oaks Pressure Transient		100,000	-	-	-	-	100,000
30 Allocation - Water Distribution System Expansion		915,000	950,000	1,335,000	1,350,000	2,238,525	6,788,525
31 T&D City Projects		365,000	200,000	385,000	200,000	888,525	2,038,525
32 T&D Developer Projects		150,000	150,000	150,000	150,000	150,000	750,000
33 T&D RPU Projects		400,000	600,000	800,000	1,000,000	1,200,000	4,000,000
34 Total Core Services	4,030,000	4,713,243	6,836,025	5,638,200	4,744,775	5,740,275	27,672,518
36 Well #16 Conversion		50,000	-	-	-	-	50,000
37 Total Compliance & Public Affairs	-	50,000	-	-	-	-	50,000
38 Power Resources							
39 Water Pickup Truck		67,680	-	-	-	-	67,680
40 Allocation - Fleet		135,360	124,080	293,280	276,360	169,499	998,519
41 Total Power Resources	-	203,040	124,080	293,280	276,360	169,499	1,066,229
42 Total External Expenditures	4,030,000	4,966,283	6,960,105	5,931,480	5,021,135	5,909,774	28,788,717
43 Total Internal Expenditures		481,521	357,452	350,417	388,475	338,372	1,916,237
44 Total Contributed Assets		1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	5,500,000
45 Less: Water Accessibility Funds	(4,030,000)	(530,000)	(2,500,000)	(1,000,000)	-	(1,575,000)	(5,605,000)
46 Less: Bond Funded		-	-	-	-	-	-
47 Net Capital Expenditures	-	6,017,804	5,917,557	6,381,897	6,509,610	5,773,146	30,600,014

Attachment: Board Packet Wtr 2022 08 04 (15086 : 2023 Water Utility Budget)

RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve the 2023 Water Utility capital, including multi-year projects, and operating budgets as submitted.

BE IT FURTHER RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, that the Common Council of the said City is requested to approve the 2023 Water Utility capital, including multi-year projects, and operating budgets.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 29th day of November 2022.

President

Secretary

FOR BOARD ACTION

Agenda Item # (ID # 15082)

Meeting Date: 11/29/2022

SUBJECT: 2023 Electric Utility Budget

PREPARED BY: Peter Hogan

ITEM DESCRIPTION:

The preliminary 2023 Electric Utility budget was presented to the Board and public at the August 10, 2022 Board meeting. In addition, this preliminary budget has been included in several presentations to the City Council as part of the overall City budget review process. The public has had the opportunity to comment on the recommended budget at the September, October and November Board meetings.

The budget as presented reflects a reduction of approximately \$1,646K in operating and \$2,492K in capital expenses from staff's original submissions in order to meet the goal of a 2.5% general rate increase for 2023.

The significant drivers for the 2023 budget are:

- Proposed overall electric revenue adjustment of 2.5%, which is in line with projections from the prior year.
- 0.4% growth in KWH sales and 1.3% increase in customers
- No increase in Full Time Positions
- In November 2022, SMMPA approved a 10% wholesale rate increase for 2023. At the same meeting, SMMPA approved an Energy Cost Adjustment(ECA) effective February 2023. The ECA is similar to the Power Cost Adjustment (PCA) in the RPU Tariff. This change will result in the actual cost, either higher or lower than SMMPA's budgeted cost of energy, being passed through to RPU customers through the RPU PCA .
- Additional investments to address aging distribution infrastructure
- \$734K increase in Payment in Lieu of Tax to the City General Fund. The increase is driven primarily by an anticipated increase in the Consumer Price Index for 2022 of 8.0%.
- Marion Road substation construction to prepare for load growth in the downtown and Southern side of the City. A total of \$16.7M in reserves will be utilized to complete this project and reduce the inflationary pressure on rates.
- Planning for a potential investment in an Automated Metering System (AMI)
- Planning for the 2030 replacement of capacity and energy currently provided through a power sales contract with SMMPA
- Additional investment in Demand Side Management to reduce the future need for generation capacity in addition to funding for our energy conservation programs
- Movement towards the financial targets set based on the adoption of the utility

FOR BOARD ACTION

Agenda Item # (ID # 15082)

Meeting Date: 11/29/2022

method of rate setting in 2014:

- o Alignment of variable and fixed costs with corresponding variable and fixed revenues reduces cross subsidies within and between customer classes, while providing improved financial sustainability
- o Change in Net Assets goal for 2023: \$17,541K; Budget \$12,008K
- o Debt Service Coverage Ratio, excluding payment in lieu of taxes (PILOT) of 3.0 times or greater; Budget projects 3.1 times in 2023
- o Minimum cash reserves goal for 2023: \$53,826K; Budget: Fully funded

Summary financial sheets are attached reflecting the recommended budget. If the Board approves the budget, the approved budget will be forwarded to the City Council to seek approval as part of the City budget process. Staff will be available to answer questions.

UTILITY BOARD ACTION REQUESTED:

Management recommends that the Board approve and request City Council approval of the 2023 RPU electric utility capital, including multi year projects, and operating budgets.

ROCHESTER PUBLIC UTILITIES *RECOMMENDED*
2023 ELECTRIC UTILITY OPERATING BUDGET



ROCHESTER PUBLIC UTILITIES
RECOMMENDED

2023 ELECTRIC UTILITY OPERATING BUDGET

Attachment: Board Packet Elic rev 11-16-22 (15082 : 2023 Electric Utility Budget)

**ROCHESTER PUBLIC UTILITIES
ELECTRIC UTILITY
2023 OPERATING BUDGET**

INDEX

<u>Title</u>	<u>Pages</u>
Assumptions	1
Forecast by Year 2023 through 2027	2
Condensed Income Statement	3
Revenue Sources & Expense Categories	4
Operating Expenditures Graph	5
Production & Sales Statistics Forecast	6

**ROCHESTER PUBLIC UTILITIES
ELECTRIC UTILITY
2023 OPERATING BUDGET**

ASSUMPTIONS

- Other than specifically identified projects, no assumptions have been made with regards to DMC
- Interest Earnings Rate: 1.25%
- Average Salary Expense Change: 3.0%
(excluding headcount additions) (consists of COLA, merit and promotion increases)
- Anticipated Bonding \$13,600,000 in 2023 (AMI)
- Change in Full-time Equivalents: 0
- SMMPA Wholesale Power Cost: 0.0% increase
- SMMPA CROD Level: 216 MW
- Minimum Cash Reserve Requirement: Current policy amount \$53,825,818

RETAIL REVENUES / SALES

- Revenue Adjustment: 2.5% proposed general rate increase
- Electric KWH Sales Forecast: 0.4% Increase from 2022 Year End Projected Sales
- Total Electric Utility Customers: 1.3% Increase over Year End 2022 Projected Customers
- Forecast Assumes Normal Weather : 30 Yr Average Heating/Cooling Degree Days per Year

WHOLESALE FUEL COSTS

- Estimated Cost of Fuel 2023 \$6.48 / mcf
- Budgeted Cost of Fuel 2022 \$3.61 / mcf
- Budgeted Cost of Fuel 2022 F2 (updated) \$8.65 / mcf

OTHER ITEMS

- In Lieu of Tax forecast increasing \$734,139 to a total of \$9,606,922

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

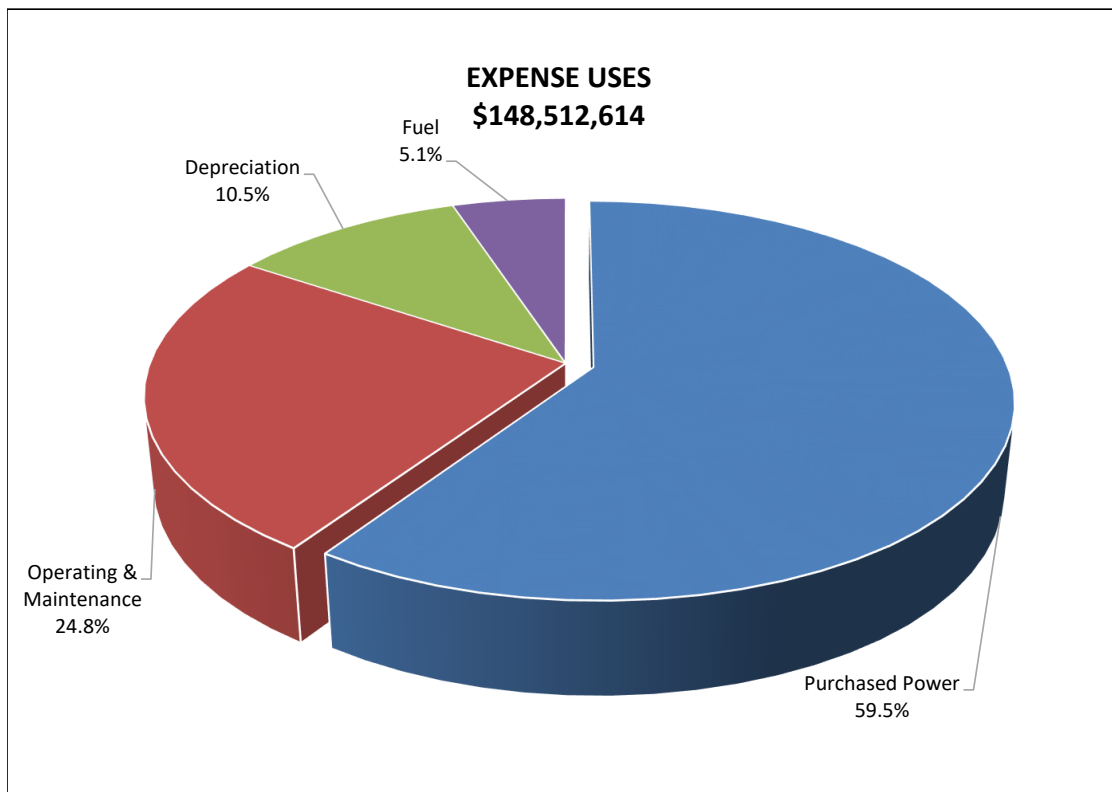
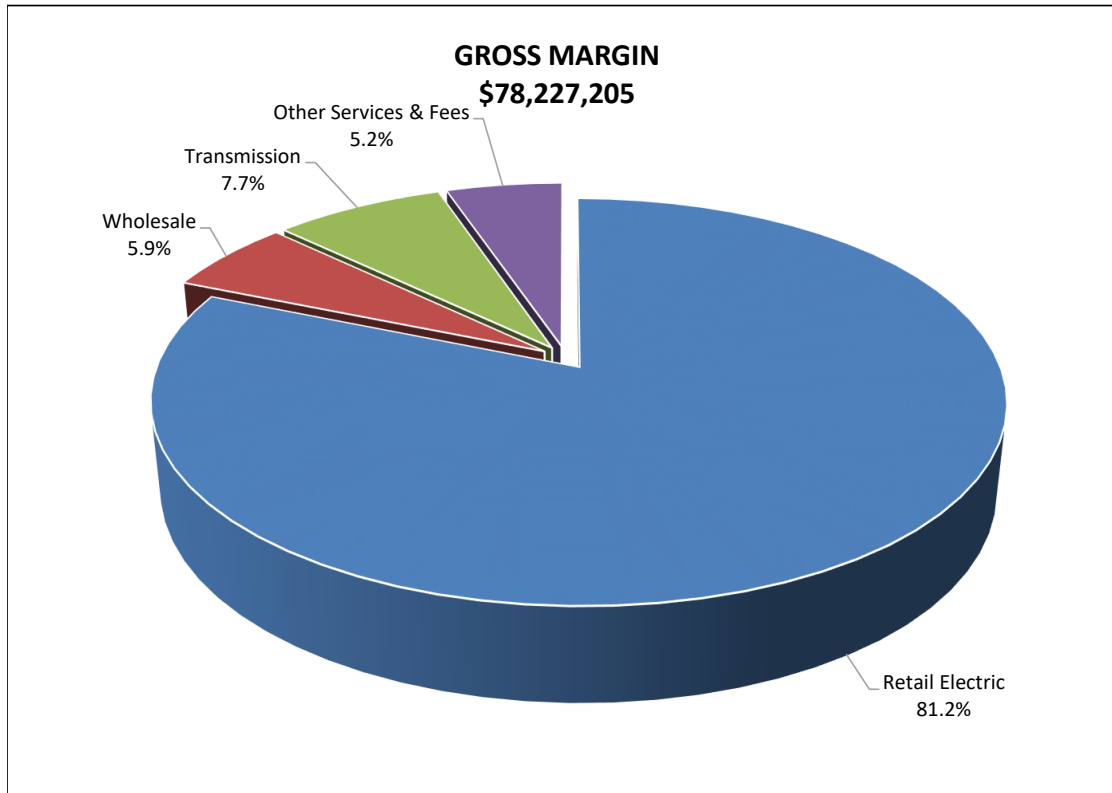
	Historical Data		2022 F2					
	2020	2021		2023	2024	2025	2026	2027
in 000's								
	RPU Rate Increase	0.0%	0.0%	1.5%	2.5%	2.5%	2.5%	2.5%
1 Revenue								
2 Retail Electric	\$143,975	\$146,719	\$149,684	\$151,922	\$156,959	\$161,737	\$164,981	\$169,940
3 Wholesale Electric	\$1,939	\$6,621	\$6,972	\$5,840	\$4,932	\$4,932	\$4,932	\$4,932
4 Wholesale Steam	\$4,812	\$6,841	\$7,561	\$6,342	\$5,708	\$5,642	\$5,642	\$5,642
5 Transmission	\$11,152	\$6,456	\$6,236	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000
6 Other Services & Fees	\$7,315	\$8,617	\$1,490	\$4,086	\$4,137	\$4,191	\$4,245	\$4,300
7 Total Revenue	\$169,193	\$175,254	\$171,944	\$174,190	\$177,736	\$182,502	\$185,800	\$190,814
8 Cost of Revenue								
9 Power Supply	\$85,673	\$87,766	\$88,549	\$88,392	\$88,473	\$88,604	\$79,928	\$69,684
10 Generation Fuel	\$3,784	\$8,958	\$9,556	\$7,570	\$6,937	\$6,876	\$6,879	\$6,883
11 Total Cost of Revenue	\$89,456	\$96,723	\$98,105	\$95,963	\$95,411	\$95,480	\$86,808	\$76,567
12 Gross Margin								
13 Retail Electric	\$58,302	\$58,954	\$61,135	\$63,529	\$68,486	\$73,133	\$85,052	\$100,257
14 Wholesale	\$2,967	\$4,505	\$4,978	\$4,612	\$3,702	\$3,699	\$3,695	\$3,691
15 Transmission	\$11,152	\$6,456	\$6,236	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000
16 Other Services & Fees	\$7,315	\$8,617	\$1,490	\$4,086	\$4,137	\$4,191	\$4,245	\$4,300
17 TOTAL GROSS MARGIN	\$79,737	\$78,531	\$73,839	\$78,227	\$82,326	\$87,022	\$98,992	\$114,247
18 Controllable Costs								
19 Salaries & Benefits	\$24,042	\$23,470	\$26,003	\$27,308	\$29,297	\$30,833	\$32,422	\$34,076
20 Other Operating Expenses	\$8,859	\$10,208	\$11,110	\$11,830	\$11,958	\$12,445	\$12,790	\$13,233
21 Major Maintenance	\$3,112	\$3,681	\$7,958	\$4,712	\$6,895	\$5,088	\$4,680	\$4,903
22 Non-Bonded Capital Projects	\$12,441	\$12,062	\$35,185	\$38,508	\$16,822	\$10,629	\$12,235	\$21,136
23 TOTAL CONTROLLABLE COSTS	\$48,453	\$49,420	\$80,255	\$82,358	\$64,972	\$58,995	\$62,127	\$73,349
24 Depreciation & Amortization	\$14,959	\$14,744	\$15,194	\$15,657	\$16,293	\$17,533	\$17,669	\$18,054
25 Less Non Bonded Projects (capitalized)	(\$12,441)	(\$12,062)	(\$35,185)	(\$38,508)	(\$16,822)	(\$10,629)	(\$12,235)	(\$21,136)
26 Less Total Internal Costs (capitalized)	(\$3,696)	(\$4,857)	(\$5,908)	(\$4,974)	(\$7,343)	(\$4,432)	(\$4,693)	(\$6,883)
27 Interutility Allocation	(\$1,737)	(\$1,876)	(\$1,872)	(\$1,983)	(\$2,023)	(\$2,063)	(\$2,104)	(\$2,146)
28 Total Operating Expenses	\$45,538	\$45,370	\$52,484	\$52,550	\$55,077	\$59,404	\$60,764	\$61,237
29 Net Operating Income (Loss)	\$34,199	\$33,161	\$21,355	\$25,677	\$27,249	\$27,619	\$38,228	\$53,010
30 Financing & Other Non-Operating Items:								
31 Bond & Interest Related Expenses	(\$6,421)	(\$5,656)	(\$5,481)	(\$5,316)	(\$5,930)	(\$5,670)	(\$5,390)	(\$23,221)
32 Interest Income	\$2,180	(\$388)	\$800	\$1,278	\$1,267	\$1,318	\$1,452	\$1,852
33 Misc Non-Operating Income (Expense)	(\$6)	(\$659)	(\$20)	(\$23)	(\$24)	(\$25)	(\$25)	(\$26)
34 Total Financing & Non-Operating Items	(\$4,248)	(\$6,703)	(\$4,700)	(\$4,062)	(\$4,687)	(\$4,377)	(\$3,964)	(\$21,396)
35 Income Before Transfers or Capital Contributions	\$29,951	\$26,458	\$16,654	\$21,615	\$22,562	\$23,241	\$34,264	\$31,615
36 Transfers (In Lieu of Taxes)	(\$8,370)	(\$8,469)	(\$8,873)	(\$9,607)	(\$10,197)	(\$10,625)	(\$10,857)	(\$11,094)
37 Capital Contributions/Intercompany	\$2,363	\$4,933	\$14,211	\$17,200	\$7,373	\$627	\$355	\$6,755
38 NET INCOME	\$23,944	\$22,922	\$21,992	\$29,208	\$19,739	\$13,243	\$23,762	\$27,276
39 NET INCOME (Excluding Capital Contributions)			\$7,782	\$12,008	\$12,366	\$12,616	\$23,407	\$20,521
40 TARGET NET INCOME			\$ 15,415	\$ 17,541	\$ 19,575	\$ 20,334	\$ 21,250	\$ 27,100
41 Excess (Deficit) from Target			\$ (7,633)	\$ (5,532)	\$ (7,209)	\$ (7,718)	\$ 2,156	\$ (6,579)
42 1/01 Cash Balance	\$ 90,413	\$ 103,773	\$ 94,334	\$ 87,345	\$ 89,589	\$ 95,436	\$ 111,152	
43 Change in Net Assets	22,922	21,992	29,208	19,739	13,243	23,762	27,276	
44 Depreciation & Amortization	14,744	15,194	15,657	16,293	17,533	17,669	18,054	
45 Capital Additions/Service Territory Comp	(16,919)	(41,093)	(43,547)	(26,079)	(19,603)	(21,168)	(28,885)	
46 Bond Principal Payments	(6,515)	(7,085)	(7,395)	(8,786)	(9,119)	(9,481)	(14,315)	
47 Bond Proceeds	-	-	13,600	-	-	-	322,300	
48 Net Change in Other Assets/Liabilities	(872)	1,553	(14,511)	1,078	3,794	4,934	(320,412)	
49 Net Changes in Cash	13,360	(9,439)	(6,989)	2,244	5,847	15,716	4,018	
50 12/31 Cash Balance	\$ 103,773	\$ 94,334	\$ 87,345	\$ 89,589	\$ 95,436	\$ 111,152	\$ 115,170	
51 Minimum Cash Reserve	\$ 52,569	\$ 52,102	\$ 53,826	\$ 55,577	\$ 57,293	\$ 57,005	\$ 56,059	
52 Excess (Deficit) from Minimum Cash Reserve	\$ 51,204	\$ 42,231	\$ 33,519	\$ 34,012	\$ 38,143	\$ 54,147	\$ 59,111	
53 Debt Service Coverage Ratio	3.6	2.7	3.1	2.9	3.0	3.7	1.9	

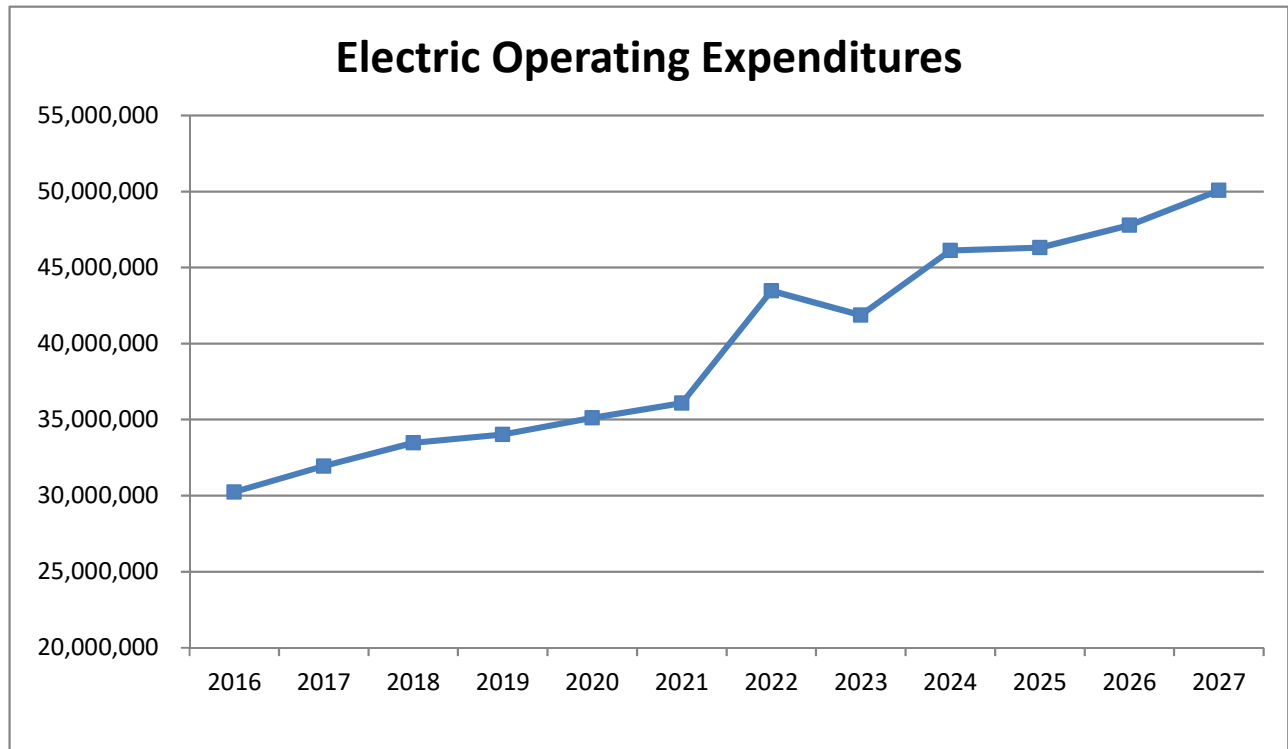
**ROCHESTER PUBLIC UTILITIES
ELECTRIC UTILITY
Management Reporting P&L**

	Historical Data		2022		2023		Variance	%
	2020	2021	Orig Bdgt	2022 F2	2023	Orig Bdgt	2023 to Orig Bdgt	Variance
in 000's								
1 Revenue								
2 Retail Electric	\$143,975	\$146,719	\$152,326	\$149,684	\$151,922	\$155,871	(\$3,949)	-2.5%
3 Wholesale Electric	\$1,939	\$6,621	\$3,310	\$6,972	\$5,840	\$3,856	\$1,984	51.4%
4 Wholesale Steam	\$4,812	\$6,841	\$4,167	\$7,561	\$6,342	\$3,824	\$2,518	65.8%
5 Transmission	\$11,152	\$6,456	\$6,000	\$6,236	\$6,000	\$6,000	-	-
6 Other Services & Fees	\$7,315	\$8,617	\$8,512	\$1,490	\$4,086	\$5,257	(\$1,171)	-22.3%
7 Total Revenue	\$169,193	\$175,254	\$174,315	\$171,944	\$174,190	\$174,808	(\$618)	-0.4%
8 Cost of Revenue								
9 Power Supply	\$85,673	\$87,766	\$90,673	\$88,549	\$88,392	\$91,248	(\$2,855)	-3.1%
10 Generation Fuel	\$3,784	\$8,958	\$4,328	\$9,556	\$7,570	\$4,179	\$3,392	81.2%
11 Total Cost of Revenue	\$89,456	\$96,723	\$95,001	\$98,105	\$95,963	\$95,427	\$536	0.6%
12 Gross Margin								
13 Retail Electric	\$58,302	\$58,954	\$61,653	\$61,135	\$63,529	\$64,623	(\$1,094)	-1.7%
14 Wholesale	\$2,967	\$4,505	\$3,150	\$4,978	\$4,612	\$3,502	\$1,110	31.7%
15 Transmission	\$11,152	\$6,456	\$6,000	\$6,236	\$6,000	\$6,000	-	-
16 Other Services & Fees	\$7,315	\$8,617	\$8,512	\$1,490	\$4,086	\$5,257	(\$1,171)	-22.3%
17 TOTAL GROSS MARGIN	\$79,737	\$78,531	\$79,314	\$73,839	\$78,227	\$79,382	(\$1,155)	-1.5%
18 Controllable Costs								
19 Salaries & Benefits	\$24,042	\$23,470	\$28,023	\$26,003	\$27,308	\$29,495	(\$2,187)	-7.4%
20 Other Operating Expenses	\$8,859	\$10,208	\$10,933	\$11,110	\$11,830	\$11,024	\$806	7.3%
21 Major Maintenance	\$3,112	\$3,681	\$7,567	\$7,958	\$4,712	\$6,507	(\$1,796)	-27.6%
22 Non-Bonded Capital Projects	\$12,441	\$12,062	\$39,004	\$35,185	\$38,508	\$22,983	\$15,525	67.6%
23 TOTAL CONTROLLABLE COSTS	\$48,453	\$49,420	\$85,527	\$80,255	\$82,358	\$70,010	\$12,348	17.6%
24 Depreciation & Amortization	\$14,959	\$14,744	\$15,176	\$15,194	\$15,657	\$15,367	\$289	1.9%
25 Less Non Bonded Projects (capitalized)	(\$12,441)	(\$12,062)	(\$39,004)	(\$35,185)	(\$38,508)	(\$22,983)	\$15,525	67.6%
26 Less Total Internal Costs (capitalized)	(\$3,696)	(\$4,857)	(\$5,878)	(\$5,908)	(\$4,974)	(\$6,389)	\$1,415	-22.1%
27 Interutility Allocation	(\$1,737)	(\$1,876)	(\$1,862)	(\$1,872)	(\$1,983)	(\$1,899)	(\$84)	4.4%
28 Total Operating Expenses	\$45,538	\$45,370	\$53,960	\$52,484	\$52,550	\$54,107	(\$1,557)	-2.9%
29 Net Operating Income (Loss)	\$34,199	\$33,161	\$25,354	\$21,355	\$25,677	\$25,275	\$402	1.6%
30 Financing & Other Non-Operating Items:								
31 Bond & Interest Related Expenses	(\$6,421)	(\$5,656)	(\$5,494)	(\$5,481)	(\$5,316)	(\$5,325)	\$9	-0.2%
32 Interest Income	\$2,180	(\$388)	\$1,965	\$800	\$1,278	\$1,982	(\$705)	-35.6%
33 Misc Non-Operating Income (Expense)	(\$6)	(\$659)	(\$24)	(\$20)	(\$23)	(\$24)	\$1	-3.0%
34 Total Financing & Non-Operating Items	(\$4,248)	(\$6,703)	(\$3,552)	(\$4,700)	(\$4,062)	(\$3,367)	(\$695)	20.6%
35 Income Before Transfers or Capital Contributions	\$29,951	\$26,458	\$21,802	\$16,654	\$21,615	\$21,908	(\$293)	-1.3%
36 Transfers (In Lieu of Taxes)	(\$8,370)	(\$8,469)	(\$9,010)	(\$8,873)	(\$9,607)	(\$9,240)	(\$367)	4.0%
37 Capital Contributions/Intercompany	\$2,363	\$4,933	\$14,204	\$14,211	\$17,200	\$11,843	\$5,356	45.2%
38 NET INCOME	\$23,944	\$22,922	\$26,996	\$21,992	\$29,208	\$24,511	\$4,697	19.2%
39 1/01 Cash Balance	\$ 90,413		\$ 98,117	\$ 103,773	\$ 94,334	\$ 97,275	\$ (2,941)	-3.0%
40 Change in Net Assets	22,922		26,996	21,992	29,208	24,511	4,697	19.2%
41 Depreciation & Amortization	14,744		15,176	15,194	15,657	15,367	289	1.9%
42 Capital Additions/Service Territory Comp	(16,919)		(44,881)	(41,093)	(43,547)	(32,356)	(11,191)	34.6%
43 Bond Principal Payments	(6,515)		(7,085)	(7,085)	(7,395)	(7,395)	-	-
44 Bond Proceeds	-		-	-	13,600	18,000	(4,400)	-
45 Net Change in Other Assets/Liabilities	(872)		6,952	1,553	(14,511)	(15,392)	881	-5.7%
46 Net Changes in Cash	13,360		(2,842)	(9,439)	(6,989)	2,735	(9,723)	-355.6%
47 12/31 Cash Balance	\$ 103,773		\$ 95,275	\$ 94,334	\$ 87,345	\$ 100,009	\$ (12,664)	-12.7%
48 Minimum Cash Reserve	\$ 52,569		\$ 52,102	\$ 52,102	\$ 53,826	\$ 52,834	\$ 992	1.9%
49 Excess (Deficit) from Minimum Cash Reserve	\$ 51,204		\$ 43,172	\$ 42,231	\$ 33,519	\$ 47,175	\$ (13,656)	-28.9%

Attachment: Board Packet Eic rev 11-16-22 (15082 : 2023 Electric Utility Budget)

**ROCHESTER PUBLIC UTILITIES
ELECTRIC UTILITY
2023 OPERATING BUDGET**





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

	2022 F2	2023	2024	2025	2026	2027
1 Peak MW						
2 SMMPA	216	216	216	216	216	216
3 Self Generation	-	-	-	-	-	-
4 Market	51	54	55	56	57	58
5 Total Peak MW	267	270	271	272	273	274
6 % Change	-1.2%	1.0%	0.4%	0.5%	0.3%	0.3%
7 Retail MWH	1,136,976	1,141,331	1,142,041	1,144,109	1,146,088	1,147,978
8 % Change	-0.4%	0.4%	0.1%	0.2%	0.2%	0.2%
9 Purchased Power MWH						
10 SMMPA	1,146,180	1,158,958	1,160,479	1,162,775	1,164,883	1,166,908
11 Other	3,142	3,160	3,171	3,182	3,191	3,201
12 Total Purchased Power MWH	1,149,322	1,162,118	1,163,650	1,165,957	1,168,074	1,170,108
13 % Change	-2.0%	1.1%	0.1%	0.2%	0.2%	0.2%
14 Generation MWH						
15 Total Generation MWH	63,820	65,271	65,271	65,271	65,271	65,271
16 % Change	-35.9%	2.3%	0.0%	0.0%	0.0%	0.0%
17 Number of Customers						
18 Residential	53,550	54,254	54,989	55,724	56,459	57,194
19 Small General Service	4,744	4,819	4,882	4,945	5,010	5,076
20 Medium General Service	478	482	488	495	501	508
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	58,790	59,573	60,377	61,182	61,988	62,796
26 % Change	1.0%	1.3%	1.3%	1.3%	1.3%	1.3%
27 Blended cost per MWH for retail supply	\$ 77.04	\$ 76.06	\$ 76.03	\$ 75.99	\$ 68.43	\$ 59.55
28 Steam Generation MLBS	431,550	438,000	438,000	438,000	438,000	438,000
29 % Change	-5.6%	1.5%	0.0%	0.0%	0.0%	0.0%

Attachment: Board Packet Elic rev 11-16-22 (15082 : 2023 Electric Utility Budget)

ROCHESTER PUBLIC UTILITIES *RECOMMENDED*
2023 ELECTRIC UTILITY CAPITAL IMPROVEMENT & MAJOR MAINTENANCE BUDGET



ROCHESTER PUBLIC UTILITIES
RECOMMENDED

2023 ELECTRIC UTILITY CAPITAL IMPROVEMENT & MAJOR MAINTENANCE BUDGET

Attachment: Board Packet EIC rev 11-16-22 (15082 : 2023 Electric Utility Budget)

**ROCHESTER PUBLIC UTILITIES
ELECTRIC UTILITY
2023 CAPITAL IMPROVEMENT AND
MAJOR MAINTENANCE BUDGET**

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Capital Projects	2 - 3

Rochester Public Utilities
Electric Utility
2023 - 2027 Major Maintenance Plan

	Multi-Year Project Total	2023	2024	2025	2026	2027	5-Yr Total
1 Core Services							
2 Tree Trimming		1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	8,500,000
3 Asbestos Mitigation in Manholes		-	95,000	95,000	95,000	95,000	380,000
4 Service Assured - Electric		18,000	18,000	18,000	18,000	18,000	90,000
5 Allocation - New Services		307,500	290,000	225,000	225,000	225,000	1,272,500
6 Transmission Lines & Equipment Maintenance		50,000	50,000	50,000	50,000	50,000	250,000
7 Distribution Lines & Equipment Maintenance		257,500	240,000	175,000	175,000	175,000	1,022,500
8 Capacitor Bank Controls Replacement		10,000	10,000	10,000	10,000	10,000	50,000
9 Allocation - Substation Asset Management (Maint)		165,000	158,500	175,500	118,500	118,500	736,000
10 AMI Timing Study		55,000	-	-	-	-	55,000
11 AMI Headend		1,799	84,708	83,649	81,256	83,895	335,307
12 AMI MDM		3,117	146,774	144,938	140,792	145,365	580,986
13 AMI Ongoing Operational Expenses		12,520	127,568	236,852	237,234	237,621	851,795
14 Distribution System Planning Study		35,000	-	-	-	-	35,000
15 ArcFlash Study for Downtown		-	-	-	100,000	-	100,000
16 DER Hosting Capacity Study		-	100,000	-	-	-	100,000
17 Downtown Duct & Feeder Routing Study		-	120,000	-	-	-	120,000
18 Engineering Records in ImageNow		-	200,000	-	-	-	200,000
19 Transmission LIDAR & Clearance Analysis		-	250,000	-	-	-	250,000
20 Pole Attachment & Clearance Violation Survey		60,000	-	-	-	-	60,000
21 Stray Voltage Survey		-	42,000	-	-	-	42,000
22 Downtown Electric Reconfiguration Study		80,000	-	-	-	-	80,000
23 Grid North		120,000	-	-	-	-	120,000
24 Work Management Solution		35,000	120,000	-	-	-	155,000
25 Total Core Services	-	2,602,936	3,462,550	2,688,939	2,725,782	2,633,381	14,113,588
26 Customer Relations							
27 DSM - EV TOU Rate *		35,664	9,823	10,118	10,421	10,734	76,760
28 DSM - DLC Smart Thermostat Program *		204,740	207,762	245,737	285,769	327,970	1,271,979
29 Energy Sustainability for Elderly *		87,000	89,610	92,298	95,067	97,919	461,895
30 Cayenta Application Enhancements		140,500	173,200	175,000	175,000	175,000	838,700
31 SEW Modifications		58,200	69,200	75,000	75,000	75,000	352,400
32 RPU Program Changes		258,850	200,900	200,000	200,000	200,000	1,059,750
33 Total Customer Relations	-	784,954	750,495	798,153	841,258	886,624	4,061,484
34 Corporate Services							
35 HCM Replacement		-	100,000	-	-	-	100,000
36 Elec Cost-of-Srvcs/Rate Design Study		92,000	-	-	95,000	-	187,000
37 Rates Modeling		20,000	20,000	20,000	20,000	20,000	100,000
38 Budgeting System		50,000	50,000	50,000	50,000	50,000	250,000
39 Utegration (HPC) Support Contract		75,000	75,000	75,000	75,000	75,000	375,000
40 SAP Technical Upgrade		100,000	-	-	100,000	-	200,000
41 Sharepoint Site		40,000	30,000	20,000	20,000	20,000	130,000
42 ImageNow Upgrade		30,000	-	30,000	-	30,000	90,000
43 SCADA Pen Test		25,000	25,000	25,000	25,000	25,000	125,000
44 ERP Replacement Discovery		-	-	-	-	300,000	300,000
45 Allocation - Technology		44,500	44,500	54,500	44,500	44,500	232,500
46 Info Risk & Security/City Shared Infrastructure		4,500	4,500	14,500	4,500	4,500	32,500
47 Business Systems/Applications		40,000	40,000	40,000	40,000	40,000	200,000
48 Total Corporate Services	-	476,500	344,500	274,500	429,500	564,500	2,089,500
49 Compliance and Public Affairs							
50 WES Emissions Testing		73,500	-	-	-	80,000	153,500
51 Total Compliance and Public Affairs	-	73,500	-	-	-	80,000	153,500
49 Power Resources							
50 SLP Decommissioning		155,000	375,000	175,000	200,000	250,000	1,155,000
51 Silver Lake Dam Ownership		-	1,240,000	-	-	-	1,240,000
52 Allocation - Power Resources		415,000	520,000	985,000	355,000	400,000	2,675,000
53 Allocation - Facilities		205,000	210,000	215,000	220,000	225,000	1,075,000
54 Total Power Resources	-	775,000	2,345,000	1,375,000	775,000	875,000	6,145,000
55 General Management							
56 Operating Contingency Fund		300,000	300,000	300,000	300,000	300,000	1,500,000
57 Total General Management	-	300,000	300,000	300,000	300,000	300,000	1,500,000
58 Total Major Maintenance Plan - External Expenditures	-	5,012,890	7,202,545	5,436,592	5,071,540	5,339,505	28,063,072

* A portion of these project costs are included in the Other Operating Expenses on the Management Reporting P&L.

**Rochester Public Utilities
Electric Utility
2023 - 2027 Capital Improvement Plan**

5.2.a

		Multi-Year Project Total	2023	2024	2025	2026	2027	5-Yr Tot
1	Core Services							
2	OSI SCADA Version Upgrade		-	100,000	-	300,000	-	400,0
3	Allocation - New Services		1,210,700	1,273,985	1,305,434	1,375,203	1,448,464	6,613,7
4	New Service Installations		765,000	807,000	826,100	872,404	921,024	4,191,5
5	Distribution Lines & Equipment - Capital		275,700	291,485	298,059	315,461	333,735	1,514,4
6	Property Damage - Repair/Replace		110,000	115,500	121,275	127,338	133,705	607,8
7	T&D Equipment Upgrade/Replace		60,000	60,000	60,000	60,000	60,000	300,0
8	Load Management Installations		7,500	7,500	7,500	7,500	7,500	37,5
9	Substation/Shop Test Equipment Upgrade/Repl		50,000	30,000	30,000	30,000	30,000	170,0
10	Substation Spares and Replacements		20,000	20,000	20,000	20,000	20,000	100,0
11	Web Based Service Application		35,000	-	-	-	-	35,0
12	MagneBlast Breaker Replacement		175,000	-	-	-	-	175,0
13	Northern Hills Sub Control Bldg Improvements		60,000	-	-	-	-	60,0
14	Allocation - Substation Asset Management Capital		115,000	130,000	140,000	195,000	195,000	775,0
15	Metering/Shop Test Equipment Upgrade/Repl		25,000	20,000	50,000	20,000	20,000	135,0
16	AMI		60,556	1,682,742	4,313,517	4,018,150	575,857	10,650,8
17	Allocation - Metering		130,000	25,000	5,000	-	-	160,0
18	Feeder 306 Install		-	-	-	-	300,000	300,0
19	Feeder 615 Install		-	-	400,000	200,000	-	600,0
20	Feeder 715 Install		175,000	-	-	-	-	175,0
21	Feeder 913 Install		-	-	-	500,000	-	500,0
22	Feeder 914 Install		-	-	-	-	500,000	500,0
23	Feeder 1315 Install		-	-	400,000	100,000	-	500,0
24	Feeder 1602 Install		-	-	-	500,000	-	500,0
25	Feeder 1911 Install		255,000	-	-	-	-	255,0
26	Feeder 1912 Install	640,000	213,333	426,667	-	-	-	640,0
27	Feeder 1913 Install		-	-	400,000	250,000	-	650,0
28	Feeder 1914 Install		-	-	-	-	750,000	750,0
29	Downtown New Feeder Extensions		-	800,000	-	-	-	800,0
30	65th St - 34th to 50th Ave	950,000	316,667	633,333	-	-	-	950,0
31	Q2 Rebuild from Bear Creek - RCTC		-	-	-	-	500,000	500,0
32	Q4 Rebuild from BV Sub to Salem Rd		-	-	-	400,000	400,000	800,0
33	Q7 Rebuild to Grade B		-	-	-	200,000	600,000	800,0
34	Q11 W.C. to new St. Bridget Sub - ROW		125,000	-	-	-	-	125,0
35	IBM Substation Upgrade		-	-	-	-	750,000	750,0
36	Fiber OWEF Splice to Chester		-	-	-	430,000	-	430,0
37	Marion Rd Substation & Feeder Buildout	51,643,552	27,285,000	-	-	-	-	27,285,0
38	New Padmount Hydro Sub		-	-	-	-	400,000	400,0
39	New Mayo Feeders		-	3,600,000	-	-	-	3,600,0
40	Mayo - Feeders to St. Mary's		-	-	-	-	5,000,000	5,000,0
41	Volt/VAR Optimization		-	-	-	-	700,000	700,0
42	Substation Capacitor Bank Bamber Valley		-	-	-	200,000	-	200,0
43	PLS-CAD Distribution Modeling Software		81,000	-	-	-	-	81,0
44	48th St NE Feeder Extension		250,000	-	-	-	-	250,0
45	Grid North Partners-N Rochester 345kV Line		-	150,000	250,000	500,000	2,000,000	2,900,0
46	Mayowood Villas- OH to UG Conversion		300,000	-	-	-	-	300,0
47	DMC-BRT West Transit Village		-	300,000	300,000	-	-	600,0
48	DMC-BRT Route Corridor		-	200,000	100,000	-	-	300,0
49	Fiber-Crosstown to Silver Lake		-	75,000	-	-	-	75,0
50	Fiber-Marion to Cty PW/St Bridget Twr to WC		-	745,000	475,000	-	-	1,220,0
51	Fiber-Marion to Chester		466,000	-	-	-	-	466,0
52	Viola Rd Roundabout		200,000	-	-	-	-	200,0
53	Fiber Relocation Silver Lake		225,000	85,000	85,000	85,000	85,000	565,0
54	Allocation - Distribution Expansion		3,105,000	3,595,000	3,737,000	3,610,000	4,115,000	18,162,0
55	Feeder Extensions		200,000	250,000	340,000	250,000	600,000	1,640,0
56	Feeder Rebuilds		125,000	135,000	140,000	145,000	150,000	695,0
57	Transmission Projects		40,000	45,000	50,000	50,000	55,000	240,0
58	Substation Projects		105,000	120,000	145,000	125,000	150,000	645,0
59	Road Projects		350,000	550,000	400,000	400,000	450,000	2,150,0
60	Road Projects - DMC		450,000	500,000	500,000	400,000	300,000	2,150,0
61	Manhole Switch Replacements		90,000	100,000	105,000	105,000	110,000	510,0
62	Cable Replacement		260,000	275,000	300,000	300,000	300,000	1,435,0
63	Manhole Repair/Replace		260,000	270,000	280,000	290,000	300,000	1,400,0
64	Capacitor Bank Installations		18,000	20,000	60,000	20,000	20,000	138,0
65	Fiber Optic Projects		160,000	200,000	195,000	200,000	200,000	955,0
66	Distribution Transformers		650,000	675,000	700,000	725,000	750,000	3,500,0
67	Overhead to Underground Conversion		325,000	350,000	375,000	400,000	425,000	1,875,0
68	Pole Replacements		42,000	45,000	47,000	50,000	55,000	239,0
69	Upgrades Due to Electrification		30,000	60,000	100,000	150,000	250,000	590,0
70	Survey GPS Replacement		-	40,000	-	-	-	40,0
71	Dual Sensor Drone		20,000	-	-	-	-	20,0
72	GIS Utility Network Implementation	80,000	40,000	40,000	-	-	-	80,0
73	Service Territory Payments		335,615	291,985	309,504	290,934	349,121	1,577,1
74	Service Territory Payments - SMMPA Reimbursement		(164,852)	(145,993)	(154,752)	(145,467)	(174,561)	(785,62
75	Designer XI Implementation		90,000	-	-	-	-	90,0
76	Responder Grid Ops Implementation		-	90,000	-	-	-	90,0
77	Total Core Services	53,313,552	35,206,519	14,215,219	12,173,203	13,086,320	18,571,381	93,252,6
78	Corporate Services							
79	Racking Replacement in Stockyard		20,000	20,000	20,000	20,000	20,000	100,0
80	Change Management Tool		25,000	-	-	-	-	25,0
81	NSX Implementation	142,000	42,000	100,000	-	-	-	142,0
82	Business Intelligence/Reporting		45,000	45,000	45,000	45,000	45,000	225,0
83	PRI to SIP		50,000	-	-	-	-	50,0
84	Core Switch Replacement		-	1,400,000	-	-	-	1,400,0
85	Allocation - Technology		657,000	604,000	497,000	707,000	737,000	3,202,0

Attachment: Board Packet Elic rev 11-16-22 (15082 : 2023 Electric Utility Budget)

**Rochester Public Utilities
Electric Utility
2023 - 2027 Capital Improvement Plan**

5.2.a

		Multi-Year Project Total					5-Yr Tot
		2023	2024	2025	2026	2027	
86	Network Management	132,000	202,000	110,000	110,000	110,000	664,000
87	Output Management	16,000	16,000	16,000	16,000	16,000	80,000
88	Server Management	261,000	61,000	61,000	196,000	61,000	640,000
89	Workstation Management	138,000	145,000	145,000	145,000	145,000	718,000
90	Backup/DR	50,000	-	35,000	-	150,000	235,000
91	Storage Management	-	-	-	-	175,000	175,000
92	Operation Technology	60,000	180,000	130,000	240,000	80,000	690,000
93	Total Corporate Services	142,000	839,000	2,169,000	562,000	802,000	5,144,000
94	Power Resources						
95	Hydro Controls and Electrical Upgrade	300,000	200,000	200,000	200,000	-	900,000
96	Allocation - Power Resources	100,000	375,000	495,000	925,000	1,025,000	2,920,000
97	A-Wing Renovation	789,476	432,340	176,800	180,336	-	789,476
98	UPS Replacement Program-Unit 1	113,709	-	-	-	-	113,709
99	Allocation - Facilities	30,000	30,000	30,000	30,000	30,000	150,000
100	Underground Equipment Trailer	50,760	-	-	-	-	50,760
101	Allocation - Fleet	800,880	870,252	830,208	761,400	873,072	4,135,800
102	Total Power Resources	789,476	1,827,689	1,652,052	1,735,544	1,916,400	9,059,700
103	General Management						
104	Project Contingency Fund	700,000	700,000	700,000	700,000	700,000	3,500,000
105	Total General Management	-	700,000	700,000	700,000	700,000	3,500,000
106	Total External Expenditures	54,245,028	38,573,208	18,736,271	15,170,747	16,474,720	110,956,300
107	Less: Bonding	(65,472)	(1,914,224)	(4,542,104)	(4,240,198)	(865,343)	(11,627,340)
108	Less: Contributions in Aid of Construction	(31,752,884)	(17,199,722)	(7,373,000)	(627,000)	(355,000)	(32,309,720)
109	Net Capital External Expenditures (Rate Funded)	22,492,144	21,308,014	9,449,047	10,001,643	11,879,522	67,019,300
110	Total Internal Expenditures (Capital Labor)		4,973,884	7,343,198	4,432,358	4,692,983	28,325,740
111	Net Capital Expenditures	22,492,144	26,281,898	16,792,245	14,434,001	16,572,505	95,345,080

Attachment: Board Packet Elic rev 11-16-22 (15082 : 2023 Electric Utility Budget)

ROCHESTER PUBLIC UTILITIES *RECOMMENDED*
PERSONNEL BUDGET



ROCHESTER PUBLIC UTILITIES
RECOMMENDED
PERSONNEL BUDGET

**ROCHESTER PUBLIC UTILITIES
2023 PERSONNEL BUDGET**

INDEX

<u>Title</u>	<u>Pages</u>
Permanent Staff Per Customer Served/Retail Sales	1
Permanent and Temporary Staffing Comparison	2

**ROCHESTER PUBLIC UTILITIES
2023 PERSONNEL BUDGET
Regular Staff Per Customer Served
And Dollars of Retail Sales**

<u>Year</u>	<u>Total Service Points</u>	<u>Retail Sales \$'s</u>	<u>Authorized Number of Utility Employees</u>	<u># Customers Served Per Employee</u>	<u>\$'s of Retail Sales Per Employee</u>
2023	101,811(1)	163,667,168(1)	211(2)	483	775,674
2022	100,609(1)	160,731,438(1)	211(2)	477	761,760
2021	99,386	157,782,929	208	478	758,572
2020	98,503	154,640,308	207	476	747,055
2019	96,849	157,899,357	203	477	777,829

NOTES: Numbers include combined water and electric utilities.

For Electric Utilities, APPA 2019 Retail Customers per Non-Power-Generation Employee for customer size class of 50K-100K customers, is 324. RPU comparison using this criteria and 2021 data is 359.

(1) Forecasted

(2) Staff changes:

No potential reclassifications in 2023
Adding no new positions in 2023

Attachment: Board Packet Elc rev 11-16-22 (15082 : 2023 Electric Utility Budget)

**ROCHESTER PUBLIC UTILITIES
2023 PERSONNEL BUDGET
Regular and Temporary Staffing
Total Costs**

<u>Year</u>	<u>2022 Original budget</u>	<u>2022 Projected</u>	<u>2023 Estimated</u>	<u>Difference 2022 original to 2023</u>	<u>% Change</u>
Regular Employees	\$30,333,271	\$28,730,215	\$30,133,171	-\$200,100	-0.7%
Limited-Term Employees	\$162,918	\$173,310	\$174,561	\$11,643	7.1%
Temporary/Contract Labor	<u>\$730,025</u>	<u>\$618,239</u>	<u>\$493,390</u>	<u>-\$236,635</u>	<u>-32.4%</u>
Total	\$31,226,214	\$29,521,764	\$30,801,122	-\$425,092	-1.4%

NOTE: Estimated cost include base salaries, salary increases, overtime, RPU's share of employee pensions, payroll taxes, and benefits. Excludes accrual adjustment for unfunded PERA liability.

ROCHESTER PUBLIC UTILITIES *RECOMMENDED*
SUPPLEMENTAL DATA CAPITAL/OPERATING BUDGETS



ROCHESTER PUBLIC UTILITIES
RECOMMENDED

**SUPPLEMENTAL DATA
CAPITAL/OPERATING
BUDGETS**

Attachment: Board Packet EIC rev 11-16-22 (15082 : 2023 Electric Utility Budget)

**ROCHESTER PUBLIC UTILITIES
2023 SUPPLEMENTAL DATA
CAPITAL / OPERATING BUDGETS**

INDEX

<u>Title</u>	<u>Pages</u>
Electric & Water Rate Increases vs. Inflation	1
Year End Cash Balances	2
RPU Tax and Tax Equivalents	3

**ROCHESTER PUBLIC UTILITIES
2023 CAPITAL / OPERATING BUDGETS
ELECTRIC AND WATER REVENUE CHANGE
VERSUS INFLATION**

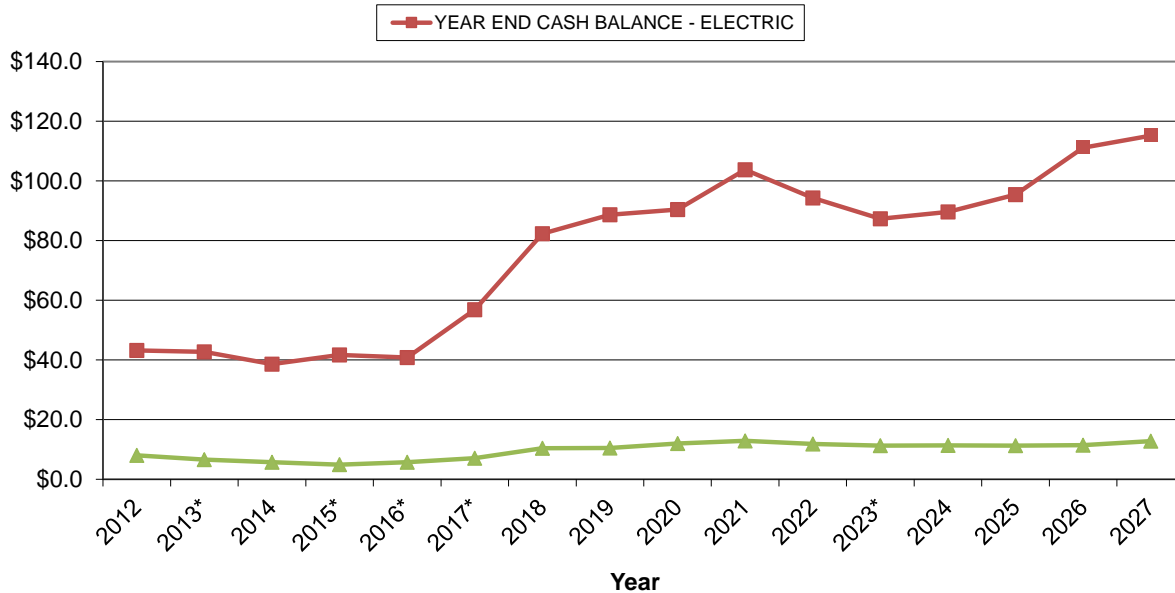
<u>Year</u>	<u>Inflation %</u>	<u>Electric Rates %</u>	<u>Water Rates %</u>	<u>SMMPA Rates %</u>
2022*	6.4%	1.5%	2.5%	0.0%
2021	4.7%	0.0%	0.0%	0.0%
2020	1.2%	0.0%	3.5%	-4.0%
2019	1.8%	1.9%	6.0%	0.0%
2018	2.4%	1.5%	6.0%	2.0%
2017	2.1%	3.7%	6.0%	6.0%
2016	1.3%	1.7%	6.0%	0.0%
2015	0.1%	3.5%	3.5%	0.0%
2014	1.6%	3.0%	1.5%	0.0%
2013	1.5%	0.0%	0.0%	0.0%
10-Year Annualized Average	2.3%	1.7%	3.5%	0.4%
2023*		2.5%	5.0%	0.0%

*Estimated Yearly Values

Attachment: Board Packet Eic rev 11-16-22 (15082 : 2023 Electric Utility Budget)

**ROCHESTER PUBLIC UTILITIES
2023 CAPITAL/OPERATING BUDGETS
YEAR END CASH BALANCES**

**Year End Cash Balances
(2012-2021 Actual, 2022-2027 Projected)**



(Millions of Dollars)

Year	YEAR END CASH BALANCE - ELECTRIC	YEAR END REMAINING DEBT PROCEEDS ELECTRIC	YEAR END CASH BALANCE - WATER	YEAR END REMAINING DEBT PROCEEDS WATER
2012	43.2		8.0	
2013*	42.7	25.9	6.6	
2014	38.6	15.7	5.7	
2015*	41.7	3.1	4.9	
2016*	40.8		5.7	
2017*	56.8	23.1	7.1	
2018	82.3		10.4	
2019	88.7		10.5	
2020	90.4		12.0	
2021	103.8		12.9	
2022	94.3		11.8	
2023*	87.3	11.6	11.3	
2024	89.6	9.6	11.4	
2025	95.4	5.1	11.3	
2026	111.2	0.9	11.4	
2027	115.2	-	12.8	

* The Electric Utility has had debt financings of \$34 million in December 2000, \$9.9 million in August 2002, \$5.7 million in March 2005, \$76.7 million in March 2007 which included an advance refunding of the 2000 bond issue in the amount of \$30.2 million, \$6.7 million in September 2009, \$4.0 million in February 2013 to refinance the remaining 2002 issue, \$38.4 million in May 2013, \$39.97 in November 2015 to advance refund the new money portion of the 2007C bond issue, a \$25.0 million temporary borrowing in April 2016, \$108.3 in February 2017, which included \$23.6 million to refund the remaining portion of the 2007C bond issue and \$20.9 million to pay off the 2016 temporary borrowing, and \$37.17 in February 2021 to advance refund the 2013B bond issue. The Water Utility has had debt financings of \$1.5 million in August 2006. There is proposed future debt financings in 2023 of \$13.6 million for the Electric Utility for AMI.

**ROCHESTER PUBLIC UTILITIES
2023 CAPITAL / OPERATING BUDGETS
RPU ESTIMATED TAX AND TAX EQUIVALENTS**

Utility Licenses, Permits & Penalties	305,345
Water Appropriation Fees	63,178
Payment to General Fund	
Electric	9,606,922
Water	438,287
Total	<u>10,045,209</u>
Sales Tax - Electric & Water	1,029,771
SMMPA Property Taxes (\$9,607,995 x 42%)	<u>4,035,358</u>
Total Tax & Tax Equivalents	<u>15,478,860</u>
Electric/Water Retail Sales	<u>163,667,168</u>
% of Electric/Water Retail Sales	9.5%

Attachment: Board Packet Eic rev 11-16-22 (15082 : 2023 Electric Utility Budget)

RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve the 2023 Electric Utility capital, including multi-year projects and operating budgets as submitted.

BE IT FURTHER RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, that the Common Council of the said City is requested to approve the 2023 Electric Utility capital, including multi-year projects and operating budgets.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 29th day of November, 2022.

President

Secretary

FOR BOARD ACTION

Agenda Item # (ID # 15087)

Meeting Date: 11/29/2022

SUBJECT: 2023 Water Utility Rate Adjustment

PREPARED BY: Peter Hogan

ITEM DESCRIPTION:

Rochester Home Rule Charter Chapter 15.05, Subd. 3 states, *"The public utility board may adopt, amend, and rescind such rules and regulations as it may deem necessary for the control, management, and operation of the public utilities under its jurisdiction. The board shall, with the concurrence of the common council, fix the rates to be charged for the availability and use of the public utility commodities and services under its jurisdiction. Rates shall be **reasonable and compensatory** so as to cover all of the costs of the respective public utility and shall be **uniform for all consumers within the same class**, but different rates may be established for different classifications by the board. Rates within the city corporate limits may be less but shall be no greater than rates for the same classification outside the city limits."*

Based on the Charter, the RPU Board has further developed a policy for determining rates. The main objective of the policy is, *"to recover, through the application of rates and charges for utility services, revenues which are sufficient to meet the financial obligations of each independent utility enterprise. Further, the Board intends to apply rates and charges which are equitable among customer or classes of customers based on the Utility Basis of (generally accepted industry) rate-making principles."*

The results of the 2022 Cost of Service Study for the Water Utility were presented to the Board and placed on file during the September 27, 2022 Board meeting. The Cost of Service study informs the revenue requirements by customer class to reduce cross subsidization between and within customer classes.

The Board reviewed the recommended 2023 Water Utility budget on August 10, 2022. The recommended budget included a 5.0% general revenue increase. The water Cost of Service study and proposed water rates assume historically normal customer growth and replacement of infrastructure.

The impact of a 5.0% general rate increase on the average residential customer using 6.4 CCF per month is \$0.74 per month. The commodity charge for 1 CCF ranges from \$0.946 to \$1.179, so conservation of 1 CCF per month would offset the proposed rate change in most cases.

The Board approved the notice of the proposed rate and fee adjustments in accordance with the Board's rate setting policy on September 27, 2022. The attached notice was provided on October 8, 2022.

If the Board approves the proposed rate tariff and associated fees, management will forward the recommended rate tariff to the City Council for inclusion in their budget approval process. The City Council Budget approval request is currently scheduled for December 5, 2022.

FOR BOARD ACTION

Agenda Item # (ID # 15087)

Meeting Date: 11/29/2022

UTILITY BOARD ACTION REQUESTED:

Approve and recommend City Council approval of the rates and fees to take effect on or about January 1, 2023, according to the attached rate tariffs.

On September 29, 2022, the RPU Utility Board directed staff to give public notice of the proposed increase to general electric rates by 2.5 % (3.5% for Residential) and to general water rates by 5% for the year of record. Changes in the electric rates will result in an average monthly increase of \$2.36 per residential electric customer. Changes in the water rates will result in an increase of \$ 1.74 for the average residential water customer. The table below includes the actual changes by rate. The proposed rates will also be available on the RPU website (www.rpu.org) and by calling RPU customer service (507.280.1500).

5.3.a

Public comment on the proposed rates will be taken at the October 25, 2022, and November 29, 2022, 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 on December 5, 2022. Please contact Tony Benson at 507-280-1534 or email at tbenson@rpu.org.

Proposed 2023 Electric Rate Tariff changes		2022	23
Residential Rate RES	Customer Charge	\$ 19.40	50
	Non Summer Energy (kWh)	\$ 0.10890	03
	Summer Energy (kWh)	\$ 0.13008	32
Residential Dual Fuel Rate RES-DF	Energy Charge (kWh)	\$ 0.08128	32
Residential High Efficiency HVAC Rate RESELGEO	Customer Charge	\$ 19.40	50
	Non Summer Energy first 600kWh	\$ 0.10890	03
	Non Summer Energy over 600kWh	\$ 0.09126	38
	Summer Energy(kWh)	\$ 0.13008	32
Residential Time of Use RES-TOU	Customer Charge	\$ 19.40	50
	Non-Summer Energy		
	Super Peak/kWh	\$ 0.14123	29
	On-peak/kWh	\$ 0.14123	29
	Off-peak/kWh	\$ 0.07158	34
	Summer Energy		
	Super-peak/kWh	\$ 0.29241	32
Small General Service SGS	Customer Charge	\$ 38.00	00
	Non-Summer Energy Charge/ kWh	\$ 0.10507	90
	Summer Energy Charge/ kWh	\$ 0.13523	37
Small General Service High Efficiency HVAC GSHEF	Customer Charge	\$ 38.00	00
	Non-Summer Energy Charge/ kWh	\$ 0.08766	02
	Summer Energy Charge/ kWh	\$ 0.13525	39
Small General Service Time of Use SGS-TOU	Customer Charge	\$ 38.00	00
	Non-Summer Energy		
	On-peak/ kWh	\$ 0.18208	38
	Off-peak/ kWh	\$ 0.06251	19
	Summer Energy/ kWh		
	On-peak/ kWh	\$ 0.22725	37
Medium General Services MGS	Non-Summer Demand Charge / kW	\$ 17.830	90
	Non-Summer Energy Charge/ kWh	\$ 0.05760	75
	Summer Demand Charge / kW	\$ 24.060	40
	Summer Energy Charge/ kWh	\$ 0.05760	75
Medium General Services High Efficiency MGS-HEF	Non-Summer Demand Charge / kW	\$ 16.500	33
	Energy Charge/ kWh	\$ 0.04816	12
	Summer Demand Charge / kW	\$ 20.640	52
	Energy Charge/ kWh	\$ 0.05996	16
Medium General Service Time of Use MGS-TOU	Non-Summer		
	On-peak Demand / kW	\$ 17.830	30
	Off-peak Demand / kW	\$ 1.933	72
	Energy Charge / kWh	\$ 0.05947	36
	Summer		
	On-peak demand / kW	\$ 24.060	40
	Off-peak demand / kW	\$ 1.933	72
	Energy Charge/ kWh	\$ 0.05947	36
Large General Service LGS	Demand Charge / kW	\$ 21.000	20
	Energy Charge / kWh	\$ 0.05760	75
Large Industrial LIS	Demand Charge / kW	\$ 20.500	00
	Energy charge/ kWh	\$ 0.0534	55
Interruptible	Demand Charge/ kW		
	MGS	\$ 12.950	11
City Street Lights	Mercury Vapor (All Sizes)	\$ 0.23249	33
	Metal Halide (All Sizes)	\$ 0.24657	73
	LED RPU Owned (All Sizes)	\$ 0.55720	13
	LED (All Sizes)	\$ 0.41650	91
	High Pressure Sodium (All Sizes)	\$ 0.22249	30
Security Lights	Mercury Vapor Lights (Closed)		
	Size: 175 Watt	\$ 10.65	32
	250 Watt	\$ 13.02	35
	400 Watt	\$ 18.50	96
	High Pressure Sodium Vapor		
	Size: 70 Watt	\$ 9.27	50
	100 Watt	\$ 11.04	32
	150 Watt	\$ 12.42	73
	250 Watt	\$ 15.46	35
	400 Watt	\$ 20.27	78
Light Emitting Diode (LED) Lights	Size: LED Area Light	\$ 11.04	32
	LED Roadway Light	\$ 15.46	35
Traffic Signals	Fixed Charge	\$ 34.00	35
	Energy Charge/ kWh	\$ 0.10547	11
Un-Metered Device Rate	Fixed Charge / Mo	\$ 11.18	46
	Energy Charge/ kWh	\$ 0.11448	34
Civil Defense Sirens	Fixed Charge/ Mo	\$16.60	02
Effective January 2023 all Small General Service rates will be available for loads less than 25 kW, General Service rates will be available for loads over 25KW and less than 1,000 kW. An interim option is available for customers with loads between 25 kW and 35 kW to choose to be billed temporarily at either the Small General Service or Medium General Service rates until January 1, 2024.			
Attachment: 2023 Proposed Rates Publication 2022 10 08 (15087 : 2023 Water Utility Rate Adjustment)			
Proposed 2022 Water Rate Tariff 5% Rate Increase		2022	23
Commodity Charge Rate/ CCF:	Meter Charge		
	5/8"	\$ 8.80	22
	3/4"	\$ 12.27	35
	1"	\$ 19.38	36
	1-1/2"	\$ 36.85	77
	2"	\$ 57.85	30
	3"	\$107.13	31
	4"	\$177.37	30
	6"	\$353.37	20
	8"	\$630.77	54
Residential	0-7 CCF	89.2¢	3¢
	7.01-12 CCF	97.1¢	9¢
	12.01 and over CCF	110.2¢	9¢
Commercial		89.2¢	94.6¢
Interdepartmental			
	Irrigation Meter (All Classes)		
Commodity Charge Rate/ CCF:		2022	23
Residential	0-7 CCF	89.2¢	3¢
	7.01-12 CCF	97.1¢	9¢
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Commercial		89.2¢	94.6¢
Interdepartmental			
	Irrigation Meter (All Classes)		

RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve rate, fee and tariff adjustments for the Water Utility according to the attached tariffs, effective on or about January 1, 2023.

BE IT FURTHER RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, that the Common Council of the said City is requested to approve the rate, fee and tariff adjustments according to the attached tariffs, to take effect on or about January 1, 2023.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 29th day of November 2022.

President

Secretary

WATER SERVICE

AVAILABILITY:

At all locations within the Rochester City limits and at locations external to the City limits, that have been authorized by the Rochester Common Council.

MONTHLY RATE:

Customer Charge:	Size of Meter	2022 Amount	2023 Amount
	5/8"	\$ 8.80	\$ 9.22
	3/4"	\$ 12.27	\$ 12.85
	1"	\$ 19.38	\$ 19.86
	1-1/2"	\$ 36.85	\$ 37.77
	2"	\$ 57.85	\$ 59.30
	3"	\$ 107.13	\$ 109.81
	4"	\$ 177.37	\$ 181.80
	6"	\$ 353.37	\$ 362.20
	8"	\$ 630.77	\$ 646.54
Commodity Charge Rate/CCF:			
Residential	0 - 7 CCF	89.2¢	94.6¢
	7.01 - 12 CCF	97.1¢	103.9¢
	12.01 and over CCF	110.2¢	117.9¢
Commercial	.....	89.2¢	94.6¢
Industrial	.....	89.2¢	94.6¢
Interdepartmental	.....	89.2¢	94.6¢
Irrigation Meter (All Classes)	.....	110.2¢	117.9¢

NOTE: Customers whose service is taken outside the Rochester city limits with individual water systems not connected to the City water system shall have a rate of 2.0 times the customer and commodity charges.

MINIMUM BILL:

Applicable monthly customer charge according to size of meter provided.

PAYMENT:

Payments are due on or before the due date.

CONDITIONS OF DELIVERY:

1. Service furnished under this rate schedule is subject to connection policies of the Rochester City Council.
2. Service furnished under this rate schedule is subject to provisions of RPU's Water Service Rules and Regulations.
3. RPU shall not be liable for damage or loss sustained by customer in conjunction with taking service under this rate.
4. Water furnished under this rate shall not be resold.
5. This tariff assumes use of metering technology capable of being read using automated equipment. Customers choosing the option to have a meter that is not capable of being read using automated equipment, thus requiring a manual reading, are subject to a monthly surcharge. Additional one-time meter change-out fees also apply. (See the RPU Miscellaneous Fee Schedule for the amount of the monthly surcharge and the one-time meter change-out fees).

Approved by Rochester Public Utility Board: November 29, 2022
Effective Date: January 1, 2023

SERVICE ASSURED®

AVAILABILITY:

Coverage is available to RPU residential water customers living in single- family homes, single-owner duplexes, and some townhome associations, individual twinhomes, and triplexes where each has its own service line. Water Service Assured® will be applied to all Water Service customers effective January 1, 2022. Customers wishing to not receive Service Assured® protection may opt out by calling the RPU Service Center to request removal from the program. Customers may request to have their electric service protected under the Electric Service Assured® program without the Water Service Assured® program, or in combination with the Water Service Assured® program.

CONDITIONS OF SERVICE:

Conditions of Service will be governed by the Service Assured® Terms and Conditions Agreement.

MONTHLY RATE:

<u>Customer Charge:</u>	Amount
Water	\$ 1.99
Electric	\$ 1.99
Water and Electric	\$ 3.00

PAYMENT:

Payments are due on or before the due date.

Approved by Rochester Public Utility Board: October 26, 2021
Effective Date: January 1, 2022

FIRE HYDRANT FACILITIES CHARGE

APPLICABILITY:

To all residential and commercial and industrial water utility customers.

MONTHLY RATE:

<u>Customer Class</u>	2022	2023
Residential	\$.98	\$ 1.00
Commercial/Industrial	\$ 4.04	\$ 4.13

BILLINGS:

Billings will be on a monthly basis.

PAYMENT:

Payments are due on or before the due date.

CONDITIONS OF DELIVERY:

1. RPU shall not be liable for any damage or loss sustained by customer resulting from interruptions, deficiencies, or imperfections of service provided under this rate.
2. The rate will not be applied to water service meters that are used exclusively for irrigation purposes.
3. The rate will not be applied to water service meters that are not connected to the City's central water system.
4. The rate will be applied regardless of the property's water service status (active or non-active).

*Approved by Rochester Public Utility Board: November 29, 2022
Effective Date: January 1, 2023*

MISCELLANEOUS FEES
SHEET 1 OF 1

MISCELLANEOUS FEES – WATER UTILITY

<u>Applicable to All Charges and Amounts Due on RPU Invoices</u>		
Not Sufficient Funds (NSF) Check	\$	30.00
<u>Curb Box Operation</u>	\$	50.00 60.00
<u>Frozen Meter Repair</u>	\$	90.00 100.00
<u>Frozen Pipes</u> (Per Hour Labor)	\$	85.00 90.00
<u>Meter</u>		
Installation Fee	\$	50.00
Removal Fee	\$	50.00
<u>Optional Non-AMR Meter</u>		
Change Out Fee (Water)	\$	80.00 80.00
Monthly Fee (Per Premise).....	\$	55.00 55.00
<u>Hydrant Meter Rental</u>		
Flat Fee for Installation and Retrieval (Plus Tax).....	\$	120.00 130.00
Addition for 1" Meter	\$	40.00 45.00
Addition for 2-3" Meter	\$	80.00 85.00
<u>State Mandated Water Charge</u>	\$	0.81
<u>Tower Access</u> (After Hours)	\$	130.00 140.00
<u>Unauthorized Use – Valve or Hydrant</u> (Per Occurrence).....	\$	500.00
<u>Water Leak Detection</u>		
1 person	\$	170.00
2 people	\$	320.00
<u>Water Main Tapping Fees</u>		
3/4"	\$	225.00 230.00
1"	\$	225.00 230.00
4"	\$	760.00
6"	\$	760.00
8"	\$	760.00
10"	\$	760.00
12"	\$	760.00

Approved by Rochester Public Utility Board: November 29, 2022
Effective Date: January 1, 2023

FOR BOARD ACTION

Agenda Item # (ID # 15084)

Meeting Date: 11/29/2022

SUBJECT: 2023 Electric Utility Rate Adjustment

PREPARED BY: Peter Hogan

ITEM DESCRIPTION:

Rochester Home Rule Charter Chapter 15.05, Subd. 3 states, *"The public utility board may adopt, amend, and rescind such rules and regulations as it may deem necessary for the control, management, and operation of the public utilities under its jurisdiction. The board shall, with the concurrence of the common council, fix the rates to be charged for the availability and use of the public utility commodities and services under its jurisdiction. Rates shall be **reasonable and compensatory** so as to cover all of the costs of the respective public utility and shall be **uniform for all consumers within the same class**, but different rates may be established for different classifications by the board. Rates within the city corporate limits may be less but shall be no greater than rates for the same classification outside the city limits."*

Based on the Charter, the RPU Board has further developed a policy for determining rates. The main objective of the policy is, *"to recover, through the application of rates and charges for utility services, revenues which are sufficient to meet the financial obligations of each independent utility enterprise. Further, the Board intends to apply rates and charges which are equitable among customer or classes of customers based on the Utility Basis of (generally accepted industry) rate-making principles."*

Based on this guidance, staff conducted a Cost of Service Study for the Electric Utility during 2020. The study results were presented to the Board on September 29, 2020.

During the August 10, 2022 budget review by the Board of the 2023 recommended budget for the Electric Utility, management recommended that the Board approve a 2.5 percent overall general rate increase for 2023. The impact of this change for the average residential customer is approximately \$2.27 per month.

On September 27, 2022, the Board approved giving public notice of the proposed rate changes by customer class as recommended during the 2020 cost of service study. The attached notice was given on October 8, 2022, in accordance with the Board's rate setting policy.

Besides the recommended rate adjustments for miscellaneous fees and existing customer classes in the attached rate book, if approved, a new separately metered residential electric vehicle time of use rate is being recommended when added to an existing residential service.

If the Board approves the proposed rate changes, they will be forwarded for inclusion in the City Council's budget approval process currently scheduled for December 5, 2022.

UTILITY BOARD ACTION REQUESTED:

Approve and recommend City Council approval of the rates and fees to take effect on or about

FOR BOARD ACTION

Agenda Item # **(ID # 15084)**

Meeting Date: 11/29/2022

January 1, 2023, according to the attached rate tariffs.

On September 29, 2022, the RPU Utility Board directed staff to give public notice of the proposed increase to general electric rates by 2.5 % (3.5% for Residential) and to general water rates by 5% for 2023 in the paper of record. Changes in the electric rates will result in an average monthly increase of \$2.27 for the average residential electric customer. Changes in the water rates will result in an increase of \$.74 for the average residential water customer. The table below includes the actual changes by rate. The proposed rates will also be available on the RPU website (www.rpu.org) and by calling RPU customer service (507.280.1500).

Public comment on the proposed rates will be taken at the October 25, 2022, and November 29, 2022 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 on December 5, 2022.

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

Proposed 2023 Electric Rate Tariff changes

		2022	2023
Residential Rate RES	Customer Charge	\$ 19.40	\$ 20.50
	Non Summer Energy (kWh)	\$ 0.10890	\$ 0.11203
	Summer Energy (kWh)	\$ 0.13008	\$ 0.13382
Residential Dual Fuel Rate RES-DF	Energy Charge (kWh)	\$ 0.08128	\$ 0.08362
Residential High Efficiency HVAC Rate RESELGEO	Customer Charge	\$ 19.40	\$ 20.50
	Non Summer Energy first 600kWh	\$ 0.10890	\$ 0.11203
	Non Summer Energy over 600kWh	\$ 0.09126	\$ 0.09388
	Summer Energy(kWh)	\$ 0.13008	\$ 0.13382
Residential Time of Use RES-TOU	Customer Charge	\$ 19.40	\$ 20.50
	Non-Summer Energy		
	Super Peak/kWh	\$ 0.14123	\$ 0.14529
	On-peak/kWh	\$ 0.14123	\$ 0.14529
	Off-peak/kWh	\$ 0.07158	\$ 0.07364
	Summer Energy		
	Super-peak/kWh	\$ 0.29241	\$ 0.30082
	On-peak/kWh	\$ 0.17392	\$ 0.17892
	Off-peak/kWh	\$ 0.07158	\$ 0.07364
Small General Service SGS	Customer Charge	\$ 38.00	\$ 35.00
	Non-Summer Energy Charge/ kWh	\$ 0.10507	\$ 0.10790
	Summer Energy Charge/ kWh	\$ 0.13523	\$ 0.13887
Small General Service High Efficiency HVAC GSHEF	Customer Charge	\$ 38.00	\$ 35.00
	Non-Summer Energy Charge/ kWh	\$ 0.08766	\$ 0.09002
	Summer Energy Charge/ kWh	\$ 0.13525	\$ 0.13889
Small General Service Time of Use SGS-TOU	Customer Charge	\$ 38.00	\$ 35.00
	Non-Summer Energy		
	On-peak/ kWh	\$ 0.18208	\$ 0.18698
	Off-peak/ kWh	\$ 0.06251	\$ 0.06419
	Summer Energy/ kWh		
	On-peak/ kWh	\$ 0.22725	\$ 0.23337
	Off-peak/ kWh	\$ 0.06625	\$ 0.06803

Medium General Services MGS	Non-Summer Demand Charge / kW	\$ 17.830	\$18.190
	Non-Summer Energy Charge/ kWh	\$ 0.05760	\$ 0.05875
	Summer Demand Charge / kW	\$ 24.060	\$ 24.540
	Summer Energy Charge/ kWh	\$ 0.05760	\$ 0.05875
Medium General Services High Efficiency MGS-HEF	Non-Summer		
	Demand Charge / kW	\$ 16.500	\$ 16.833
	Energy Charge/kWh	\$ 0.04816	\$ 0.04912
	Summer		
	Demand Charge / kW	\$ 20.640	\$ 21.052
	Energy Charge/ kWh	\$ 0.05996	\$ 0.06116
Medium General Service Time of Use MGS-TOU	Non-Summer		
	On-peak Demand / kW	\$ 17.830	\$ 18.190
	Off-peak Demand / kW	\$ 1.933	\$ 1.972
	Energy Charge / kWh	\$ 0.05947	\$ 0.06066
	Summer		
	On-peak demand / kW	\$ 24.060	\$ 24.540
	Off-peak demand / kW	\$ 1.933	\$ 1.972
	Energy Charge/ kWh	\$ 0.05947	\$ 0.06066
Large General Service LGS	Demand Charge / kW	\$ 21.000	\$ 21.420
	Energy Charge / kWh	\$ 0.05760	\$ 0.05875
Large Industrial LIS	Demand Charge / kW	\$ 20.500	\$ 20.500
	Energy charge/ kWh	\$ 0.0534	\$ 0.0555
Interruptible	Demand Charge/ kW		
	MGS	\$ 12.950	\$ 13.211
	LGS	\$ 11.640	\$ 11.873
City Street Lights	Mercury Vapor (All Sizes)	\$ 0.23249	\$ 0.23830
	Metal Halide (All Sizes)	\$ 0.24657	\$ 0.25273
	LED RPU Owned (All Sizes)	\$ 0.55720	\$ 0.57113
	LED (All Sizes)	\$ 0.41650	\$ 0.42691
	High Pressure Sodium (All Sizes)	\$ 0.22249	\$ 0.23830
Security Lights	<u>Mercury Vapor Lights (Closed)</u>		
	Size: 175 Watt	\$ 10.65	\$ 10.92
	250 Watt	\$ 13.02	\$ 13.35
	400 Watt	\$ 18.50	\$ 18.96
	<u>High Pressure Sodium Vapor</u>		
	Size: 70 Watt	\$ 9.27	\$ 9.50
	100 Watt	\$ 11.04	\$ 11.32
	150 Watt	\$ 12.42	\$ 12.73
	250 Watt	\$ 15.46	\$ 15.85
	400 Watt	\$ 20.27	\$ 20.78
	<u>Light Emitting Diode (LED) Lights</u>		
	Size: LED Area Light	\$ 11.04	\$ 11.32
	LED Roadway Light	\$ 15.46	\$ 15.85
Traffic Signals	Fixed Charge	\$ 34.00	\$ 34.85
	Energy Charge/ kWh	\$ 0.10547	\$ 0.10811
Un-Metered Device Rate	Fixed Charge / Mo	\$ 11.18	\$ 11.46
	Energy Charge/ kWh	\$ 0.11448	\$ 0.11734
Civil Defense Sirens	Fixed Charge/ Mo	\$16.60	\$17.02

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. An interim option will allow customers with loads between 25 kW and 35 kW to choose to be billed temporarily at either the SGS or the MGS rates until January 1, 2024.

Proposed 2022 Water Rate Tariff
5% Rate Increase

Meter Charge	2022	2023
5/8"	\$ 8.80	\$ 9.22
3/4"	\$ 12.27	\$ 12.85
1"	\$ 19.38	\$ 19.86
1-1/2"	\$ 36.85	\$ 37.77
2"	\$ 57.85	\$ 59.30
3"	\$107.13	\$109.81
4"	\$177.37	\$181.80
6"	\$353.37	\$362.20
8"	\$630.77	\$646.54

Commodity Charge Rate/ CCF:

	2022	2023
Residential 0-7 CCF	89.2¢	94.6¢
7.01-12 CCF	97.1¢	103.9¢
12.01 and over CCF	110.2¢	117.9¢
Commercial	89.2¢	94.6¢
Industrial	89.2¢	94.6¢
Interdepartmental	89.2¢	94.6¢
Irrigation Meter (All Classes)	110.2¢	117.9¢

RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve rate, fee and tariff adjustments for the Electric Utility according to the attached tariffs, effective on or about January 1, 2023.

BE IT FURTHER RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, that the Common Council of the said City is requested to approve the rate, fee and tariff adjustments for the Electric Utility according to the attached tariffs, to take effect on or about January 1, 2023.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 29th day of November 2022.

President

Secretary



2023 RATE SCHEDULE

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ROCHESTER PUBLIC UTILITIES RATE SCHEDULE

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RESIDENTIAL SERVICE

AVAILABILITY:

At all locations where facilities of adequate capacity and suitable voltage are adjacent to the premises to be served. Where service desired by the customer is not adjacent to the premises to be served, additional contract arrangements may be required prior to service being furnished.

APPLICATION:

To electric service required for residential purposes in individual private dwellings and in individually metered apartments when such service is supplied at one point of delivery and measured through one meter. Existing single metered, multi-unit dwellings having not in excess of three separate dwelling units in the same structure may be served under this rate.

CHARACTER OF SERVICE:

Single phase, 60 Hertz, 120/240 volts alternating current.

RATE:	2022	2023
Customer Charge:	\$ 19.40	\$ 20.50
Energy Charge:		
Non-Summer Energy /kWh	10.890¢	11.203¢
Summer Energy /kWh	13.008¢	13.382¢

Definition of Season: Summer months are June through September.
Non-summer months are January through May
and October through December.

POWER COST ADJUSTMENT:

Bills computed under this rate schedule are subject to adjustment in accordance with the Power Cost Adjustment (PCA).

MINIMUM BILL: per month: ~~\$ 19.40~~ \$20.50

PAYMENT: Payments are due on or before the due date.

CONDITIONS OF DELIVERY:

1. Service furnished under this rate schedule is subject to applicable provisions of RPU's published Electric Service Rules and Regulations.
2. RPU shall not be liable for any damage or loss sustained by customer resulting from interruptions, deficiencies, or imperfections of service provided under this rate.
3. Energy furnished under this rate shall not be resold.
4. This tariff assumes use of metering technology capable of being read using automated equipment. Customers choosing the option to have a meter that is not capable of being read using automated equipment, thus requiring a manual reading, are subject to a monthly surcharge. Additional one-time meter change-out fees also apply. (See the RPU Miscellaneous Fee Schedule for the amount of the monthly surcharge and the one-time meter change-out fees).

Approved by Rochester Public Utility Board: November 29, 2022
Effective Date: January 1, 2023

RESIDENTIAL SERVICE - DUAL FUEL - Closed

AVAILABILITY:

Available only to existing dual fuel customers transferred from People's Energy Cooperative electrical system to RPU's system as part of RPU's electric service territory acquisitions and are currently on the Residential Service Dual Fuel rate as of January 1, 2022.

APPLICATION:

To electric heating service required for residential purposes in individual private buildings. Such electric heating load shall be metered separately from the rest of the service.

CHARACTER OF SERVICE:

Single phase, 60 Hertz, 120/240 volts alternating current.

RATE:

	2022	2023
Energy Charge /kWh	8.128¢	8.362¢

POWER COST ADJUSTMENT:

Bills computed under this rate schedule are subject to adjustment in accordance with the Power Cost Adjustment (PCA).

MINIMUM BILL:

Energy usage.

PAYMENT:

Payments are due on or before the due date.

CONDITIONS OF DELIVERY:

1. Service under this rate is only for electric heating. All other electrical loads shall be metered under the RES residential service rate.
2. Customer must keep his or her alternate fuel source heating system in satisfactory operating condition.
3. RPU reserves the right to transfer RES-DF customers from the primary electric heat source to the alternate fuel source at any such time that the electric heating load would add to RPU's monthly electric peak.
4. Customers that remove existing dual fuel heating systems shall not be eligible for the RES-DF rate with replacement heating systems.
5. Service furnished under this rate schedule is subject to applicable provisions of RPU's published Electric Service Rules and Regulations.
6. RPU shall not be liable for any damage or loss sustained by customer resulting from interruptions, deficiencies, or imperfections of service provided under this rate.
7. Energy furnished under this rate shall not be resold.
8. This tariff assumes use of metering technology capable of being read using automated equipment. Customers choosing the option to have a meter that is not capable of being read using automated equipment, thus requiring a manual reading, are subject to a monthly surcharge. Additional one-time meter change-out fees also apply. (See the RPU Miscellaneous Fee Schedule for the amount of the monthly surcharge and the one-time meter change-out fees).

Approved by Rochester Public Utility Board:
Effective Date:

November 29, 2022
January 1, 2023

RESIDENTIAL SERVICE – HIGH EFFICIENCY HVAC - Closed

AVAILABILITY:

To RPU residential customers that:

1. Are currently on the Residential Service-High Efficiency HVAC rate as of January 1, 2022.
2. Use either an air source or ground source heat pump system as the only source of heating and cooling in their home.
3. Use an electric water heater (usually connected to a desuperheater on the heat pump) as their only source of domestic water heating.
4. Receive prior approval of the equipment from RPU. Note that equipment must be rated by the Air-Conditioning, Heating, and Refrigeration Institute (AHRI)*, and at the time of installation, meet the minimum efficiency requirements found on the Residential Electric Efficiency Rebate Application in effect at the time. The current application is available at www.rpu.org.

*For air source and ground source heat pumps the efficiency ratings are determined using the Air-Conditioning, Heating, and Refrigeration Institute's (AHRI) directory, which may be found at www.ahridirectory.org.

APPLICATION:

Electric service required for residential purposes in individual private dwellings where service is supplied at one point of delivery and measured through one meter.

CHARACTER OF SERVICE:

Single phase, 60 hertz, 120/240 volts alternating current.

RATE:

	2022	2023
Customer Charge	\$ 19.40	\$ 20.50
Energy Charge:		
Winter first 600kWh	10.890¢	11.203¢
Winter over 600kWh	9.126¢	9.388¢
Summer kWh	13.008¢	13.382¢

Definition of Season: Summer months are June through September.
Non-summer months are January through May
and October through December.

POWER COST ADJUSTMENT:

Bills computed under this rate schedule are subject to adjustment in accordance with the Power Cost Adjustment (PCA).

MINIMUM BILL: per month: ~~\$ 19.40~~ \$ 20.50

**Continued...
RATE SCHEDULE RESELGEO
SHEET 2 OF 2****PAYMENT:**

Payments are due on or before the due date.

CONDITIONS OF DELIVERY:

1. Service under this rate is only for air-source or ground-source heat pump systems that meet the stated efficiency requirements as explained in the Availability subhead of this rate schedule.
2. Service provided under this rate is subject to applicable provisions of RPU's published Electric Service Rules and Regulations.
3. Energy provided under this rate shall not be resold.
4. RPU shall not be liable for any damage or loss sustained by the customer resulting from interruptions, deficiencies, or imperfections of service provided under this rate.
5. This tariff assumes use of metering technology capable of being read using automated equipment. Customers choosing the option to have a meter that is not capable of being read using automated equipment, thus requiring a manual reading, are subject to a monthly surcharge. Additional one-time meter change-out fees also apply. (See the RPU Miscellaneous Fee Schedule for the amount of the monthly surcharge and the one-time meter change-out fees).

*Approved by Rochester Public Utility Board:
Effective Date:*

*November 29, 2022
January 1, 2023*

RESIDENTIAL – TIME-OF-USE SERVICE PILOT PROGRAM

AVAILABILITY:

At all locations where facilities of adequate capacity and suitable voltage are adjacent to the premises to be served. Where service desired by the customer is not adjacent to the premises to be served, additional contract arrangements may be required prior to service being furnished. RPU reserves the right to limit both the number of customers and the amount of load taken under this rate schedule.

APPLICATION:

To electric service required for residential purposes in individual private dwellings and in individually metered apartments when such service is supplied at one point of delivery and measured through one meter.

CHARACTER OF SERVICE:

Single phase, 60 Hertz, 120/240 volts alternating current.

RATE:

	2022	2023
Customer Charge:	\$ 19.40	\$ 20.50
Energy Charge:		

Non-Summer Energy:

Super-peak Energy /kWh	14.123¢	14.529¢
On-peak Energy /kWh	14.123¢	14.529¢
Off-peak Energy /kWh	7.158¢	7.364¢

Summer Energy:

Super-peak Energy /kWh	29.241¢	30.082¢
On-peak Energy /kWh	17.392¢	17.892¢
Off-peak Energy /kWh	7.158¢	7.364¢

Definition of Season: Summer months are June through September.
Non-summer months are January through May and October through December.

Definition of Super-Peak Energy: All energy used by the customer between the hours of 4:00 p.m. and 8:00 p.m. (4 Hours) Monday through Friday.

Definition of On-Peak Energy: All energy used by the customer between the hours of 8:00 a.m. and 4:00 p.m. (8 hours) and between the hours of 8:00 p.m. and 10:00 p.m. (2 hours) Monday through Friday.

Definition of Off-Peak Energy: All energy used by the customer for all others hours, including weekends and holidays.

Continued...
RATE SCHEDULE RESTOU
SHEET 2 OF 2

GENERAL SERVICE

AVAILABILITY:

At all locations for loads of less than 25 kW where facilities of adequate capacity and suitable voltage are adjacent to the premises to be served. For loads where the service desired by the customer is not adjacent to the premises to be served, additional contract arrangements may be required prior to service being furnished. Customers with loads between 25 kW and 35 kW having the option of selecting to be classified, for billing purposes, as General Service or Medium General Service until January 1, 2024.

APPLICATION:

To commercial, industrial, governmental, and other types of General Service customers with all service taken at one point and measured through one meter. Also applicable to temporary service in accordance with RPU's published Electric Service Rules and Regulations. Not applicable to standby service.

CHARACTER OF SERVICE:

Single or three phase, 60 Hertz, alternating current at any one of the standard secondary service voltages as described in RPU's published Electric Service Rules and Regulations.

RATE:

	2022	2023
Customer Charge	\$ 38.00	\$35.00
Energy Charge:		
Non-Summer kWh	10.507¢	10.790¢
Summer kWh	13.523¢	13.887¢

Definition of Season: Summer months are June through September.
Non-summer months are January through May
and October through December.

POWER COST ADJUSTMENT:

Bills computed under this rate schedule are subject to adjustment in accordance with the Power Cost Adjustment (PCA).

MINIMUM BILL: per month: ~~\$ 38.00~~ \$ 35.00

PAYMENT:

Payments are due on or before the due date.

ROCHESTER PUBLIC UTILITIES RATE SCHEDULE

**Continued...
RATE SCHEDULE GS
SHEET 2 OF 2**

CONDITIONS OF DELIVERY:

1. Service furnished under this rate schedule is subject to applicable provisions of RPU's published Electric Service Rules and Regulations.
2. Unless authorized by separate written agreement, standby electric generating equipment installed by the customer shall not be interconnected, or operated in parallel, with the RPU system. Customer shall own, install, operate, and maintain electrical interlocking equipment, which will prevent parallel operation, and such equipment shall be approved by RPU prior to installation.
3. RPU shall not be liable for any damage or loss sustained by customer resulting from interruptions, deficiencies, or imperfections of service provided under this rate.
4. Energy furnished under this rate shall not be resold.
5. This tariff assumes use of metering technology capable of being read using automated equipment. Customers choosing the option to have a meter that is not capable of being read using automated equipment, thus requiring a manual reading, are subject to a monthly surcharge. Additional one-time meter change-out fees also apply. (See the RPU Miscellaneous Fee Schedule for the amount of the monthly surcharge and the one-time meter change-out fees).

*Approved by Rochester Public Utility Board: November 29, 2022
Effective Date: January 1, 2023*

GENERAL SERVICE - HIGH EFFICIENCY HVAC - Closed

AVAILABILITY:

At all locations for loads of less than 25 kW where facilities of adequate capacity and suitable voltage are adjacent to the premises to be served and to customers who:

1. Are currently on the General Service-High Efficiency HVAC rate as of January 1, 2022.
2. Use either an air source or ground source heat pump system as the only source of heating and cooling in their facility.
3. Use an electric water heater (usually connected to a desuperheater on the heat pump) as the only source of water heating.
4. Receive prior approval of the equipment from RPU. Note that equipment must be rated by the Air-Conditioning, Heating, and Refrigeration Institute (AHRI)* and at the time of installation, meet the minimum efficiency requirements found on the Commercial Heat Pumps Rebate Application in effect at the time. The current application is available at www.rpu.org.
5. Service under this rate must be separately metered from other facility loads.

Customers with loads between 25 kW and 35 kW will have the option of selecting to be classified, for billing purposes, as General Service-High Efficiency HVAC or Medium General Service-High Efficiency HVAC until January 1, 2024.

*For air source and ground source heat pumps the efficiency ratings are determined using the Air-Conditioning, Heating and Refrigeration Institute's (AHRI) directory, which may be found at www.ahridirectory.org Note: Other all-electric HVAC systems may be considered for this rate if they meet the stated efficiency standards. To have a system considered, customers must submit an engineering analysis documenting the efficiency of the system.

APPLICATION:

To commercial, industrial, governmental, and other types of General Service customers currently receiving their service through this rate as of January 1, 2022. Not applicable to standby service. .

CHARACTER OF SERVICE:

Single or three phase, 60 Hertz, alternating current at any one of the standard secondary service voltages as described in RPU's published Electric Service Rules and Regulations.

RATE:

	2022	2023
Customer Charge	\$ 38.00	\$ 35.00
Energy Charge:		
Non-Summer /kWh	8.766¢	9.002¢
Summer /kWh	13.525¢	13.889¢

Definition of Season: Summer months are June through September.
Non-summer months are January through May and October through December.

POWER COST ADJUSTMENT:

Bills computed under this rate schedule are subject to adjustment in accordance with the Power Cost Adjustment (PCA).

MINIMUM BILL: per month ~~\$ 38.00~~ \$35.00

**Continued...
RATE SCHEDULE GS-HEF
SHEET 2 OF 2****PAYMENT:**

Payments are due on or before the due date.

CONDITIONS OF DELIVERY:

1. Service under this rate is only for air source or ground source heat pumps and any other all-electric systems that meet the stated efficiency requirements as explained in the Availability subhead of this rate schedule.
2. Service under this rate must be separately metered from other facility loads.
3. Since the HVAC system must be separately metered for this rate, the customer is responsible for any rewiring and its associated costs.
4. Service provided under this rate is subject to applicable provisions of RPU's published Electric Service Rules and Regulations.
5. Energy provided under this rate shall not be resold.
6. RPU shall not be liable for any damage or loss sustained by the customer resulting from interruptions, deficiencies, or imperfections of service provided under this rate.
7. Unless authorized by a separate written agreement, standby electric generating equipment installed by the customer shall not be interconnected, or operated in parallel, with the RPU system. Customer shall own, install, operate, and maintain electrical interlocking equipment, which will prevent parallel operation, and such equipment shall be approved by RPU prior to installation.
8. This tariff assumes use of metering technology capable of being read using automated equipment. Customers choosing the option to have a meter that is not capable of being read using automated equipment, thus requiring a manual reading, are subject to a monthly surcharge. Additional one-time meter change-out fees also apply. (See the RPU Miscellaneous Fee Schedule for the amount of the monthly surcharge and the one-time meter change-out fees).

*Approved by Rochester Public Utility Board:
Effective Date:*

*November 29, 2022
January 1, 2023*

GENERAL SERVICE - TIME-OF-USE

AVAILABILITY:

At all locations for loads of less than 25 kW where facilities of adequate capacity and suitable voltage are adjacent to the premises to be served. For loads where the service desired by the customer is not adjacent to the premises to be served, additional contract arrangements may be required prior to service being furnished. RPU reserves the right to limit both the number of customers and the amount of load taken under this rate schedule. Customers with loads between 25 kW and 35 kW will have the option of selecting to be classified, for billing purposes, as General Service Time-Of-Use or Medium General Service Time-Of-Use until January 1, 2024.

APPLICATION:

To commercial, industrial, governmental, and other types of General Service customers with all service taken at one point and measured through one meter. All electrical requirements at one location shall be taken under this rate schedule. Not applicable to temporary or standby service.

CHARACTER OF SERVICE:

Single or three phase, 60 Hertz, alternating current at any one of the standard secondary service voltages as described in RPU's published Electric Service Rules and Regulations.

RATE:

	2022	2023
Customer Charge:	\$ 38.00	\$ 35.00
Energy Charge:		
Non-Summer Energy:		
On-peak Energy /kWh	18.208¢	18.698¢
Off-peak Energy /kWh	6.251¢	6.419¢
Summer Energy:		
On-peak Energy /kWh	22.725¢	23.337¢
Off-peak Energy /kWh	6.625¢	6.803¢
Definition of Season:	Summer months are June through September. Non-summer months are January through May and October through December.	
Definition of On-Peak Energy:	All energy used by the customer between the hours of 10:00 a.m. and 10:00 p.m. Monday through Friday.	
Definition of Off-Peak Energy:	All energy used by the customer that is not on-peak energy.	
*Customer Charge:	Customer charge per month plus any additional meter charge for costs above RPU's standard GS meter costs.	

POWER COST ADJUSTMENT:

Bills computed under this rate schedule are subject to adjustment in accordance with the Power Cost Adjustment (PCA).

MINIMUM BILL:

Customer charge per month.

**Continued...
RATE SCHEDULE GS-TOU
SHEET 2 OF 2**

PAYMENT:

Payments are due on or before the due date.

CONDITIONS OF DELIVERY:

2. Service under this rate will be made available at the option of the general service customer, subject to the availability of the necessary time-of-use metering equipment.
3. Customers converting to the GS-TOU rate from the General Service (GS) rate shall make a one-time payment to RPU for any conversion cost above the normal cost to install GS-TOU metering.
4. A customer may switch back to the GS rate providing the customer gives RPU at least 60 days' notice and agrees to pay any metering conversion costs.
5. Service furnished under this rate schedule is subject to applicable provisions of RPU's published Electric Service Rules and Regulations.
6. Unless authorized by a separate written agreement, standby electric generating equipment installed by the customer shall not be interconnected, or operated in parallel, with the RPU system. Customer shall own, install, operate, and maintain electrical interlocking equipment, which will prevent parallel operation, and such equipment shall be approved by RPU prior to installation.
7. RPU shall not be liable for any damage or loss sustained by customer resulting from interruptions, deficiencies, or imperfections of service provided under this rate.
8. Energy furnished under this rate shall not be resold.
9. This tariff requires the use of metering technology capable of being read using automated equipment. ~~Customers choosing the option to have a meter that is not capable of being read using automated equipment, thus requiring a manual reading, are subject to a monthly surcharge. Additional one-time meter change-out fees also apply. (See the RPU Miscellaneous Fee Schedule for the amount of the monthly surcharge and the one-time meter change-out fees).~~

*Approved by Rochester Public Utility Board:
Effective Date:*

*November 29, 2022
January 1, 2023*

MEDIUM GENERAL SERVICE

AVAILABILITY:

At all locations for loads where the demand is at least 25 kW or more for three or more billing periods in a given calendar year, but less than 1,000 kW, and where facilities of adequate capacity and suitable voltage are adjacent to the premises to be served. For loads where the service desired by the customer is not adjacent to the premises to be served, additional contract arrangements may be required prior to service being furnished. Customers with loads between 25 kW and 35 kW will have the option of selecting to be classified, for billing purposes, as General Service or Medium General Service until January 1, 2024.

APPLICATION:

To commercial, industrial, and governmental customers with all service taken at one point and measured through one meter. Also applicable to temporary service in accordance with RPU's published Electric Service Rules and Regulations. Not applicable to standby service.

CHARACTER OF SERVICE:

Single or three phase, 60 Hertz, alternating current at any one of the standard secondary service voltages as described in RPU's published Electric Service Rules and Regulations.

RATE:

	2022	2023
Demand Charge:		
Non-Summer /kW	\$ 17.83	\$ 18.190
Summer /kW	\$ 24.06	\$ 24.540
Energy Charge:		
Non-Summer /kWh	5.760¢	5.875¢
Summer /kWh	5.760¢	5.875¢

Definition of Season: Summer months are June through September.
Non-summer months are January through May
and October through December.

POWER COST ADJUSTMENT:

Bills computed under this rate schedule are subject to adjustment in accordance with the Power Cost Adjustment (PCA).

POWER FACTOR ADJUSTMENT:

The customer agrees to maintain an average power factor of 0.95 or greater for the billing period and to prevent a leading power factor. If the customer's average power factor is less than 0.95 for the billing period, the billing demand will be determined by multiplying the measured demand by 0.95 and dividing the results by the customer's average power factor. The average power factor is defined to be the quotient obtained by dividing the kWh used during the month by the square root of the sum of the squares of the kWh used and the lagging reactive kilovolt-ampere hours supplied during the same period. The customer's average power factor will be determined by means of permanently installed meters.

PRIMARY METER DISCOUNT:

Customers approved for metering at 13.8 kV will receive a discount of 1.25% on base rate charges for measured demand and energy.

TRANSFORMER OWNERSHIP CREDIT:

Customers owning transformers will receive a credit on each month's measured demand.
Credit per kW \$ 0.35

DETERMINATION OF DEMAND:

Measured demand is defined as the maximum rate at which energy is used for any period of fifteen consecutive minutes during the billing period. The billing demand shall be the greater of the measured demand for the billing period adjusted for power factor, or 50% of the ratcheted demand. The ratcheted demand is the maximum measured demand adjusted for power factor of four consecutive billing cycles during the most recent May through October billing periods depending on the billing cycle. Billing periods may not coincide with calendar months.

MINIMUM BILL:

The minimum bill shall not be less than the billing demand, as provided above, whether or not energy is used.

PAYMENT:

Payments are due on or before the due date.

CONDITIONS OF DELIVERY:

1. Service furnished under this rate schedule is subject to applicable provisions of RPU's published Electric Service Rules and Regulations.
2. Unless authorized by a separate written agreement, standby electric generating equipment installed by the customer shall not be interconnected or operated in parallel with the RPU system. Customer shall own, install, operate, and maintain electrical interlocking equipment, which will prevent parallel operation, and such equipment shall be approved by RPU prior to installation.
3. RPU shall not be liable for any damage or loss sustained by customer resulting from interruptions, deficiencies, or imperfections of service provided under this rate.
4. Energy furnished under this rate shall not be resold.

*Approved by Rochester Public Utility Board:
Effective Date:*

*November 29, 2022
January 1, 2023*

MEDIUM GENERAL SERVICE - HIGH EFFICIENCY HVAC - Closed

AVAILABILITY:

At all locations for loads where the demand is at least 25 kW or more for three or more billing periods in a given calendar year, but less than 1,000 kW, and where facilities of adequate capacity and suitable voltage are adjacent to the premises to be served, and to customers who:

1. Are currently on the Medium General Service-High Efficiency HVAC rate as of January 1, 2022.
2. Use either an air source or ground source heat pump as the only source of heating and cooling in their facility.
3. Use an electric water heater (usually connected to a desuperheater on the heat pump) as the only source of water heating.
4. Receive prior approval of the equipment from RPU. Note that equipment must be rated by the Air-Conditioning, Heating, and Refrigeration Institute (AHRI)* and at the time of installation, meet the minimum efficiency requirements found on the Commercial Heat Pumps Rebate Application in effect at the time. The current application is available at www.rpu.org.
5. Service under this rate must be separately metered from other facility loads.

Customers with loads between 25 kW and 35 kW will have the option of selecting to be classified, for billing purposes, as General Service-High Efficiency HVAC or Medium General Service-High Efficiency HVAC until January 1, 2024.

*For air source and ground source heat pumps the efficiency ratings are determined using the Air-Conditioning, Heating and Refrigeration Institute's (AHRI) directory, which may be found at www.ahridirectory.org.

Note: Other all-electric HVAC systems may be considered for this rate if they meet the stated efficiency standards. To have a system considered, customers must submit an engineering analysis documenting the efficiency of the system.

APPLICATION:

To commercial, industrial, governmental, and other types of Medium General Service customers reconfiguring their current electric service, or adding a new service, to separately meter their high efficiency HVAC equipment. Not applicable to standby service.

CHARACTER OF SERVICE:

Single or three phase 60 Hertz, alternating current at any one of the standard secondary service voltages as described in RPU's published Electric Service Rules and Regulations.

RATE:

	2022	2023
Demand Charge per kW:		
Non-Summer	\$ 16.50	\$ 16.833
Summer	\$ 20.64	\$ 21.052
Energy Charge per kWh:		
Non-Summer	4.816¢	4.912¢
Summer	5.996¢	6.116¢

Definition of Season: Summer months are June through September.
Non-summer months are January through May and October through December.

POWER COST ADJUSTMENT:

Bills computed under this rate schedule are subject to adjustment in accordance with the Power Cost Adjustment (PCA).

POWER FACTOR ADJUSTMENT:

The customer agrees to maintain an average power factor of 0.95 or greater for the billing period and to prevent a leading power factor. If the customer's average power factor is less than 0.95 for the billing period, the billing demand will be determined by multiplying the measured demand by 0.95 and dividing the results by the customer's average power factor. The average power factor is defined to be the quotient obtained by dividing the kWh used during the month by the square root of the sum of the squares of the kWh used and the lagging reactive kilovolt-ampere hours supplied during the same period. The customer's average power factor will be determined by means of permanently installed meters.

PRIMARY METER DISCOUNT:

Customers approved for metering at 13.8 kV will receive a discount of 1.25% on base rate charges for measured demand and energy.

TRANSFORMER OWNERSHIP CREDIT:

Customers owning transformers will receive a credit on each month's measured demand.

Credit per kW \$ 0.35

DETERMINATION OF DEMAND:

Measured demand is defined as the maximum rate at which energy is used for any period of fifteen consecutive minutes during the billing period. The billing demand shall be the greater of the measured demand for the billing period adjusted for power factor, or 50% of the ratcheted demand. The ratcheted demand is the maximum measured demand adjusted for power factor of four consecutive billing cycles during the most recent May through October billing periods depending on the billing cycle. Billing periods may not coincide with calendar months.

For an existing facility reconfiguring its current electric service to come under this rate by separately metering its high efficiency HVAC equipment, the ratchet will be removed from the current electric service. The ratchet will be effective beginning in October following the first separately metered high efficiency HVAC service during one of the May through October billing periods described above.

At that time the ratchet will be reapplied to the current electric service and will be applied for the first time to the high-efficiency HVAC service.

MINIMUM BILL:

The minimum bill shall not be less than the billing demand, as provided above, whether or not energy is used.

PAYMENT:

Payments are due on or before the due date.

ROCHESTER PUBLIC UTILITIES RATE SCHEDULE

Continued...
RATE SCHEDULE MGS-HEF
SHEET 3 OF 3

CONDITIONS OF DELIVERY:

1. Service under this rate is only for air source or ground source heat pumps and any other all-electric HVAC systems that meet the stated efficiency requirements as explained in the Availability subhead of this rate schedule.
2. Service under this rate must be separately metered from other facility loads.
3. Since the HVAC system must be separately metered for this rate, the customer is responsible for any rewiring and its associated costs.
4. Service provided under this rate is subject to applicable provisions of RPU's published Electric Service Rules and Regulations.
5. Energy provided under this rate shall not be resold.
6. RPU shall not be liable for any damage or loss sustained by the customer resulting from interruptions, deficiencies, or imperfections of service provided under this rate.
7. Unless authorized by a separate written agreement, standby electric generating equipment installed by the customer shall not be interconnected, or operated in parallel, with the RPU system. Customer shall own, install, operate, and maintain electrical interlocking equipment, which will prevent parallel operation, and such equipment shall be approved by RPU prior to installation.

Approved by Rochester Public Utility Board:
Effective Date:

November 29, 2022
January 1, 2023

MEDIUM GENERAL SERVICE - TIME-OF-USE

AVAILABILITY:

At all locations for loads where the demand is at least 25 kW or more for three or more billing periods in a given calendar year, but less than 1,000 kW, and where facilities of adequate capacity and suitable voltage are adjacent to the premises to be served. For loads where the service desired by the customer is not adjacent to the premises to be served, additional contract arrangements may be required prior to service being furnished. RPU reserves the right to limit both the number of customers and the amount of load taken under this rate schedule. Customers with loads between 25 kW and 35 kW will have the option of selecting to be classified, for billing purposes, as General Service-High Efficiency HVAC or Medium General Service-High Efficiency HVAC until January 1, 2024.

APPLICATION:

To commercial, industrial, and governmental customers with all service taken at one point and measured through one meter. All electrical requirements at one location shall be taken under this rate schedule. Not applicable to temporary or standby service.

CHARACTER OF SERVICE:

Single or three phase, 60 Hertz, alternating current at any one of the standard secondary service voltages as described in RPU's published Electric Service Rules and Regulations.

RATE:

Meter Charge: Any additional meter charge for costs above RPU's standard MGS meter costs.

Non-Summer:	2022	2023
On-peak Demand / kW	\$ 17.830	\$ 18.190
Off-peak Demand/ kW	\$ 1.933	\$ 1.972
Energy Charge / kWh	5.947¢	6.066¢

Summer:		
On-peak Demand / kW	\$ 24.060	\$ 24.540
Off-peak Demand / kW	\$ 1.933	\$ 1.972
Energy Charge / kWh	5.947¢	6.066¢

Definition of Season: Summer months are June through September.
Non-summer months are January through May and October through December.

Definition of On-Peak Demand: The maximum kW used by the customer in any fifteen-minute period between the hours of 10:00 a.m. and 10:00 p.m. Monday through Friday.

Definition of Off-Peak Demand: The maximum kW used by the customer in any fifteen-minute period during the off-peak period.

POWER COST ADJUSTMENT:

Bills computed under this rate schedule are subject to adjustment in accordance with the Power Cost Adjustment (PCA).

**Continued...
RATE SCHEDULE MGS-TOU
SHEET 2 OF 3**

POWER FACTOR ADJUSTMENT:

The customer agrees to maintain an average power factor of 0.95 or greater for the billing period and to prevent a leading power factor. If the customer's average power factor is less than 0.95 for the billing period, the billing demand will be determined by multiplying the measured demand by 0.95 and dividing the results by the customer's average power factor. The average power factor is defined to be the quotient obtained by dividing the kWh used during the month by the square root of the sum of the squares of the kWh used and the lagging reactive kilovolt-ampere hours supplied during the same period. The customer's average power factor will be determined by means of permanently installed meters.

PRIMARY METER DISCOUNT:

Customers approved for metering at 13.8 kV will receive a discount of 1.25% on base rate charges for measured demand and energy.

TRANSFORMER OWNERSHIP CREDIT:

Customers owning transformers will receive a credit on each month's measured demand.

Credit per kW \$ 0.35

DETERMINATION OF DEMAND:

Measured demand is defined as the maximum rate at which energy is used for any period of fifteen consecutive minutes during the billing period.

BILLING DEMAND:

The on-peak billing demand shall be the greater of the measured on-peak demand for the billing period adjusted for power factor, or 50% of the ratcheted on-peak demand. The ratcheted on-peak demand is the maximum measured on-peak demand adjusted for power factor of four consecutive billing cycles during the most recent May through October billing periods depending on the billing cycle. Billing periods may not coincide with calendar months.

The off-peak billing demand shall be the measured off-peak demand for the billing period adjusted for power factor less the on-peak billing demand for the billing period.

The total billing demand shall be the sum of the on-peak billing demand and the off-peak billing demand.

MINIMUM BILL:

The minimum bill shall not be less than the billing demand, as provided above, whether or not energy is used plus any meter charge.

PAYMENT:

Payments are due on or before the due date.

ROCHESTER PUBLIC UTILITIES RATE SCHEDULE

**Continued...
RATE SCHEDULE MGS-TOU
SHEET 3 OF 3**

CONDITIONS OF DELIVERY:

1. Service under this rate will be made available at the option of the medium general service customer, subject to the availability of the necessary TOU metering equipment.
2. Customers converting to the MGS-TOU rate from the MGS rate shall make a one-time payment to RPU for any conversion cost above the normal cost to install MGS-TOU metering.
3. A customer may switch back to the MGS rate providing the customer gives RPU at least 60 days' notice and agrees to pay any metering conversion costs.
4. Service furnished under this rate schedule is subject to applicable provisions of RPU's published Electric Service Rules and Regulations.
5. Unless authorized by a separate written agreement, standby electric generating equipment installed by the customer shall not be interconnected or operated in parallel with the RPU system. Customer shall own, install, operate, and maintain electrical interlocking equipment, which will prevent parallel operation, and such equipment shall be approved by RPU prior to installation.
6. RPU shall not be liable for any damage or loss sustained by customer resulting from interruptions, deficiencies, or imperfections of service provided under this rate.
7. Energy furnished under this rate shall not be resold.

*Approved by Rochester Public Utility Board:
Effective Date:*

*November 29, 2022
January 1, 2023*

LARGE GENERAL SERVICE

AVAILABILITY:

At all locations for loads where the measured demand is at least 1,000 kW or more for three or more billing periods in a given calendar year, but less than 10,000 kW, and where facilities of adequate capacity and suitable voltage are adjacent to the premises to be served. For loads where the service desired by the customer is not adjacent to the premises to be served, additional contract arrangements may be required prior to service being furnished.

APPLICATION:

To commercial, industrial, and governmental customers with all service taken at one point and measured through one meter. Also applicable to temporary service in accordance with RPU's published Electric Service Rules and Regulations. Not applicable to standby service.

CHARACTER OF SERVICE:

Three phase, 60 Hertz, alternating current at any one of the standard secondary service voltages as described in RPU's published Electric Service Rules and Regulations.

RATE:	2022	2023
Demand Charge / kW	\$ 21.00	\$ 21.420
Energy Charge / kWh	5.760¢	5.875¢

POWER COST ADJUSTMENT:

Bills computed under this rate schedule are subject to adjustment in accordance with the Power Cost Adjustment (PCA).

POWER FACTOR ADJUSTMENT:

The customer agrees to maintain an average power factor of 0.95 or greater for the billing period and to prevent a leading power factor. If the customer's average power factor is less than 0.95 for the billing period, the billing demand will be determined by multiplying the measured demand by 0.95 and dividing the results by the customer's average power factor. The average power factor is defined to be the quotient obtained by dividing the kWh used during the month by the square root of the sum of the squares of the kWh used and the lagging reactive kilovolt-ampere hours supplied during the same period. The customer's average power factor will be determined by means of permanently installed meters.

PRIMARY METER DISCOUNT:

Customers approved for metering at 13.8 kV will receive a discount of 1.25% on base rate charges for measured demand and energy.

TRANSFORMER OWNERSHIP CREDIT:

Customers owning transformers will receive a credit on each month's measured demand.
Credit per kW \$ 0.35

**Continued...
RATE SCHEDULE LGS
SHEET 2 OF 2****DETERMINATION OF DEMAND:**

Measured demand is defined as the maximum rate at which energy is used for any period of fifteen consecutive minutes during the billing period. The billing demand shall be the greater of the measured demand for the billing period adjusted for power factor, or 50% of the ratcheted demand. The ratcheted demand is the maximum measured demand adjusted for power factor of four consecutive billing cycles during the most recent May through October billing periods depending on the billing cycle. Billing periods may not coincide with calendar months.

MINIMUM BILL:

The minimum bill shall not be less than the billing demand, as provided above, whether or not energy is used.

PAYMENT:

Payments are due on or before the due date.

CONDITIONS OF DELIVERY:

1. Service furnished under this rate schedule is subject to applicable provisions of RPU's published Electric Service Rules and Regulations.
2. Unless authorized by a separate written agreement, standby electric generating equipment installed by the customer shall not be interconnected or operated in parallel with the RPU system. Customer shall own, install, operate, and maintain electrical interlocking equipment, which will prevent parallel operation, and such equipment shall be approved by RPU prior to installation.
3. RPU shall not be liable for any damage or loss sustained by customer resulting from interruptions, deficiencies, or imperfections of service provided under this rate.
4. Energy furnished under this rate shall not be resold.
5. A separate electric service agreement may be required for service under this rate schedule.

*Approved by Rochester Public Utility Board:
Effective Date:*

*November, 29, 2022
January 1, 2023*

LARGE INDUSTRIAL SERVICE

AVAILABILITY:

At all locations for loads with measured demands in excess of 10,000 kW for three or more billing periods in a given calendar year, and where facilities of adequate capacity and voltage are adjacent to the premises to be served. For loads where the service desired by the customer is not adjacent to the premises to be served, contract arrangements may be required prior to service being furnished.

APPLICATION:

To industrial customers with all service taken at one point and measured through one meter or meter totalizer. Not applicable to stand-by service.

CHARACTER OF SERVICE:

Three phase, 60 Hertz alternating current at 13,800 GRDY/7970 volts.

RATE:	2022	2023
Demand Charge / kW	\$ 20.50	\$ 20.500
Energy Charge /kWh	5.340¢	5.550¢

POWER COST ADJUSTMENT:

Bills computed under this rate schedule are subject to adjustment in accordance with the Power Cost Adjustment (PCA).

POWER FACTOR ADJUSTMENT:

The customer agrees to maintain an average power factor of 0.95 or greater for the billing period and to prevent a leading power factor. If the customer's average power factor is less than 0.95 for the billing period, the billing demand will be determined by multiplying the measured demand by 0.95 and dividing the results by the customer's average power factor. The average power factor is defined to be the quotient obtained by dividing the kWh used during the month by the square root of the sum of the squares of the kWh used and the lagging reactive kilovolt-ampere hours supplied during the same period. The customer's average power factor will be determined by means of permanently installed meters.

DETERMINATION OF DEMAND:

Measured demand is defined as the maximum rate at which energy is used for any period of fifteen consecutive minutes during the billing period. The billing demand shall be the greater of the measured demand for the billing period adjusted for power factor, or 50% of the ratcheted demand. The ratcheted demand is the maximum measured demand adjusted for power factor of four consecutive billing cycles during the most recent May through October billing periods depending on the billing cycle. Billing periods may not coincide with calendar months.

MINIMUM BILL:

The minimum bill shall not be less than the billing demand, as provided above, whether or not energy is used.

PAYMENT:

Payments are due on or before the due date.

ROCHESTER PUBLIC UTILITIES RATE SCHEDULE

**Continued...
RATE SCHEDULE LIS
SHEET 2 OF 2**

CONDITIONS OF DELIVERY:

1. Service furnished under this rate schedule is subject to applicable provisions of RPU's published Electric Service Rules and Regulations.
2. Unless authorized by a separate written agreement, stand-by electric generating equipment installed by the customer shall not be interconnected or operated in parallel with the RPU system: Customer shall own, install, operate, and maintain electrical interlocking equipment which will prevent parallel operation, and such equipment shall be approved by RPU prior to installation.
3. RPU shall not be liable for any damage or loss sustained by customer resulting from interruptions, deficiencies or imperfections of service provided under this rate.
4. Energy furnished under this rate shall not be resold.
5. Customer agrees to manage its utilization equipment so as not to unbalance the current per phase by more than 10%.
6. RPU may require a separate electric service agreement for service under this rate schedule.

Approved by Rochester Public Utility Board: November 29, 2022
Effective Date: January 1, 2023

INTERRUPTIBLE SERVICE

AVAILABILITY:

At all locations for customers who qualify and where facilities of adequate capacity and suitable voltage are adjacent to the premises to be served. Additional contractual arrangements may be required prior to service being furnished. RPU reserves the right to limit the amount of interruptible load taken by a customer and the total amount of interruptible load on the RPU system.

APPLICATION:

To commercial, industrial, and governmental customers contracting for electrical service for a period of one (1) year or more and having an interruptible load with a measured demand of 100 kW or more. The INTR interruptible rate schedule is used in conjunction with the MGS, LGS, and LIS firm power rate schedules. To qualify for the INTR rate schedule, customers must have a minimum of 100 kW of interruptible demand. RPU reserves the right to limit the amount of interruptible load, which may be nominated.

Customers who qualify for the INTR rate shall either nominate an interruptible demand amount or a firm demand amount. Customers nominating an interruptible demand amount shall be required to interrupt at least the amount nominated, or their total load if their total load is less than the amount nominated. Customers nominating a firm demand amount shall be required to interrupt an amount sufficient to bring their load to or below the firm demand nominated. In no case shall the INTR rate be made available to customers with less than 100 kW of interruptible load.

All interruptible loads recognized under the INTR rate schedule shall be electrical loads that are coincident with RPU's system peak. Customers' electrical loads occurring outside this peak period shall not qualify for the INTR rate schedule. Any generation equipment used by the customer to qualify for the INTR rate shall be located at the site of the interruptible load such that RPU does not have to use its electrical facilities to transmit power for the customer.

CHARACTER OF SERVICE:

Three phase, 60 Hertz, alternating current at one of the standard secondary service voltages as described in RPU's published Electric Service Rules and Regulations. Service is subject to interruption at the sole discretion of RPU at any time during the year. There will be no more than 175 hours or 35 interruptions per year.

RATE:

MGS, LGS, and LIS customers are billed for interruptible power at the following rates:

Demand Charge per kW:	2022	2023
MGS	\$ 12.950	\$ 13.211
LGS	\$ 11.640	\$ 11.873
LIS	\$ 11.720	\$ 11.720

The Energy Charge per kWh shall be equal to the appropriate customer class energy rate defined in the rate tariffs for the MGS, LGS, and LIS customer classes.

POWER COST ADJUSTMENT:

Bills computed under this rate schedule are subject to adjustment in accordance with the Power Cost Adjustment (PCA).

POWER FACTOR ADJUSTMENT:

The customer agrees to maintain an average power factor of 0.95 or greater for the billing period and to prevent a leading power factor. If the customer's average power factor is less than 0.95 for the billing period, the billing demand will be determined by multiplying the measured demand by 0.95 and dividing the results by the customer's average power factor. The average power factor is defined to be the quotient obtained by dividing the kWh used during the month by the square root of the sum of the squares of the kWh used and the lagging reactive kilovolt-ampere hours supplied during the same period. The customer's average power factor will be determined by means of permanently installed meters.

PRIMARY METER DISCOUNT:

Customers approved for metering at 13.8 kV will receive a discount of 1.25% on base rate charges for measured demand and energy.

TRANSFORMER OWNERSHIP CREDIT:

Customers owning transformers will receive a credit on each month's measured demand.

Credit per / kW \$ 0.35

SURCHARGE:

Customers whose service is taken outside the Rochester City limits are subject to a 10% surcharge on their bills (excluding charges computed under the Power Cost Adjustment).

PENALTY:

Unauthorized use of electricity during a peak period of service interruption ordered by RPU will require the customer to pay a penalty (in addition to standard charges) which is reflective of the uninterrupted load's cost impact on RPU's wholesale power cost from SMMPA over the ensuing 12 months:

- A. No impact - No penalty
- B. Occurs on monthly peak - Uninterrupted kW contribution to RPU's peak is billed at SMMPA rate.
- C. Occurs on annual peak (as determined by analysis from October 1 analysis of summer demands) - Uninterrupted kW contribution to RPU's annual peak is additionally penalized at two times SMMPA rate and added to participants October billing.

Exception for first-time participants in an RPU peak reduction rate who have interruptible nominations of less than 500KW: The penalty for failure to interrupt will be waived during the initial 24 months.

DETERMINATION OF DEMAND:

Measured demand is defined as the maximum rate at which energy is used for any period of fifteen (15) consecutive minutes during the billing period.

**Continued...
RATE SCHEDULE INTR
SHEET 3 OF 4****BILLING DEMAND:**

Customers nominating an amount of interruptible demand are required to interrupt at least their nominated interruptible demand. Customers may interrupt demand greater than their nominated interruptible demand. The billed interruptible demand for the month shall be the hourly integrated demand interrupted during the peak period of a service interruption requested by RPU. This interruptible demand will be billed at the appropriate interruptible rate for that month. Where no RPU requested interruption occurs during the month, all demand above the nominated interruptible demand shall be billed at the firm demand rate under the appropriate MGS, LGS, or LIS firm rate schedule.

Customers nominating an amount of firm demand are required to interrupt all demand over their firm service level.

Customers may interrupt demand below the firm service level. When peak metered demand for the billing period is equal to or greater than the firm service level, the Firm Billing Demand shall be equal to the actual metered demand during the RPU-requested service interruption concurrent with the system peak for the billing period. When peak metered demand for the billing period is less than the firm service level, the Firm Billing Demand will be the greater of either the peak metered demand for the billing period minus the actual demand reduction during the RPU-requested service interruption concurrent with the RPU system peak for the billing period, or 50% of the Firm Demand Nomination for the most current June-September months minus the actual demand reduction during the RPU-requested service interruption concurrent with the RPU system peak for the billing period. All demand above the firm service level for the month shall be billed at the appropriate interruptible rate. Where no RPU requested interruption occurs during the month, all demand up to the firm demand nomination shall be billed at the appropriate firm demand rate.

Both firm and interruptible billing demands shall be adjusted for power factor.

There is no ratchet provision for interruptible demand.

MINIMUM BILL:

The minimum bill shall not be less than the adjusted billing demand, as provided above, whether or not energy is used.

PAYMENT:

Payments are due on or before the due date.

**Continued...
RATE SCHEDULE INTR
SHEET 4 OF 4**

CONDITIONS OF DELIVERY:

1. Service furnished under this rate schedule is subject to applicable provisions of RPU's published Electric Service Rules and Regulations.
2. The Customer shall install, own, operate, and maintain the equipment necessary to interrupt its load.
3. In certain cases, the interruptible portion of the customer's load may have to be metered separately.
4. The Customer shall pay in advance of construction, all costs estimated by RPU for facilities located on Customer's premises which are necessary to serve the interruptible portion of the Customer's load and which duplicate other RPU facilities which are utilized to deliver electric service under other schedules. This includes any special metering needed for RPU to administer the INTR rate. Upon completion of the installation of such facilities by RPU, the actual cost of such facilities shall be charged to the Customer with the Customer's advance payment being applied as credit to such actual costs. The cost of major renewal and replacement of RPU-owned electric facilities located on the Customer's premises which are utilized for interruptible service and which duplicate other RPU facilities, shall be borne by the Customer.
5. When notified by RPU, the Customer shall remove the interruptible portion of its load from RPU's system in two (2) hours or less.
6. Upon one year's notice to the Customer, RPU may modify the hours and frequency of interruption specified herein to reflect changes in RPU's electric system load characteristics.
7. Interruptions of service caused by fire, accident, explosion, flood, strike, acts of God, or causes other than intentional interruptions ordered by RPU shall not be considered in determining the hours or frequency of interruption specified herein.
8. RPU, at its sole discretion, may immediately terminate service under this rate schedule upon the repeated unauthorized use of electricity by the customer during periods of interruption ordered by RPU.
9. Interruptible service shall not be used as standby for any other forms of energy or fuel.
10. Unless authorized by a separate written agreement, standby electric generating equipment installed by the Customer shall not be interconnected or operated in parallel with the RPU system. Customer shall own, install, operate, and maintain electrical interlocking equipment, which will prevent parallel operation, and such equipment shall be approved by RPU prior to installation. RPU shall have the right to inspect the Customer's interrupting facilities as often as deemed prudent by RPU to verify their operating condition and proper interconnection.
11. RPU shall not be liable for any damage or loss sustained by Customer resulting from interruptions, deficiencies or imperfections of service provided under this rate.
12. Energy furnished under this rate shall not be resold.
13. Customers shall provide RPU with sufficient advance notice of their intention to use the INTR rate to allow RPU time to provide any necessary supplemental equipment and metering.
14. Customers using the INTR rate shall notify RPU in writing of their intention to use either the interruptible demand nomination or the firm demand nomination and the amount of their interruptible or firm loads.
15. Customers may change their method of nomination or level of nomination or both no more frequently than once per year with 60 days written notice and approval from RPU.

*Approved by Rochester Public Utility Board:
Effective Date:*

*November 20, 2018
January 1, 2019*

POWER COST ADJUSTMENT

APPLICATION:

Applicable to all rate schedules where there is a kWh charge.

1. The Power Cost Adjustment will be determined monthly, with application to the first revenue cycle each month.
2. The Power Cost Adjustment is determined by calculating the average actual cost per kWh of retail power supply from all sources, and subtracting the Established Power Supply Cost. All calculations will be carried out to \$.00001 per kWh. Power supply costs include the cost of purchased power including charges for energy, demand, transmission, cost adjustments, and fees for regional power grid services.
3. The Established Power Supply Cost Base of \$0.07285 was determined by the 2014 cost of service study. The base will remain at this level until subsequent review identifies a permanent and substantial change in the cost of power.
4. The Power Cost Adjustment will be the difference between the actual amount per kWh calculated in #2 above and the Established Power Supply Cost Base/kWh. This dollar amount per kWh will be added (subtracted) to each kWh of sales.

Approved by Rochester Public Utility Board:
Effective Date:

October 26, 2021
January 1, 2022

LOAD MANAGEMENT CREDITS

AVAILABILITY:

To customers participating in RPU's direct control load management program.

APPLICATION:

This rate schedule rider is to be applied in conjunction with all applicable rate schedules:

	MONTHLY CREDIT	# MONTHS APPLIED
Qualifying Central Air Conditioner	\$ 3.00 each	5 months (May through September)
Qualifying Electric Water Heater	\$ 3.00 each	12 months

TERMS AND CONDITIONS:

1. Participation in the direct control load management program is voluntary.
2. Customer agrees to participate in the program for one year or longer.
3. Qualifying appliances are central air conditioners up to 8 kW and electric water heaters with a minimum capacity of 40 gallons. Central air-conditioners above 8 kW, electric water heaters above 85 gallons, and other appliances or electrical loads applicable to direct control load management by RPU may be accepted by RPU in this program. In these cases, applicable credits will be calculated on a case by case basis.
4. Customer agrees to not utilize any other load management system in conjunction with equipment directly controlled by RPU.
5. RPU shall not be liable for any damage or loss sustained by customer resulting from interruptions, deficiencies, or imperfections of service provided under this rate.

Approved by Rochester Public Utility Board: November 14, 2017
Effective Date: January 1, 2018

CITY STREET LIGHTING

AVAILABILITY:

To the City of Rochester for the illumination of public thoroughfares by means of RPU owned overhead street lighting facilities.

RATE:

Per kWh for all kWh Billed	2022	2023
Mercury Vapor (all Sizes)	23.249¢	23.830¢
Metal Halide (All Sizes)	24.657¢	25.273¢
LED RPU Owned (All Sizes)	55.720¢	57.113¢
LED (All Sizes)	41.650¢	42.691¢
High Pressure Sodium (All Sizes)	23.249¢	23.830¢

POWER COST ADJUSTMENT:

Bills computed under this rate schedule are subject to adjustment in accordance with the Power Cost Adjustment (PCA).

CONDITIONS OF DELIVERY:

1. This rate is based on lamps being lighted every night from approximately 30 minutes after sunset to 30 minutes before sunrise, providing dusk to dawn operation.
2. RPU will replace inoperative lamps and otherwise maintain luminaires during regular daytime hours. No credit will be allowed for periods during which the lamps are out of service. Routine lamp replacement will be made on a group replacement schedule.
3. RPU will determine the amount of energy used during any month by multiplying the rated kilowatt capacity of all lamps and accessory equipment by 350 hours for the month.
4. RPU shall not be liable for any damage or loss sustained by customer resulting from interruptions, deficiencies, or imperfections of service provided under this rate.

Approved by Rochester Public Utility Board:
Effective Date:

November 29, 2022
January 1, 2023

TRAFFIC SIGNALS

AVAILABILITY:

To governmental units for electric service to customer-owned traffic signal systems on public streets.

RATE:

Monthly Fixed charge: per traffic signal control cabinet served:

	2022	2023
Fixed Charge:	\$ 34.00	\$ 34.85
Energy Charge /kWh	10.547¢	10.811¢

MINIMUM BILL:

The minimum bill is per traffic signal control cabinet served for any month or portion of a month.

\$ ~~34.00~~ \$34.85

POWER COST ADJUSTMENT:

Bills computed under this rate schedule are subject to adjustment in accordance with the Power Cost Adjustment (PCA).

CONDITIONS OF DELIVERY:

1. RPU shall not be liable for any damage or loss sustained by customer resulting from interruptions, deficiencies, or imperfections of service provided under this rate.

Approved by Rochester Public Utility Board:
Effective Date:

November 29, 2022
January 1, 2023

CIVIL DEFENSE SIRENS

AVAILABILITY:

At all locations where facilities of adequate capacity and suitable voltage are adjacent to the location of the siren to be served.

APPLICATION:

To Olmsted County Civil Defense for the periodic operation of civil defense sirens.

CHARACTER OF SERVICE:

Single of three phase, 60 Hertz, alternating current at any one of the standard secondary service voltages as described in RPU's published Electric Service Rules and Regulations.

RATE:

	2022	2023
Per siren per month	\$ 16.60	\$ 17.02

MINIMUM BILL:

The minimum bill is per siren for any month or portion of a month.

Minimum Bill \$ ~~16.60~~ \$ 17.02

PAYMENT:

Bills will be rendered monthly; payments are due on or before the due date.

CONDITIONS OF DELIVERY:

1. The customer shall furnish, install, own, operate, and maintain all sirens. The customer shall also furnish, install, own, and maintain any structures required for the mounting and support of sirens; except where the customer specifically requests and RPU agrees to use RPU owned poles for this purpose. In such cases, RPU will assist in the installation and removal of sirens and the customer shall pay RPU for the actual costs thereof.
2. When RPU does not have secondary service available at the siren location and it is necessary to install a transformer or to extend secondary lines a distance greater than 150 feet, the customer shall pay RPU the actual costs for installing the transformer and/or making such line extensions.
3. RPU will make the connection and disconnection with its distribution lines.
4. Loads other than sirens shall not be connected to the siren's circuit.
5. The customer shall furnish RPU with a map indicating the location of sirens to be operated and shall notify RPU at least 30 days in advance of the planned addition, removal, or relocation of any siren.
6. RPU shall not be liable for any damage or loss sustained by customer resulting from interruptions, deficiencies, or imperfections of service provided under this rate.

Approved by Rochester Public Utility Board:
Effective Date:

November 29, 2022
January 1, 2023

SECURITY LIGHTING

AVAILABILITY:

At all locations whenever the service can be provided with overhead wiring on an existing RPU owned pole.

APPLICATION:

To all classes of customers contracting for security lighting.

RATE:

Monthly Charge

<u>Mercury Vapor Lights (Closed)</u>		
Size:		
175 Watt Mercury Vapor	\$ 10.65	\$ 10.92
250 Watt Mercury Vapor	\$ 13.02	\$ 13.35
400 Watt Mercury Vapor	\$ 18.50	\$ 18.96

<u>High Pressure Sodium Vapor Lights (Closed)</u>		
Size:		
70 Watt	\$ 9.27	\$ 9.50
100 Watt	\$ 11.04	\$ 11.32
150 Watt (Roadway)	\$ 12.42	\$ 12.73
250 Watt	\$ 15.46	\$ 15.85
400 Watt	\$ 20.27	\$ 20.78

<u>Light Emitting Diode (LED) Lights</u>		
Size:		
LED Area Light	\$ 11.04	\$ 11.32
LED Roadway Light	\$ 15.46	\$ 15.85

PAYMENT:

Bills will be rendered monthly; payments are due on or before the due date.

CONDITIONS OF DELIVERY:

1. RPU will furnish, install, own, and maintain a standard lighting unit consisting of a luminaire, complete with lamp and control device wired for operation, supported by a bracket mounted on an RPU owned pole, and will supply all electrical energy necessary for the operation of the unit.
2. When RPU does not have a suitable pole or secondary service available at the desired location and it is necessary to install a transformer or a pole or to extend secondary lines a distance greater than 150 feet, the customer shall pay RPU the actual costs for installing the transformer or pole and/or making such line extensions.
3. Service under this rate is not available underground or in underground areas unless the customer pays RPU the complete cost of the necessary underground facilities.
4. Lamps will automatically be switched on approximately 30 minutes after sunset and off 30 minutes before sunrise, providing dusk to dawn operation of approximately 4,200 hours per year.
5. RPU will make every attempt to replace inoperative lamps and maintain luminaries during regular daytime work hours within 3 working days after notification. No credit will be allowed for periods during which the lamp was out of service.
6. RPU will, at the customer's expense, relocate or change the position of any lamp or pole as requested in writing by the customer.
7. Service furnished under this rate is subject to applicable provisions of RPU's published Electric Service Rules and Regulations.
8. RPU shall not be liable for any damage or loss sustained by customer resulting from interruptions, deficiencies, or imperfections of service provided under this rate.

Approved by Rochester Public Utility Board: November 29, 2022
Effective Date: January 1, 2023

UNMETERED DEVICE RATE

AVAILABILITY:

At all locations where facilities of adequate capacity and suitable voltage are adjacent to the location of the device to be served.

APPLICATION:

To commercial customers where the estimated monthly kWh required does not exceed 300kWh and is determined by RPU to not warrant a meter.

CHARACTER OF SERVICE:

Single of three phase, 60 Hertz, alternating current at any one of the standard secondary service voltages as described in RPU's published Electric Service Rules and Regulations.

RATE:

	2022	2023
Fixed Charge per device per month	\$ 11.18	\$ 11.46
Energy Charge /kWh	11.448¢	11.734¢

MINIMUM BILL:

The minimum bill is per device for any month or portion of a month.

Minimum Bill ~~\$ 11.18~~ \$11.46

PAYMENT:

Bills will be rendered monthly; payments are due on or before the due date.

CONDITIONS OF DELIVERY:

1. The customer shall furnish, install, own, operate, and maintain all devices. The customer shall also furnish, install, own, and maintain any structures required for the mounting and support of devices; except where the customer specifically requests and RPU agrees to use RPU owned poles for this purpose. In such cases, RPU will assist in the installation and removal of devices and the customer shall pay RPU for the actual costs thereof.
2. When RPU does not have secondary service available at the device location and it is necessary to install a transformer or to extend secondary lines a distance greater than 150 feet, the customer shall pay RPU the actual costs for installing the transformer and/or making such line extensions.
3. RPU will make the connection and disconnection with its distribution lines.
4. Loads other than the device shall not be connected to the device's circuit.
5. The customer shall furnish RPU with a map indicating the location of sirens to be operated and shall notify RPU at least 30 days in advance of the planned addition, removal, or relocation of any siren.
6. RPU shall not be liable for any damage or loss sustained by customer resulting from interruptions, deficiencies, or imperfections of service provided under this rate.

Approved by Rochester Public Utility Board: November 29, 2022
Effective Date: January 1, 2023

ROCHESTER PUBLIC UTILITIES RATE SCHEDULE**RATE SCHEDULE CAR
SHEET 1 OF 1****CLEAN AIR RIDER****APPLICATION:**

The Clean Air Rider (CAR) will be used to recover costs related to renewable and environmental improvement programs and projects approved by the Utility Board. Applicable to all rate classes billed in kWh.

CONDITIONS OF DELIVERY:

1. Emission Reduction Project at Silver Lake Plant:
 - a. The CAR for the Emission Reduction Project (ERP) at the Silver Lake Plant is to recover the annual debt service of the project.
 - b. The CAR for the ERP will be calculated by dividing the ERP debt service requirements by the kWh forecast for all rate classes. This monthly charge under the CAR Schedule for 2023 is \$0.00180/kWh.
 - c. The CAR will terminate for the ERP with payment of all debt service requirements.
 - d. An annual true-up will be done comparing the actual amount collected to the actual debt service requirement. The amount over or under collected will adjust future years debt service requirements used in the calculation.

Approved by Rochester Public Utility Board: October 25, 2022
Effective Date: January 1, 2023

SCHEDULE I ROCHESTER PUBLIC UTILITIES COGENERATION AND SMALL POWER PRODUCTION TARIFF

AVAILABILITY:

By separate written agreement only.

APPLICATION:

To residential and general service customers contracting for electric service for one year or more, with all service taken at one point and where part or all of the electrical requirements of the customer can be supplied by customer-owned electrical generating equipment which is connected for operation in parallel with RPU's system.

This rate schedule rider is to be applied in conjunction with the following schedules:

- Residential Service (RES)
- General Service (GS)
- Medium General Service (MGS)
- Large General Service (LGS)
- Large Industrial Service (LIS)
- Power Cost Adjustment (PCA)

CHARACTER OF SERVICE:

Single or three phase, 60 Hertz alternating current at any one of the standard secondary service voltages as described in RPU's published electric Service Rules and Regulations.

RATE:

Demand Charge:

The demand charge shall be determined in accordance with the applicable rate schedule (MGS, LGS and LIS customers only) and shall be applied in accordance with the provisions of Section VII (C) of RPU's Rules Covering Cogeneration and Small Power Production Facilities.

Energy Charge:

The energy charge shall be determined in accordance with the applicable rate schedule (RES, GS MGS, LGS or LIS customers) and shall be applied in accordance with the provisions of Section VII (B or C as applicable) of RPU's Rules Covering Cogeneration and Small Power Production Facilities.

Minimum Charge:

The minimum charge shall be determined in accordance with the applicable rate schedule (RES, GS, MGS, LGS, or LIS customers).

Energy and Capacity Credits:

The energy and capacity credits shall be applied in accordance with the provisions of Section VII (B or C as applicable) of RPU's Rules Covering Cogeneration and Small Power Production Facilities.

POWER COST ADJUSTMENT:

The energy credit computed under this rate schedule rider is subject to a Power Cost Adjustment.

**Continued...
RATE SCHEDULE SPP
SHEET 2 OF 2****PAYMENT:**

Payments are due on or before the due date.

CONDITIONS OF DELIVERY:

1. Service furnished under this rate schedule rider is subject to applicable provisions of RPU's published Electric Service Rules and Regulations and Rules Covering Cogeneration and Small Power Production.
2. Service under this rate schedule rider will be furnished only to customers whose maximum electrical generating capacity is 40 kW or less; such service may be limited at the sole discretion of RPU, to those customers who obtain "qualifying" status under FERC Regulations (18CFR Part 292) implementing section 201 of the Public Utility Regulatory Policies Act of 1978.
3. Service under this rate schedule rider will be furnished only after the customer and RPU have entered into a separate written agreement which specifies the type of metering and interconnection facilities to be employed, the responsibilities for installation, ownership, and maintenance of these facilities, and the procedures required for safe and technically acceptable operation of parallel electrical generating equipment.
4. RPU shall not be liable for any damage or loss sustained by the customer resulting from the parallel operation of the customer's electrical generating equipment, or resulting from interruptions, deficiencies, or imperfections of service provided under this rate schedule rider.
5. Energy furnished under this rate schedule rider shall not be resold.

Approved by Rochester Public Utility Board: March 28, 2006
Effective Date: April 4, 2006

~~RPU PUBLIC ELECTRIC VEHICLE CHARGING RATE~~ **CLOSED**

AVAILABILITY:

To Electric and Plug-in Hybrid vehicles with level 1 or level 2 charging capability, at RPU managed car charging stations.

RATE:

<u>Per Hour of Plugged In Time</u>	<u>Amount</u>
The hours of 4 pm — 7 pm	\$2.00 per hour
All other hours	.75¢ per hour

CONDITIONS OF DELIVERY:

1. Customers must be registered with ChargePoint and have a ChargePoint RFID card, or have the ChargePoint app installed on a smartphone. Instructions are available at ChargePoint.com.*
2. Station payment is managed by a third party, ChargePoint.com, and requires prepayment by credit card. RPU is unable to take payment to recharge your ChargePoint card.*
3. It is recommended to have a smartphone-enabled device with the ChargePoint App installed.
4. Rates are applied during the time period the car is plugged in. Not when the car starts or finishes charging.
5. RPU shall not be liable for any damage or loss sustained by customer resulting from interruptions, deficiencies, or imperfections of service provided under this rate.

*For instructions on how to register for a ChargePoint RFID card, please visit ChargePoint.com or contact RPU Customer Service

Approved by Rochester Public Utility Board: ~~November 14, 2017~~
Effective Date: ~~January 1, 2018~~

ELECTRIC VEHICLE CHARGING TIME OF USE RATE –

AVAILABILITY:

Available to Residential Service Customers for service only to electric vehicle loads including battery charging and accessory usage. Customer must provide RPU approved documentation verifying possession through ownership or lease of an electric vehicle as defined in Section 169.011 subdivision 26a of Minnesota law. RPU reserves the right to limit both the number of customers and the amount of load taken under this rate schedule.

APPLICATION:

To electric service required for Electric Vehicles in individual private dwellings and in individually metered apartments where such service is supplied at one point of delivery and measured through one meter with a second meter to measure EV-TOU consumption. Residential Customer Charge will be billed at the appropriate Residential rate for the first meter with an additional EV-TOU Customer Charge for the second meter. kWh usage measured through the second meter will be billed at the EV-TOU rate and excluded from the main meter's measurement of kWh.

CHARACTER OF SERVICE:

Single phase, 60 Hertz, 120/240 volts alternating current.

RATE: 2023
Additional Customer Charge (for second meter): \$ 6.34

Energy Charge:

Non-Summer Energy:	
On-peak Energy /kWh	18.168¢
Off-peak Energy /kWh	7.364¢

Summer Energy:	
On-peak Energy /kWh	25.153¢
Off-peak Energy /KWh	7.364¢

Definition of Season:	Summer months are June through September. Non-summer months are January through May and October through December.
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Definition of On-Peak Energy:	All energy used by the customer between the hours of 8:00 a.m. and 10:00 p.m. (14 hours) Monday through Friday.
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Definition of Off-Peak Energy:	All energy used by the customer for all others hours, including weekends and holidays.
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ROCHESTER PUBLIC UTILITIES RATE SCHEDULE

Continued...
RATE SCHEDULE EV-TOU
SHEET 2 OF 2

POWER COST ADJUSTMENT:

Bills computed under this rate schedule are subject to adjustment in accordance with the Power Cost Adjustment (PCA).

MINIMUM BILL: per month (for second meter): \$ 6.34

PAYMENT: Payments are due on or before the due date.

CONDITIONS OF DELIVERY:

1. Service furnished under this rate schedule is subject to applicable provisions of RPU's published Electric Service Rules and Regulations.
2. RPU shall not be liable for any damage or loss sustained by customer resulting from interruptions, deficiencies, or imperfections of service provided under this rate.
3. Energy furnished under this rate shall not be resold.
4. Service under this rate will be made available at the option of the residential service customer, subject to the availability of the necessary time-of-use metering equipment.
5. A customer may cancel participation in this rate providing the customer gives RPU at least 45 days' notice.
6. This tariff requires the use of metering technology capable of being read using automated equipment.

Approved by Rochester Public Utility Board: November 29, 2022
Effective Date: January 1, 2023

LINE EXTENSIONS

AVAILABILITY:

Available to all customers and developers in RPU's Service Territory.

APPLICATION:

The Rules for Line Extensions in this schedule apply to all existing and prospective customers requesting a new line extension or change of existing service.

RATE:

<u>Residential</u>	\$900 / Standard Service***
<u>Commercial, Industrial and Multi-Family Housing</u>	
<u>Installed Transformer Capacity</u>	
Up to 25 kVA	\$1,100 / Standard Service*
25 kVA up to 50 kVA	\$2,500 / Standard Service*
50 kVA up to 75 kVA	\$4,500 / Standard Service*
75 kVA up to 10,000 kVA	Total cost of Standard Service less a credit of \$63/kVA of installed transformer Capacity**
<u>Above 10,000 kVA and/or Non-Standard Service</u>	Negotiated

*Single Phase Service is assumed. If three phase service is requested, the customer must also pay the difference between three phase and single phase service.

**In cases where the installed transformer credit offsets the total cost of the Standard Service, no additional amount will be charged.

***For the purposes of this rate schedule, Standard Residential Service is considered to be a single lot or single structure with three or fewer dwelling units.

PAYMENT:

Payments must be received before work on the line extension or enhancement will begin.

Approved by Rochester Public Utility Board: April 25, 2017
Effective Date: January 1, 2018

ECONOMIC DEVELOPMENT CREDIT

AVAILABILITY:

To all qualifying commercial or industrial customers within the Rochester Public Utilities (RPU) Service Territory.

APPLICABILITY:

Customers taking service under schedules MGS, MGS-HEF, MGS-TOU, LGS, or LIS that meet the following criteria may be eligible for an economic development energy credit:

- New commercial or industrial customers with a load of 250 kW or greater
- Existing commercial or industrial customers with at least twelve months of billing history adding new incremental connected load of 250 kW or greater.
- Existing commercial or industrial customers in economic distress that have legitimate opportunities to move operations out of RPU's service territory with a total load across all facilities located within the RPU service territory of 1,000 kW

QUALIFICATIONS:

- The customer must have received no less than \$25,000 in local, county, State of Minnesota and/or federal financial assistance for economic development or economic stimulus.
 - A list of qualifying economic development programs is shown in Appendix A.
- For load retention, the customer must have received \$50,000 in local, county, State of Minnesota and/or federal financial assistance for economic development assistance within the 24 months prior to applying for this rate.
 - A list of qualifying economic development programs is shown in Appendix A.
- The customer must sign an affidavit attesting to the fact that "but for" the rate credits, either on their own or in combination with a package of economic development or job creation incentives from local, county, State of Minnesota, and/or federal programs the customer would not have located operations, added load or would have significantly reduced its energy consumption or shut down its facilities in the RPU service territory.
 - Customer Affidavit for Economic Development Credit is shown in Appendix B.
- The customer must meet all conditions set forth by the City of Rochester for economic development assistance.
- No credit is available to customers or potential commercial or industrial customers transferring load from a city that is a current member of the Southern Minnesota Municipal Power Agency.
- The customer must meet with RPU and review the energy efficiency program opportunities available prior to approval of the application for the credit.

QUALIFYING LOAD:

- New Load
 - All electric load from the customer's new facilities served by RPU qualifies as new load.
 - If a qualifying customer falls below the designated demand and/or energy consumption level, the customer will no longer qualify for any further credits within the five-year term.

QUALIFYING LOAD (continued)

- Incremental Load
 - For incremental load, the base level of load is the customer's peak demand and energy consumption for the twelve months prior to adding the new load.
 - If the customer's energy consumption for a month in the current year exceeds the customer's energy consumption for the same month of the base year, the additional kilowatt-hours are incremental load that qualifies for the credit.
 - The customer need not have incremental energy use every month of the year, but at the end of each 12-month period the customer's entire twelve month energy use must exceed the base level and the customer must meet the minimum incremental peak demand requirements in at least one hour of the first twelve month period.
 - If a qualifying customer falls below the designated demand and/or energy consumption level, the customer will no longer qualify for any further credits within the five-year term.
- Load Retention
 - RPU will designate how much load qualifies for the credit based on the facts and circumstances related to the customer.
 - If a qualifying customer falls below the designated demand and/or energy consumption level, the customer will no longer qualify for any further credits within the five-year term.

APPLICATION AND APPROVAL:

- Customers must complete an Application for Economic Development Credit and provide all required information.
 - A sample application is shown in [Appendix C](#).
- RPU's acceptance or rejection of an application for the Economic Development will come after SMMPA Board approval.

CREDITS:

- The credit will apply to all qualifying new, incremental or retained load taken under applicable rate schedules. The Economic Development Rate Credit for customers beginning participation on or after March 1, 2021, shall be applied to the wholesale energy charge at a rate of:
 - 40% of all qualifying energy charges in year one
 - 20% of all qualifying energy charges in year two
 - 10% of all qualifying energy charges in year three
 - 5% of all qualifying energy charges in year four
 - 2.5% of all qualifying energy charges in year five
 - No credit beginning in year six
- The credit levels listed above will be in effect for the full five-year term for customers commencing participation on or before March 1, 2021.
- Credits will be calculated and applied based on energy consumption in the current billing month.

MONTHLY FIXED CHARGE:

A fixed charge of \$185.00 per month will be applied during the term of this rate to cover on-going administrative costs. The monthly fixed charge is subject to change annually based on RPU labor rate changes approved during the annual budget process.

**Continued...
RATE SCHEDULE EDC
SHEET 3 OF 3****TERM:**

Qualifying customers will be eligible for Economic Development Credits for a five-year period

- For new customers, the credits will begin on the first day of the first full month after a participating new customer begins taking service and meets the demand requirements.
- For incremental load, the credits will begin on the first day of the first full month after the equipment driving incremental load is installed and meets the minimum incremental demand requirements.
- For retained load, the credits will begin on the date specified by RPU.

METERING:

RPU reserves the right to impose a one-time charge on participating commercial or industrial customers for any new and/or additional metering infrastructure required to measure qualifying load and energy.

*Approved by Rochester Public Utility Board: January 26, 2021
Effective Date: March 1, 2021*

Appendix A - Qualifying Economic Development Programs:

STATE OF MINNESOTA PROGRAMS

BUSINESS DEVELOPMENT

Export and Trade Counseling and Assistance
Location and Expansion Assistance
Made in Minnesota Directory
Minnesota Business First Stop
Minnesota Marketing Partnership
Small Business Assistance
Small Business Development Centers

BUSINESS FINANCING

Angel Loan Fund Program
Emerging Entrepreneurs Loan Program
Indian Business Loan Program
Innovation Voucher Program
Minnesota Investment Fund
Minnesota Job Creation Fund
Minnesota Minerals 21st Century Fund
Minnesota Reservist and Veteran Business Loan Program
STEP Grant Program: Export Assistance
Tourism Business Septic Tank Replacement

TAX CREDITS + BENEFITS

Border Cities Enterprise Zone Program
Data Centers
Foreign Trade Zones (FTZs)
Greater Minnesota Job Expansion Program
Research and Development Tax Credit
Single Sales Factor Apportionment; Throwback; Greater Minnesota Internship Tax Credit Program
Tax Increment Financing; Tax Abatement; Personal Property Exemption; Capital Equipment Exemption

COMMUNITY FINANCING

Border-to-Border Broadband Development Grant Program
Cleanup Revolving Loan Program
Contamination Cleanup and Investigation Grant Program
Demolition Loan Program
Greater Minnesota Business Development Infrastructure Grant Program
Redevelopment Grant Program
Shovel-Ready Site Certification
Small Cities Development Program
Transportation Economic Development Infrastructure Program (TEDI)

TRAINING

Dual Training Competency Grants
Export and Trade Classes and Training
Job Training Incentive Program
Minnesota Job Skills Partnership
Minnesota WorkForce Centers
SciTechsperience Internship Program

**Continued...
RATE SCHEDULE EDC
APPENDIX A
SHEET 2 OF 2**

LOCAL OR COUNTY PROGRAMS

Financial assistance from a local Revolving Loan Fund
Establishment of or location in a Tax Increment Financing District
Direct loan from a unit of local government
Construction of public facilities – roads, sewer, water – to serve a project
Site acquisition and clearance
Building renovation assistance

FEDERAL PROGRAMS

Loan Guarantees
Grants
Investment Tax Credits
Income Tax Credits tied to New Hiring
Low-Interest Loans
Other, subject to RPU Approval

Appendix B – Customer Affidavit for Economic Development Credit:

AFFIDAVIT

STATE OF MINNESOTA)

COUNTY OF _____) ss

COMES NOW being first duly sworn, under oath, and states that the following information is within personal knowledge and belief:

_____ is a commercial or industrial customer (Customer) of a Southern Minnesota Municipal Power Agency (SMMPA) member utility who is locating, adding, or retains load in the service territory of Rochester Public Utilities (RPU) hereby certifies and declares under penalty of perjury under the laws of the State of Minnesota that the statements in the following paragraphs are true and correct.

1. But for receipt of the economic development credit, either on its own, or in combination with Qualifying Economic Development Program as defined in Appendix A of SMMPA's Economic Development Credit program, the Customer's load would not have been located, added, or retained within RPU's service territory.
2. The new, incremental or retained load represents kilowatt-hours (kWh) that either (i) do not already exist in any SMMPA member utilities' service territory, or (ii) the Customer would be significantly reducing its energy consumption or shutting down its facilities in RPU's service territory.
3. The Customer has discussed with RPU cost-effective energy efficiency and load management measures the Customer may take to reduce their electric bills and the load they place on SMMPA and the RPU system.

Customer Name

Name of Authorized Representative

Signature

SUBSCRIBED AND SWORN TO before me this _____ day of _____, 20____, by

NOTARY PUBLIC FOR MINNESOTA

My Commission Expires: _____

Appendix C – Application for Economic Development Credit

Commercial or Industrial Customer Information

Customer Name: _____

Customer Street Address: _____

Customer City, State, ZIP _____

Please attach Customer Affidavit for Economic Development Credit.

Have you discussed energy efficiency and load management programs with Rochester Public Utilities (RPU)?

YES _____ NO _____

New Load

Estimated demand (kW): _____

Estimated annual energy (kWh): _____

Estimated in-service date: _____

Estimated full load date: _____

Projected load factor: _____

Please attach a summary description of your business.

Incremental Load

Prior year's demand (kW): _____

Estimated additional demand (kW): _____

Prior year annual energy (kWh): _____

Estimated additional energy (kWh): _____

Estimated in-service date: _____

Estimated full load date: _____

Projected load factor: _____

Please attach a summary description of your business and what is causing the additional load.

Load Retention

Prior year's demand (kW): _____

Estimated demand reduction (kW): _____

Prior year's annual energy (kWh): _____

Estimated energy reduction (kWh): _____

Estimated effective date: _____

Projected load factor: _____

Please attach a summary description of your business and what is causing your business to potentially leave the RPU service territory.

Customer Name

Name of Authorized Representative

Signature

Date:

Rochester Public Utilities Approval

This application for the Economic Development Credit is: Approved _____ Denied _____

If denied, reason for denial: _____

By:

Name

Title

Signature

Date

MISCELLANEOUS FEES
SHEET 1 OF 2

MISCELLANEOUS FEES – ELECTRIC UTILITY

Applicable to All Charges and Amounts Due on RPU Invoices

Not Sufficient Funds (NSF) Check\$ 30.00

Copies

Black & white, single side, per page.....\$ 0.25

Black & white, duplex, per page\$ 0.50

Color, single side, per page (from color printer, not copier)\$ 0.35

House Move Investigation\$ 350.00

Infraview Service (Per Hour)\$ 115.00 120.00

Meter Connections After Hours:

Workdays, 5:00 PM - 9:00 PM\$ 75.00

Workdays, 9:00 PM - 8:00 AM\$ 160.00

Non-Workdays\$ 160.00

Holidays\$ 160.00

Meter Tampering\$ 240.00

Meter Service Call\$ 70.00

Meter Test – Residential (2nd request within the past 12 months)\$ 100.00

Meter Test – Commercial (2nd request within the past 12 months)\$ 210.00

Non-Pay Disconnection/Reconnection (Workdays, 8:00 AM- 5:00PM)\$ 70.00

(Additional reconnection fees apply for after-hours reconnections)

Optional Non-AMR Meters

Change Out Fee (Electric)\$ 200.00

Monthly Fee (Per Premise)\$ 55.00

Outage Call (The problem is with the customer's equipment,
and this is the second request within the past twelve months.)\$ 100.00

Pole Disconnection/Reconnection (Commercial)\$ 295.00

Pole Disconnection/Reconnection (Residential)\$ 210.00

Temporary Meter Installation Fee (Residential)\$ 100.00

Temporary Meter Installation Fee (Commercial).....\$ 760.00

Interconnection Fees

Application Fees: Process Track

Simplified\$ 100.00

Fast Track Certified System\$ 100.00 + \$1.00/ kW

Fast Track Non-Certified System\$ 100.00 + \$2.00/ kW

Pre-Application Report\$ 300.00

Study Down Payment (Additional fees may apply).....\$ 1,000.00 + \$2.00/ kW

Testing Certified System:

40 kW or less.....No Fee

40 kW to 1MW\$ 300.00

Greater than 1MWActual Cost

Metering Fee

Net Metered Under 40 kWNo Fee

Not Net MeteredActual Cost

Continued...
MISCELLANEOUS FEES
SHEET 2 OF 2

New 2023

Pole Attachment Fees

Non-refundable Administrative Fee (For new Joint Use Agreements)	\$ 10,000.00
Permit Review (For all new attachments up to 200 poles)	\$ 200.00 + \$50.00/Pole
Annual Attachment Fee.....	\$ 23.76/attachment
Unauthorized Attachment.....	3x Annual Attachment Fee
Failure to Timely Transfer, Abandon, or Remove Facilities	\$ 5.00/Pole per day
(Fee starts day following deadline in written notice)	

Telecomm Charges

Macro Site Fees

Escrow	\$ 7,850.00
Non-refundable Application fees	\$ 1,500.00

Small Cell Fees: (For all agreements executed after.....)

Non-refundable Master Agreement Fee:	\$ 5,000
Supplement License Fee (up to 5 nodes):	\$ 500.00
Additional nodes (over 5)	\$ 100.00 / node
Rent per premise (Annual).....	\$ 278.10 (3%escalator)

Approved by Rochester Public Utility Board: November 29, 2022
Effective Date: January 1, 2023

FOR BOARD ACTION

Agenda Item # (ID # 15119)

Meeting Date: 11/29/2022

SUBJECT: RPU General Manager Executive Search

PREPARED BY: Aaron Parrish

ITEM DESCRIPTION:

After a distinguished career, General Manager Mark Kotschevar has announced his retirement as General Manager in 2023. To facilitate the process for the next General Manager, we solicited a few proposals that can help the RPU Board with the overall executive search strategy. This includes developing a candidate profile, outreach, initial screening, supporting the interview process, facilitating the selection process, and helping with engagement and input strategies.

Board Working Group members and city teammates reviewed two proposals for executive search services and are recommending Raftelis. In addition, the HR Team will be facilitating a competency card sort with various stakeholders to determine key competencies for the position. We will also finalize an input strategy for the Board, teammates, Council, and community to help provide feedback as the Board considers extending an offer to their preferred candidate.

Base costs for facilitating the process are \$31,300 with advertising, candidate travel expenses, and background checks being reimbursed at cost. Attached is the proposal for your review and consideration. A representative of the Human Resources team will be present to answer any questions that the Board might have.

UTILITY BOARD ACTION REQUESTED:

Authorize the retention of Raftelis to facilitate the RPU General Manager Executive Search in the amount of \$31,300.00 plus reimbursable expenses.



Rochester Public Utilities

Executive Search Services - General Manager

PROPOSAL / October 27, 2022





October 27, 2022

Aaron Parrish
Deputy City Administrator/Interim Human Resources Director
Rochester Public Utilities
201 4th Street, SE
Rochester, MN 55904

Subject: Proposal for Executive Search Services

Dear Mr. Parrish:

We are pleased to submit this proposal for executive search services. Our focus has always been to help local government and utility clients solve their financial, organizational, and technology challenges. We are dedicated to providing management consulting services, including executive search, to local governments and the utility industry.

The Novak Consulting Group (TNCG) and Raftelis have always shared a focus on delivering lasting solutions for local government agencies. In January 2020, TNCG joined Raftelis. Today, we provide our clients with wide-ranging capabilities and resources in financial, management, technology, and communications consulting for all areas of local government. Our clients now have the expertise of more than 140 of the country's leading local government consultants. We know that our combined capabilities and resources will provide added value to our clients.

Our project team for Rochester Public Utilities (RPU) comprises skilled professionals, seasoned in local government management with search experience across the country. Our team has completed over 210 searches, and we have had significant success in identifying and retaining ideal candidates who meet each organization's unique set of needs and expectations. We are confident our approach will result in a successful leader for the organization. Our mission is to strengthen communities, and we do this by helping them find the best leaders to help move their organizations forward.

We look forward to the opportunity to serve Rochester Public Utilities. If you have any questions, please contact Catherine Tuck Parrish, our executive search practice leader, using the following contact information:

Catherine Tuck Parrish, Vice President
Phone: 240.832.1778 / Email: ctuckparrish@raftelis.com

Sincerely,

A handwritten signature in black ink, appearing to read 'Julia Novak'.

Julia Novak
Executive Vice President



Making our world better.

The Raftelis Charitable Gift Fund allocates profits, encourages employee contributions, and recognizes time to charitable organizations that support:

- Access to clean water and conservation
- Affordability
- Science, technology, and leadership

Raftelis is investing in improved telecommunication technologies to reduce the firm's number one source of carbon emissions—travel.



Diversity and inclusion are an integral part of Raftelis' core values.

We are committed to doing our part to fight prejudice, racism, and discrimination by becoming more informed, disengaging with business partners that do not share this commitment, and encouraging our employees to use their skills to work toward a more just society that has no barriers to opportunity.

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Who We Are

RAFTELIS AND THE NOVAK CONSULTING GROUP, HELPING LOCAL GOVERNMENTS AND UTILITIES THRIVE

Local government and utility leaders partner with Raftelis to transform their organizations by enhancing performance, planning for the future, identifying top talent, improving their financial condition, and telling their story. We've helped more than 600 organizations in the last year alone. We provide trusted advice, and our experts include former municipal and utility leaders with decades of hands-on experience running successful organizations. People who lead local governments and utilities are innovators—constantly seeking ways to provide better service to the communities that rely on them. Raftelis provides management consulting expertise and insights that help bring about the change that our clients seek.

TNCG is Now Raftelis

The Novak Consulting Group and Raftelis have always shared a focus on delivering lasting solutions for local government agencies. In January 2020, TNCG joined Raftelis. Today, we provide our clients with wide-ranging capabilities and resources in financial, management, technology, and communications consulting for all areas of local government. Our clients now have the expertise of more than 140 of the country's leading local government and utility consultants, who have decades of experience. We know that our combined capabilities and resources will provide added value to our clients, and we're excited about what we can accomplish together.

+ VISIT [RAFTELIS.COM](https://raftelis.com) TO LEARN MORE



We believe that Raftelis is the *right fit* for this project. We provide several key factors that will benefit RPU and help to make this project a success.



RESOURCES & EXPERTISE

This engagement will require the resources necessary to effectively recruit for your unique position and the skillsets to complete all of the required components. With more than 140 consultants, Raftelis has one of the largest local government management and financial consulting practices in the nation. Our depth of resources will allow us to provide RPU with the technical expertise necessary to meet your objectives. In addition to having many of the industry's leading management and financial consultants, we also have experts in key related areas, like stakeholder engagement and data analytics, to provide additional insights as needed.



DECADES OF COLLECTIVE EXPERIENCE

Our associates and subject matter experts have decades of experience in strengthening local municipalities and nonprofit organizations. They've served in a wide range of positions, from city manager to public works director to chief of police.



PERSONAL SERVICE FROM SENIOR-LEVEL CONSULTANTS

You appreciate it when deadlines are met, phone calls are returned, and your challenges are given in-depth, out-of-the-box thinking. While other firms may assign your business to junior-level people, our approach provides exceptional service from senior-level consultants.



NICHE EXPERTISE

Our expertise lies in strengthening public-sector organizations. We're consulting specialists rather than generalists, focusing our strengths to do a highly effective job for a specific group of clients.

Firm Capabilities



FINANCE

Meet your goals while maintaining a financially sustainable organization

- Rate, charge, and fee studies
- Financial and capital planning
- Cost of service and cost allocation
- Customer assistance programs
- Affordability analysis
- Utility valuation
- Budget development
- Financial condition assessments
- Debt issuance support
- Economic feasibility and analysis



COMMUNICATION

Communicate strategically to build an informed, supportive community

- Strategic communication planning
- Public involvement and community outreach
- Public meeting facilitation
- Graphic design and marketing materials
- Media and spokesperson training
- Risk and crisis communication
- Social media strategy
- Visual facilitation
- Virtual engagement



STRATEGIC PLANNING

Set the direction for the future of your organization and community

- Organization, department, and community-based strategic planning
- Effective Board / Commission / Council governance
- Retreat planning and facilitation



ORGANIZATION

Plan for long-term sustainability and operate with maximum efficiency

- Organizational and operational assessments
- Stormwater utility development and implementation support
- Performance measurement
- Staffing analysis
- Organizational climate and culture
- Asset management and operations
- Regional collaboration and service sharing
- Process improvement



TECHNOLOGY

Use your data and technology to improve experience and gain valuable insights

- Billing, permitting, and customer information audits
- Business process development
- Data management, analytics, and visualization
- Performance measurement and dashboarding
- Software solutions
- Website development
- Information technology assessments and strategic planning
- Customer management assessments and optimization
- CIS selection and implementation
- AMR/AMI feasibility studies
- Mobile workforce management
- Meter data management
- CMMS selection and implementation
- GIS optimization services
- Fleet management systems



EXECUTIVE RECRUITMENT

Identify top talent to lead local governments and utilities

Executive Search Strategy

When organizations need to fill key positions, they turn to Raftelis and benefit from this guiding principle: meaningful hiring involves finding the right employee and preparing them for ongoing success. Our approach to executive search services comprises three key phases.

Inquiring, Understanding, and Defining

Each of our clients has a unique culture and set of objectives. Because selecting the right individual is critical to success, we begin our relationship by conducting a needs assessment to identify the specific benchmarks the search must accomplish. We will identify qualifications and requirements as well as map out the new hire's first-year goals, so both our client and the employee remain on the same track for success. We will build an accurate position profile, thus ensuring we attract the right people for the position.

Candidate Search and Evaluation

To reach the right candidates, Raftelis customizes each search process to fit the client's needs. Often, the professionals who best fit an open position are already employed and not searching for a traditional job posting. So, we leverage our extensive, diverse professional network to attract the best talent nationwide. We have been successful in identifying a candidate pool that is racially, ethnically, and gender diverse. We are committed to helping local government leadership positions reflect the communities they serve. We work closely with several organizations that support this goal, and we advertise in national publications that target people of color and women, including the National Forum of Black Public Administrators (NFBPA), Local Government Hispanic Network, and the League of Women in Government. We intentionally seek well-qualified women and people of color, so our clients have excellent choices. Once the right candidates are found, we help manage the hiring process from interviews to background checks. Our in-depth service empowers clients to achieve their goals at every step.



39% of our recruitments resulted in the hiring of **women**

21% of our recruitments resulted in the hiring of **people of color**

Supporting Success

We support the top candidate's long-term success by creating a goals-driven work plan actionable from day one. Many firms focus solely on finding qualified applicants, leaving the client on their own once the position is filled. Our team, however, uses the objectives gathered during the inquiry stage to prepare new hires for their first year. We follow up to ensure continued progress, productivity, and satisfaction for the employee and our client.

We take a tailored, goals-based approach to each recruitment. By looking beyond the hiring process, our holistic view ensures that each candidate will fit the role as well as the organization. In the end, we are not just looking for a successful professional; we are finding the right employee to be successful in their new position long after they are hired.

Work Plan

THE FOLLOWING PROVIDES A DETAILED DESCRIPTION OF OUR WORK PLAN FOR THE GENERAL MANAGER RECRUITMENT.

Activity 1 – Develop Candidate Profile

We will begin this engagement by developing a clear picture of the ideal candidate for this position. We will first meet with the Utilities Board members individually and as a group to discuss the recruitment timeline, process, and criteria. We will also facilitate meetings to gather input from the City Administrator, Deputy City Administrator, the General Manager's Executive Team, and the retiring General Manager. Our team will solicit community input either through one focus group or an online input survey. We will discuss not just the technical skills needed for the position, but what makes for the right organizational fit in terms of traits and experiences.

Based on the information learned from our meetings, we will develop a recruitment plan that includes Minnesota, other targeted states, and the nation. We will prepare a position profile that is unique to Rochester Public Utilities. The profile will identify the organization's needs, the strategic challenges of the position, and the personal and professional characteristics of the ideal candidate. This document drives the recruitment. It focuses our efforts on the most capable candidates, and it helps us to persuade candidates to pursue the position.

We will also develop first-year organizational goals for the successful candidate. These goals will ensure that the applicants know what will be expected of them should they be hired, RPU has thought about what it wants the person to accomplish in the first year, and the successful candidate can hit the ground running with a work plan. Once drafted, we will review the recruitment plan, position profile, and first-year goals with the hiring manager. Modifications will be made as necessary before recruitment begins.

DELIVERABLES:

- Detailed recruitment process documents, including recruitment plan, position profile, and first-year goals

Activity 2 – Conduct Outreach and Initial Screening

As part of the recruitment plan, we will identify key states and metro areas to focus our targeted recruitment. We will prepare and place advertisements in state and national publications and websites to attract candidates from throughout the United States. While this will be a national search, we will target our efforts to those key areas identified in the recruitment plan.

We will place job postings with the American Public Power Association, American Water Works Association (AWWA), American Public Works Association (APWA), and other places as identified in the recruitment plan. We also recommend national organizations such as Engaging Local Government Leaders (ELGL), National Forum for Black Public Administrators (NFBPA), and Local Government Hispanic Network, to attract underrepresented groups and provide a more diverse applicant pool.

As soon as the advertisements are completed, we will begin the process of actively and aggressively marketing the position and identifying qualified candidates for assessment. We will pinpoint individuals and jurisdictions to reach out to directly through phone and email. We will also utilize social media (LinkedIn, Twitter, and Facebook) to broaden our

reach. We have found that this combination of outreach is an effective way to reach top applicants, especially those who are not currently in the job market but may be willing to consider a move to an excellent organization like Rochester Public Utilities.

We will reach out to the applicants in our extensive database as well as the prospective candidates we have targeted in previous recruitments for similar jurisdictions. We will also develop a list of additional candidates to pursue based on RPU's unique needs. Our outreach includes seeking well-qualified women and people of color and encouraging them to apply.

As applications are received, we will acknowledge each one and keep applicants aware of the status of the process. We will screen each applicant against the position profile and first-year goals. We will conduct interviews via phone or videoconference with those who most closely meet the profile to learn more about their interest, qualifications, and experience for this position. A written summary of these candidates will be prepared and shared with RPU. We will then meet with RPU to review the entire list (if desired) as well as the most qualified candidates who have the requisite skills, experiences, and traits needed for success in the position. Based on RPU's direction, we will finalize a list of candidates to invite for in-person interviews.

DELIVERABLES

- Placement of ads and job postings
- Targeted outreach to passive candidates
- Candidate review materials including screening results and internet search

Activity 3 – Support Interviews and Selection

Each person you wish to interview will then be contacted again by our recruitment team. We will plan and facilitate a multi-step interview process specific to the position. The process could include writing exercises, presentations, panel interviews, tours, and a department director or key staff meet-and-greet. A book that contains customized interview questions and information about each of the candidates invited to interview will be provided to those involved in the interview process. We will also facilitate pre- and post-interview briefings.

We will coordinate the logistics of the process and provide the candidates with the details along with any travel policy requirements or other information. We will also work with a RPU contact to ensure a suitable venue is arranged for the interviews. Expenses for the candidates will be borne and reimbursed directly by RPU.

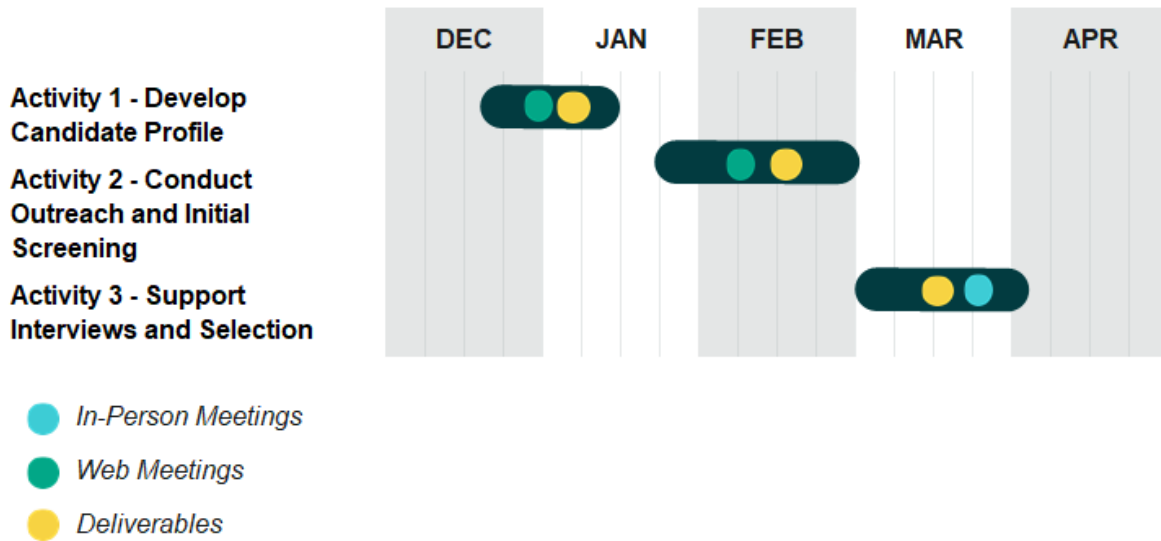
RPU will select the top candidate. We can help make a well-informed choice by framing what we have learned about the candidates in the context of the position and its requirements. We will speak with candidates' references to confirm the strength of their credentials. We will also conduct a media check to review published information found in search engines, online publications, and social media. Reference and background checks will be performed on the top candidates, including but not limited to education, credentials, employment history, criminal background check, civil litigation check, and credit history.

We also can assist in negotiating the employment offer. We will provide information about best practices in salary and total compensation, and we will have obtained information on the candidate's salary. We will keep candidates apprised of their status and release them at the appropriate time.

DELIVERABLES

- Interview book materials including references and background checks

Included below is a draft timeline. We expect to review this with RPU during Activity 1 and adjust it as necessary as we develop the recruitment plan.



References

Raftelis is uniquely positioned to perform this recruitment because of our knowledge of local government and our extensive network across the nation. Our clients tell us we are more than just consultants—we are trusted advisors. The following table lists a few comparable recruitments we have conducted and references for each of them.

Client	Reference
Mount Pleasant Waterworks, South Carolina <ul style="list-style-type: none"> General Manager (2020) 	Rick Crosby, Commission Chair 1619 Rifle Range Road Mount Pleasant, SC 29464 (843) 884-9626 rcrosby@mpwonline.com
Central Arizona Project, Arizona <ul style="list-style-type: none"> General Manager (2022) 	Ted Cooke, General Manager (623) 869-2750 tcooke@cap-az.com Stephanie Lee, Human Resources Director (623) 869-2750 slee@cap-az.com 23636 North 7 th Street Phoenix, Arizona 85024
City of Cedar Rapids, Iowa <ul style="list-style-type: none"> Utilities Director (2020) City Attorney (2021) Public Works Director (2021) 	Teresa Feldmann, Human Resources Director 101 First Street SE Cedar Rapids, IA 52401 (319) 286-50191 t.feldmann@cedar-rapids.org Sandi Fowler, Deputy City Manager 101 First Street SE Cedar Rapids, IA 52401 s.fowler@cedar-rapids.org
City of Newport News, Virginia <ul style="list-style-type: none"> Human Resources Director (2022) Engineering Director (2020) Waterworks Director (2020) 	Cynthia Rohlf, City Manager (757) 926-8411 rohlfcd@nnva.gov Susan M. Goodwin, Finance Director (757) 926-8825 goodwinsm@nnva.gov 2400 Washington Ave. Newport News, VA 23607

Livingston County Water and Sewer Authority, New York

- Executive Director (2020)

Jason Molino, Executive Director
 1997 D'Angelo Drive
 P.O. Box 396
 Lakeville, NY 14480
 (585) 346-3523
jmolino@lcwsa.us

Recent Executive Search Experience

Client	Position
AZ Central Arizona Project	General Manager
AZ Clarkdale	Town Manager
AZ Cottonwood	City Manager
AZ Oro Valley	Chief Financial Officer
AZ Oro Valley	Police Chief
AZ Payson	Town Manager
AZ Peoria	Human Resources Director
AZ Scottsdale	Economic Development Director
AZ Yuma	City Administrator
AZ Yuma	Engineering Director
AZ Yuma	Finance Director
AZ Yuma	Planning and Neighborhood Services Director
CO Boulder	Chief Financial Officer
CO Boulder	City Attorney
CO Aspen	Community Development Director
CO Boulder	Human Resources Director
CO Boulder	Independent Police Monitor
CO Boulder	Planning and Development Services Director
CO Boulder	Utilities Engineering Manager
CO Denver	Independent Monitor
CO Fort Collins	Deputy City Manager
CO Fort Collins	Community Services Director
CO Fort Collins	Compensation, Benefits, and Wellbeing Director
CO Fort Collins	Environmental Services Director
CO Fort Collins	Natural Areas Director

Client	Position
CO Fort Collins	Recreation Director
CO Fort Collins	Utilities Executive Director
CO Health District of Northern Larimer	Executive Director
CO Lafayette	City Administrator
CO Louisville	City Manager
CO Louisville	Director of Parks and Recreation
CO Louisville	Director of Planning and Building Safety
CO Louisville	Human Resources Director
CO Loveland	Budget Manager*
CO Loveland	Chief Financial Officer*
CO Loveland	Economic Development Director*
CO Northglenn	Human Resources Director
CO Pueblo West Metropolitan District	District Manager
CO Westminster	Park, Recreation, and Library Director
CT Greenwich	Town Administrator
CT Mansfield	Town Manager
CT Meriden	City Manager
CT Windsor	Police Chief
DE Kent County	County Engineer/Public Works Director
DE Lewes	Municipal Planning and Development Officer
DE Milford	City Manager
DE Milton	Town Manager
DE Rehoboth Beach	City Manager
IA Cedar Rapids	Utilities Director
IA Cedar Rapids	City Attorney

Client		Position
IA	Cedar Rapids	Public Works Director
IL	Peoria County	Director, Animal Protection Services
IN	Bloomington	Traffic and Transportation Engineer
KS	Baldwin City	City Administrative Officer
KS	Edgerton	Building Inspector
KS	Edgerton	Community Development Director
KS	Johnson County	Human Resources Director
KS	Merriam	Finance Director
KS	Olathe	Director of Economy
KS	Tonganoxie	City Manager
LA	Orleans Parish School Board	Chief Operations Officer
MD	Aberdeen	Director of APG Privatization
MD	Aberdeen	Police Chief
MD	Aberdeen	Public Works Director
MD	Berwyn Heights	Code Supervisor
MD	Berwyn Heights	Town Administrator
MD	Cambridge	City Manager
MD	Charles County	Director of Community Services*
MD	Charles County	Engineer IV*
MD	Gaithersburg	City Manager
MD	Gaithersburg	Director of Finance and Administration
MD	Gaithersburg	Engineering Services Division Chief
MD	Gaithersburg	Finance Director
MD	Gaithersburg	Public Works Director
MD	Gaithersburg	Director of Information Technology

Client		Position
MD	Garrett Park	Town Manager
MD	La Plata	Planning Director
MD	La Plata	Police Chief
MD	La Plata	Town Manager
MD	La Plata	Town Treasurer
MD	Maryland Municipal League	Executive Director/CEO
MD	Mount Rainier	City Manager
MD	New Carrollton	City Administrative Officer
MD	Ocean Pines Association	General Manager
MD	Riverdale Park	Town Manager
MD	Riverdale Park	Police Chief
MD	Rockville	City Manager
MD	Rockville	Community Planning and Development Services Director
MD	St. Michaels	Town Administrator
MD	Sykesville	Town Manager
MD	Takoma Park	Deputy City Manager*
MD	Westminster	Finance Director
MD	Westminster	Human Resources Director
MI	Ann Arbor	Human Resources Director
MI	Novi	Assistant City Manager
MI	Novi	Finance Director
MI	Oakland County	Human Resources Director
MI	Rochester Hills	Chief Financial Officer
MO	Chesterfield	City Administrator
MO	Clayton	City Manager

Client		Position
MO	Lee's Summit	Human Resources Director
MT	Helena	City Manager
NC	Guilford County	Deputy Finance Director
NC	Guilford County	Equity and Inclusion Manager
NC	Guilford County	Public Relations Director
NC	Guilford County	County Attorney
NC	Guilford County	Assistant County Manager for Strong Communities
NC	Guilford County	Assistant County Manager for Successful People
NC	High Point	Assistant City Manager
NC	High Point	Planning Director
NC	Rolesville	Human Resources Director
NH	Keene	City Manager
NH	Hanover	Town Manager
NM	Las Cruces	City Manager
NY	Batavia	City Manager
NY	Oneonta	City Manager
OH	Centerville	City Manager
OH	Delaware County	Director of Economic Development
OH	Delaware County Transit District	Executive Director
OH	Hilliard	Police Chief
OH	Cleveland Heights	City Manager
OH	Cleveland Heights	Finance Director
OH	Dayton	Financial Officer
OH	Dublin	City Manager

Client		Position
OH	Dublin	Director of Public Service
OH	Granville	Village Manager
OH	Hilliard	City Manager
OH	Hudson	City Manager
OH	Jackson Township	Township Administrator
OH	Miami Township	Township Administrator
OH	Moraine	City Manager
OH	Oberlin	Fire Chief
OH	Oberlin	Police Chief
OH	Portsmouth	City Manager
OH	Prairie Township	Township Administrator
OH	Sandusky	City Manager
OH	Solid Waste Authority of Central Ohio	Director of Administration
OH	The Port - an Ohio Port Authority	General Counsel
OH	The Port - an Ohio Port Authority	Industrial Development Manager
OH	The Port - an Ohio Port Authority	Vice President of Communications and Marketing
OH	The Port - an Ohio Port Authority	Vice President of Economic Equity
OH	Union County	County Administrator
OH	Upper Arlington	Assistant City Manager*
OH	Upper Arlington	Police Chief
OH	Washington Township	Assistant Fire Chief
OH	Washington Township	Township Administrator
OH	West Chester Township	Township Administrator
OH	Westerville	City Manager

Client		Position
OH	Westerville	Deputy Director of Planning and Development
OH	Westerville	Finance Director
OH	Worthington	Assistant Fire Chief
OR	Beaverton	City Manager
OR	Beaverton	Finance Director
OR	Beaverton	Interim City Manager
OR	Beaverton	Police Chief
OR	Beaverton	Public Works Director
OR	Gresham	Police Chief
OR	Hillsboro	Employee and Labor Relations Manager
OR	Hood River	Public Works Director
OR	Lane County	Public Works Director
OR	Newberg	Assistant City Manager
OR	Newberg	Public Works Director
OR	Salem	City Manager
OR	Scappoose	Finance Administrator
OR	Scappoose	Planning Supervisor
OR	Tigard	Assistant City Manager
OR	Tigard	Finance Director
OR	Tigard	Human Resources Director
OR	Tualatin Hills Park & Recreation District	City Attorney
OR	Tualatin Hills Park & Recreation District	District Finance Director
OR	Washington County	County Administrator
OR	Washington County	Interim County Administrator

Client		Position
OR	Washington County	Chief Financial Officer
OR	Washington County	Assistant County Administrator
OR	Washington County	Assistant County Administrators
PA	Breakneck Creek Regional Authority	Manager
PA	Carlisle Borough	Police Chief
PA	Farrell	City Manager
TX	Abilene	City Engineer
TX	Abilene	Library Director
TX	Lancaster	Assistant City Manager
TX	Lancaster	Finance Director
TX	University Park	Human Resources Director
VA	Albemarle County	Chief Financial Officer
VA	Albemarle County	County Attorney
VA	Albemarle County	Deputy Director of Community Development
VA	Albemarle County	Police Chief
VA	Albemarle County	DEI Director
VA	Albemarle County	Human Resources Director
VA	Alexandria	Controller
VA	Arlington County	Central Library Services Division Chief*
VA	Arlington County	Housing Director*
VA	Ashland	Town Manager
VA	Bedford County	County Administrator
VA	Bedford County	Deputy Fire Chief*
VA	Bedford County	Finance Director

Client		Position
VA	Fairfax	City Manager
VA	Fairfax	Police Chief
VA	Fairfax County	County Executive
VA	Fairfax County	Deputy County Executive
VA	Harrisonburg	City Manager
VA	Harrisonburg	Human Resources Director
VA	Harrisonburg	Police Chief
VA	Leesburg	Town Attorney
VA	Leesburg	Planning and Zoning Director
VA	Loudoun County	Animal Services Director
VA	Loudoun County	Assistant County Administrator
VA	Loudoun County	Assistant Director of Human Resources
VA	Loudoun County	Chief Financial Officer
VA	Loudoun County	County Attorney
VA	Loudoun County	Economic Development Director
VA	Loudoun County	Family Services Director
VA	Loudoun County	Finance Director
VA	Loudoun County	Housing Director
VA	Loudoun County	Mapping and Geographic Information Director
VA	Loudoun County	Mental Health, Substance Abuse, and Developmental Services Director
VA	Loudoun County	Parks, Recreation, and Community Services Director
VA	Loudoun County	Planning and Zoning Director
VA	Loudoun County	Systemwide Fire Chief
VA	Loudoun County	Community Corrections Director

Client		Position
VA	Newport News	Waterworks Director
VA	Newport News	Human Resources Director
VA	Prince William County	Planning Director
VA	Prince William County	Deputy County Executive for Public Safety
VA	Virginia Retirement System	Human Resources Director
VA	Warrenton	Town Manager
WA	Bothell	City Manager
WA	Bothell	Community Development Director
WA	Bothell	Finance Director
WA	Camas	City Administrator
WA	Central Pierce Fire and Rescue	Fire Chief
WA	Sammamish	Public Works Director
WA	Shoreline	Administrative Services Director
WA	Shoreline	City Manager
WA	Shoreline	Human Resources and Organizational Development Director
WA	Shoreline	Human Resources Director
WA	Spokane Regional Health District	Disease Prevention & Response Director
WA	Spokane Regional Health District	Health Officer
WA	Spokane Regional Health District	Human Resources Manager
WA	Sudden Valley Community	General Manager/Chief Operating Officer
WA	Sunrise Water Authority	Finance Director
WI	Central Brown County Water Authority	Manager
WI	Mequon	City Administrator
WV	Morgantown	City Manager

Recruitment Team

WE HAVE DEVELOPED A TEAM OF CONSULTANTS WHO SPECIALIZE IN THE SPECIFIC ELEMENTS THAT WILL BE CRITICAL TO THE SUCCESS OF RPU'S RECRUITMENT.

Our team includes senior-level professionals to provide experienced project leadership with support from talented consultant staff. This close-knit group has frequently collaborated on similar successful recruitments, providing RPU with confidence in our capabilities. On the following pages, we have included resumes for each of our recruiting team members.



Catherine Tuck Parrish

PROJECT DIRECTOR/LEAD RECRUITER
Vice President – Executive Search

PROFILE

Catherine has 30 years of management experience working for local governments of all sizes, nonprofit organizations, and associations. She leads the firm’s executive search practice and has conducted over 160 searches for manager/administrator; police chief; fire chief; directors of public works, planning, economic development, finance, human resources, and human services; and many other key positions in local governments across the country.

In addition to executive recruitment, she has facilitated numerous governing body workshops, staff retreats, and strategic planning sessions. Her work as a consultant includes project management and contributions to several local government projects such as process improvement studies, departmental assessments, planning and permitting process reviews, and policy development.

Catherine’s most recent local government experience was as deputy city manager in Rockville, Maryland, where she oversaw parks and recreation, human resources, information technology, finance, neighborhood resources (citizen engagement), communications, customer service, and intergovernmental functions. She also served as acting city manager in Rockville for nearly a year. Before joining the City of Rockville, Catherine served as assistant to the county executive in Fairfax County, Virginia, working on change management issues, including a new pay system, employee surveys, implementation plans, and internal communication improvements. Catherine also served as an ethics advisor at the International City/County Management Association (ICMA), counseling elected officials and citizen groups regarding employment agreements, form of government issues, and recruitment. Additionally, she worked for the City of Denton, Texas.

She chaired the ICMA’s Acting Manager Task Force, which produced a handbook for interim managers. She also led the Maryland City/County Management Association (MCCMA) as president and vice president. She served as president, vice president, and secretary of the Metropolitan Association of Local Government Assistants in the Washington, D.C. metro area. Catherine has spoken at national and state conferences on a variety of topics, including recruitment trends, civility, effective councils, ethics, forms of government, human resources, long-term financial planning, budget strategies, developing high performing organizations, and leadership. She has also spoken at the National League of Cities’ Leadership Training Institute on recruiting and evaluating the CEO. She is a certified instructor of the Myers-Briggs Type Indicator instrument.



Specialties

- Executive search
- Strategic planning
- Facilitation
- Strategy development and implementation
- Community engagement
- Employee engagement

Professional History

- Raftelis: Vice President (2021-present); Senior Manager (2020-2021); Executive Search Practice Leader, The Novak Consulting Group (2010-2020)
- Management Partners: Senior Manager (2009-2010)
- City of Rockville, Maryland: Deputy City Manager/Acting City Manager/ Assistant City Manager (2001-2009)
- Fairfax County, Virginia: Assistant to the County Executive (1998 -2001)
- ICMA: Ethics Advisor/ Senior Local Government Programs Manager (1994-1998)
- City of Denton, Texas: Administrative Assistant to the City Manager (1990-1994)

Education

- Master of Public Administration - University of Kansas (1990)
- Bachelor of Arts in Communication Studies/Personnel Administration - University of Kansas (1988)

Professional Memberships

- International City/County Management Association (ICMA)
- Engaging Local Government Leaders (ELGL)
- Maryland City/County Management Association (MCCMA)

Heather Gantz

RECRUITER

Senior Manager

PROFILE

Heather has over 20 years of leadership experience in recruiting, talent acquisition, and executive search, with the last 13 years focused on local government. She leads executive searches for the firm, where she is known for her thoroughness as well as engendering trusting relationships with both the client and candidate while providing exceptional customer service throughout the process.

Heather has conducted over 65 searches in the public sector. She has delivered positive search outcomes for dozens of high profile public organizations and is an expert at guiding strategy and tailoring outreach to find even the most niche candidates. Heather has successfully recruited for city and county managers and administrators, deputy and assistant managers, human resources, finance, community and economic development, public safety, parks and recreation, public works, and many more local government professionals. In addition, she has led numerous executive-level searches in the social/nonprofit sector and recruited leadership positions for technology, creative, accounting, and finance professionals in the private sector.

In addition to executive recruitment, Heather has experience supporting organizational effectiveness. She is known for providing effective leadership development and contributing to employee growth and development initiatives. Heather has advised individuals and small groups on career transition and job search strategies. Topics include knowledge and skill assessment, resume development, LinkedIn, networking, interview preparation, and salary and offer negotiation. Heather has also completed several leadership evaluations and performance reviews for local government leaders.

Heather has a passion for supporting diversity and innovation in the public sector. She served as an early Advisory Board Member for ELGL and remains an active and involved member in support of their mission of engaging the brightest minds in local government. In addition, Heather has served as a recurring speaker and presenter at the Northwest Women's Leadership Academy (NWWLA) in support of advancing women into leadership roles from a variety of backgrounds in local government.



Specialties

- Executive Search
- Leadership Development
- Employee Growth and Development
- Innovation
- Facilitation
- Project Management
- Community Engagement
- Diversity of Thought

Professional History

- Raftelis: Senior Manager (2022-present); Manager (2020 – 2021)
- Waldron: Director (2007-2020)
- Private Sector Recruiter (1996-2007)

Education

- Bachelor of Arts in Business Management - University of Phoenix (2000)

Professional Memberships

- Engaging Local Government Leaders (ELGL)

Pamela J. Wideman

RECRUITER
Senior Manager

PROFILE

Pamela has over 25 years of experience in leading local government teams, with the last 10 years in executive leadership with the City of Charlotte. She is adept at forging creative solutions to government and community issues at the local level, with service to the community as the foundation of her leadership style. She is known for her thoroughness as well as engendering trusting relationships with elected officials, executive leadership across public, private, and non-profit organizations, and residents, all while providing exceptional customer service throughout the process.

Pamela most recently served at the Director of the City of Charlotte’s Housing & Neighborhood Services Department, leading a team of over 200 staff across five key divisions. Pamela has shaped Charlotte’s affordable housing landscape and managed the oversight of millions of public dollars. She helped create and preserve over 4,600 affordable housing units, created, and successfully deployed COVID-19 Pandemic relief programs for rent, mortgage, utility, and deposit assistance to keep vulnerable residents housed during the pandemic, developed a new local rental subsidy program, and managed over \$68 million in homelessness support and prevention.

During her work there, Pamela hired numerous staff members for her Department and participated on executive search panels for positions both with the City of Charlotte as well as with other municipalities and organizations. She is known for contributing to organizational growth and development initiatives. Pamela is highly sought after as speaker for her expertise in affordable housing and has spoken on numerous panels across the country. She has participated in numerous executive-level collaborations engaging multiple community partners in the business and philanthropic fields. Pamela strongly believes that “service is the rent we pay for living on this earth” and is often asked to share her public sector experiences with students, professional trade organizations, and local municipalities.

Pamela has a passion for developing and implementing solutions that serve the community. She served as an early Advisory Member for the Greenlight Fund in Charlotte, and on the Mayors and CEOs Committee for U.S. Housing Investment. Pamela was awarded the Master of Public Administration Alumna of the Year and received a Leadership in Black Excellence from her alma mater, the University of North Carolina – Charlotte. She was also recognized as a Women’s In Leadership Champion by the Charlotte Chapter of the Urban Land Institute. Additionally, she was recognized as one of the top 10 “Behind the Scenes” newsmakers by the Charlotte Business Journal in both 2017 and 2020. She currently serves as a member of the International City/County Management Association, the Urban Land Institute, and the National Forum for Black Public Administrators.

Previously, she served on the Board of Directors for the PNC Community Development Bank and as the Vice-Chair of the N.C. Department of Transportation’s Affordable Housing Committee where she provided guidance and recommendations for policy and funding approaches to support and encourage the development of affordable housing near transit stops. She is past President of the Southern Piedmont Chapter of the National Forum for Black Public Administrators and a former member of the Board of Directors for the Mental Health Association of the Greater Carolinas.



Specialties

- Executive Level Management
- Hiring and Recruitment
- Affordable Housing Expertise
- Community Development Policy and Program Development
- Team Development & Leadership
- Consensus Building
- Community Engagement
- Budget Management

Professional History

- Raftelis: Manager (2021 – Present)
- City of Charlotte: Director of Housing & Neighborhood Services (2017 – 2021)
- City of Charlotte: Housing & Neighborhood Services Deputy Director (2008 – 2016)
- City of Charlotte: Housing & Neighborhood Services Supervisor (2006 – 2008)
- City of Charlotte: Budget Analyst (2003 – 2006)

Education

- Harvard Kennedy School -Senior Executives in State and Local Government (2015)
- UNC-Chapel Hill - Municipal Administration (2007)
- University of North Carolina at Charlotte- Master’s in Public Administration (2006)
- Belmont Abbey College -Bachelor of Arts in Business Administration (1999)

Professional Memberships

- International City/County Managers Association
- Urban Land Institute
- National Forum for Black Public Administrators

Attachment: Proposal - Rochester Public Utilities General Manager Recruitment (15119 : RPU General Manager Executive Search)

Robert Colichio

RECRUITMENT SPECIALIST

Consultant

PROFILE

Robert has over seven years in full lifecycle recruiting, sourcing, interviewing, and professional coaching. As a recruiter Robert has engaged in searches within both the public and social sector. He has successfully worked on recruitments for city and county managers and administrators, deputy and assistant managers, and various director and managerial roles in human resources, finance, community and economic development, public safety, parks and recreation, and public works.

In addition to executive recruiting, Robert has over eight years of combined experience in professional development, career coaching, and career transition management. With over 500 clients served leading and coaching them through complicated organizational change ranging from individual executive employees transitions to large reductions in force. Work with these clients often included one-on-one coaching over the course of multiple months. Robert additionally hosted and development multiple large group workshops for companies. He further has extensive and diverse project management experience including technology changes and implementations.

Robert has a Master of Business Administration degree with an emphasis in organizational behavior and a Bachelor of Science in Business Administration with dual concentrations in operational management and marketing with a minor in economics.



Specialties

- Executive search
- Project management
- Facilitation
- Employee growth and development
- Data analysis

Professional History

- Raftelis: Consultant (2021-present)
- Waldron: Senior Consultant and Coach (2013-2021)
- Portland State University: Graduate Teaching Assistant (2010-2012)
- Private Sector Consultant: Strategic Planning and Marketing Development (2008-2012)
- Skanska USA: Project and Client Relations Coordinator (2006-2008)

Education

- Master of Business Administration in Organizational Behavior - Portland State University, School of Business (2012)
- Bachelor of Science in Business Administration - University of Oregon, Lundquist College of Business (2006)

Professional Memberships

- SHRM/PHRMA

Kelsey Batt

RECRUITMENT SPECIALIST

Associate Consultant

PROFILE

Before joining Raftelis as a recruitment specialist in 2021, Kelsey earned her bachelor's degree in Professional Writing and Creative Writing from Purdue University in West Lafayette, Indiana.

During her time as a student, Kelsey worked at the Purdue Writing Lab as an undergraduate tutor where she paired with over 1,000 undergraduate and graduate students to help develop positive relationships with both writing and the English language. She also competed on the women's Track and Cross-Country teams while at Purdue.

She has previously worked as a copywriter at Sweetwater Sound where she developed the company's first Copy Style Guide and proposed several researched marketing strategies, focusing on inclusion amidst gender inequality in the music industry. Her ideas can be seen implemented throughout their current sales website and internally. Kelsey also has experience in marketing from her time at SDI Innovations where she was responsible for producing and editing social media and blog content. Kelsey enjoys consuming and contributing to the world of journalism, having worked as a student journalist at the Purdue Exponent for several years.



Specialties

- Executive search
- Recruiting
- Editing

Professional History

- Raftelis: Associate Consultant (2021-present)
- The Purdue Writing Lab & Purdue OWL (2017-2021)

Education

- Bachelor of Arts, School of Liberal Arts – Purdue University, West Lafayette, IN (2021)

Alexa Worrell

RECRUITMENT SPECIALIST

Associate Consultant

PROFILE

In May 2022, Alexa joined Raftelis as a recruitment specialist, having completed an internship with the firm’s Executive Recruitment Team where she supported numerous search activities.

Prior to Raftelis, Alexa worked as a Talent Generalist Intern at Textron Specialized Vehicles, where she developed a comprehensive leave process guide to ensure more consistent application of the company’s policies; researched human resource procedures, policies, and applicable employment laws; and marketed and facilitated an informational event for employees to set up banking needs.

Through her prior work as a Receptionist/HR Assistant, Alexa developed her interviewing and recruiting skills and gained experience in redesigning training manuals for various roles to enhance training processes for future hires.

During her time as a student, Alexa served as recruitment chair of her sorority, where she recruited a new incoming class of over 30 members while also developing positive relationships with the new class and the established members in the chapter. She also assisted with facilitating monthly business development events as a member coordinator for the Advancing Women in Entrepreneurship Business Club.

Alexa earned her bachelor’s degree in Sociology and Human Capital Leadership and Management from Miami University in Oxford, Ohio.



- Specialties
- Executive search
 - Recruiting
 - Relationship building

- Professional History
- Raftelis: Associate Consultant (2022-present)
 - Textron Specialized Vehicles: Talent Generalist (2021-2021)

- Education
- Bachelor of Arts, School of Liberal Arts – Miami University, Oxford, OH (2021)

Cost for Services

The total fixed fee to complete the General Manager recruitment, as outlined in this proposal, is \$31,300. This includes all professional fees and expenses for Raftelis.

We estimate the following additional costs to RPU, which would be billed at cost.

Advertising	Approximately \$2,000-\$2,500
Background checks	Estimated at \$175-\$500/finalist
Finalists' interview travel	Borne and reimbursed directly to the finalists by RPU

Advertising and background checks are invoiced as completed. The fixed fee will be invoiced as follows:

Activity 1 – \$9,974	After delivery of the recruitment documents <ul style="list-style-type: none"> • Recruitment plan • Recruitment brochure • First-year goals
Activity 2 – \$12,459	After the candidate review
Activity 3 – \$8,867	After the interviews are completed

RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to authorize the retention of Raftelis to facilitate the RPU General Manager Executive Search in the amount of \$31,300.00, plus reimbursable expenses.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 29th day of November, 2022.

President

Secretary

FOR BOARD ACTION

Agenda Item # (ID # 15110)

Meeting Date: 11/29/2022

SUBJECT: MISO Tranche 1 Transmission Projects

PREPARED BY: Scott Nickels

ITEM DESCRIPTION:

The Midcontinent Independent System Operator (MISO), of which RPU is a transmission owning member, has developed a long range transmission plan for the Midwest Subregion. This informational presentation will discuss the MISO long range transmission planning objectives, outline the identified Tranche 1 Bulk Electric System expansion projects, and explain RPU's estimated ownership percentage opportunity. An analysis of the financial benefits to RPU will also be presented.

UTILITY BOARD ACTION REQUESTED:

Informational only, no action requested



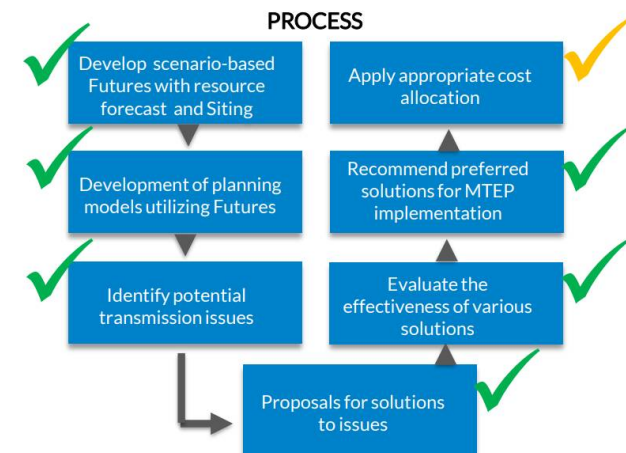
MISO Tranche 1 Transmission Projects



MISO Long-Range Transmission Plan (LRTP)

- Long Range Transmission Planning is necessary to ensure a reliable and efficient regional and interregional transmission system that enables the changing portfolio across the near and long term and is part of the comprehensive Reliability Imperative Initiative.¹
- Ø Renewable Integration Impact Assessment (RIIA) - Resource fleet has evolved to include increasing amounts of renewable resources.
- Ø Transmission expansion required to reliably enable the renewable expansion plans and goals of MISO States, Utilities, and Industries.
- Ø Transmission congestion mitigation and reliability improvement.

¹ misoenergy.org - 20220325 LRTP Workshop Item 02 Tranche 1 Portfolio and Process Review623633.pdf



RPU Ownership Opportunity

- Regional Utilities of Grid North Partners (GNP) has filed the Right of First Refusal (ROFR) with the Minnesota Public Utilities Commission to construct LRTP 4.
- RPU load as a percentage of MISO Midwest Subregion, post 2030, is 0.27%.
- RPU cost share of Tranche 1 projects in \$27.9 Million.
- GNP is currently determining ownership stakes for all member, with ROFR, existing CAPX2020 investment percentages, and incumbent Right of Way usage being factors into the ownership percentage outcome.
- RPU ownership opportunity estimated at \$27.9 Million.



RPU Transmission Investment Financial Analysis - Assumptions

- Investment (MVP Transmission):
 - MVP Investment: \$28,000,000
 - Asset Life: 35 years
 - In-Service Date: 2027
- Bond Financing:
 - Bond Financing: (Debt Reserve/Issuance) \$30,380,000
 - Interest Rate: 5.50%
 - Repayment Term: 30 years
- RPU Rate of Return
 - RPU's Debt to Equity Ratio: (35 year average) 63.5%
 - projected capital structure including MVP investment
 - Return on Equity: 10.52%
 - Cost of Debt: (RPU Average) 4.50%



RPU Transmission Investment Financial Analysis - Return

- Variables:

Total Investment
35Yr Asset / 30Yr Financing
Return on Equity
Interest / Discount Rates
MISO Attachment "O"
Utility Capital Structure (Equity %)

- Recommendation

Opportunity to offset transmission costs that will be incurred by our customers and paid to the organizations that do invest in transmission.

Description	Return on Equity	
	9.52%	10.52%
Investment	28,000,000	28,000,000
Debt	30,380,000	30,380,000
Interest/Discount Rate	5.50%	5.50%
Nominal Cash Flow	5,398,565	8,107,309
Net Present Value (NPV)	3,429,579	4,818,987
NPV/Debt	11.3%	15.9%



FOR BOARD ACTION

Agenda Item # (ID # 15114)

Meeting Date: 11/29/2022

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	FOCUS AREA / STAFF LIAISON
BOARD		
1. Mission Statement	6/26/2012	Policy / Mark Kotschevar
2. Responsibilities and Functions	3/27/2012	Policy / Mark Kotschevar
3. Relationship with the Common Council	2/28/2012	Policy / Mark Kotschevar
4. Board Organization	3/27/2018	Policy / Mark Kotschevar
5. Board Procedures	9/27/2022	Policy / Mark Kotschevar
6. Delegation of Authority/Relationship with Management	7/24/2018	Policy / Mark Kotschevar
7. Member Attendance at Conferences and Meetings	12/18/2018	Policy / Mark Kotschevar
8. Board Member Expenses	12/18/2018	Policy / Mark Kotschevar
9. Conflict of Interest	DELETED	N/A
10. Alcohol and Illegal Drugs	DELETED	N/A
11. Worker Safety	3/27/2012	Policy / Mark Kotschevar
CUSTOMER		
12. Customer Relations	4/30/2019	Ops & Admin / Krista Boston
13. Public Information and Outreach	4/30/2019	Communications / Steven Nyhus
14. Application for Service	7/1/2016	Ops & Admin / Scott Nickels
15. Electric Utility Line Extension Policy	3/28/2017	Finance / Peter Hogan
16. Billing, Credit and Collections Policy	4/26/2022	Finance / Peter Hogan
17. Electric Service Availability	10/29/2019	Ops & Admin / Scott Nickels
18. Water and Electric Metering	6/26/2018	Ops & Admin / Scott Nickels
19. Adjustment of Utility Services Billed	6/29/2021	Finance / Peter Hogan
20. Rates	7/25/2017	Finance / Peter Hogan
21. Involuntary Disconnection	9/28/2021	Communications / Steven Nyhus
ADMINISTRATIVE		
22. Acquisition and Disposal of Interest in Real Property	12/19/2017	Ops & Admin / Scott Nickels
23. Electric Utility Cash Reserve Policy	1/28/2020	Finance / Peter Hogan
24. Water Utility Cash Reserve Policy	1/28/2020	Finance / Peter Hogan
25. Charitable Contributions	6/25/2019	Communications / Steven Nyhus
26. Utility Compliance	10/24/2017	Communications / Steven Nyhus
27. Contribution in Lieu of Taxes	6/29/1999	Finance / Peter Hogan
28. Joint-Use of Infrastructure and Land Rights	3/30/2021	Ops & Admin / Scott Nickels
29. Customer Data Management Policy	3/22/2022	Communications / Steven Nyhus
30. Life Support	9/24/2019	Communications / Steven Nyhus
31. Electric Utility Undergrounding Policy	9/29/2020	Ops & Admin / Scott Nickels
Red - Currently being worked on		
Yellow - Will be scheduled for revision		
Marked for deletion		

FOR BOARD ACTION

Agenda Item # (ID # 15112)

Meeting Date: 11/29/2022

SUBJECT: Division Reports & Metrics - November 2022

PREPARED BY: Christina Bailey

ITEM DESCRIPTION:

UTILITY BOARD ACTION REQUESTED:

Division Reports & Metrics November 2022

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

Division Reports & Metrics November 2022

CORE SERVICES

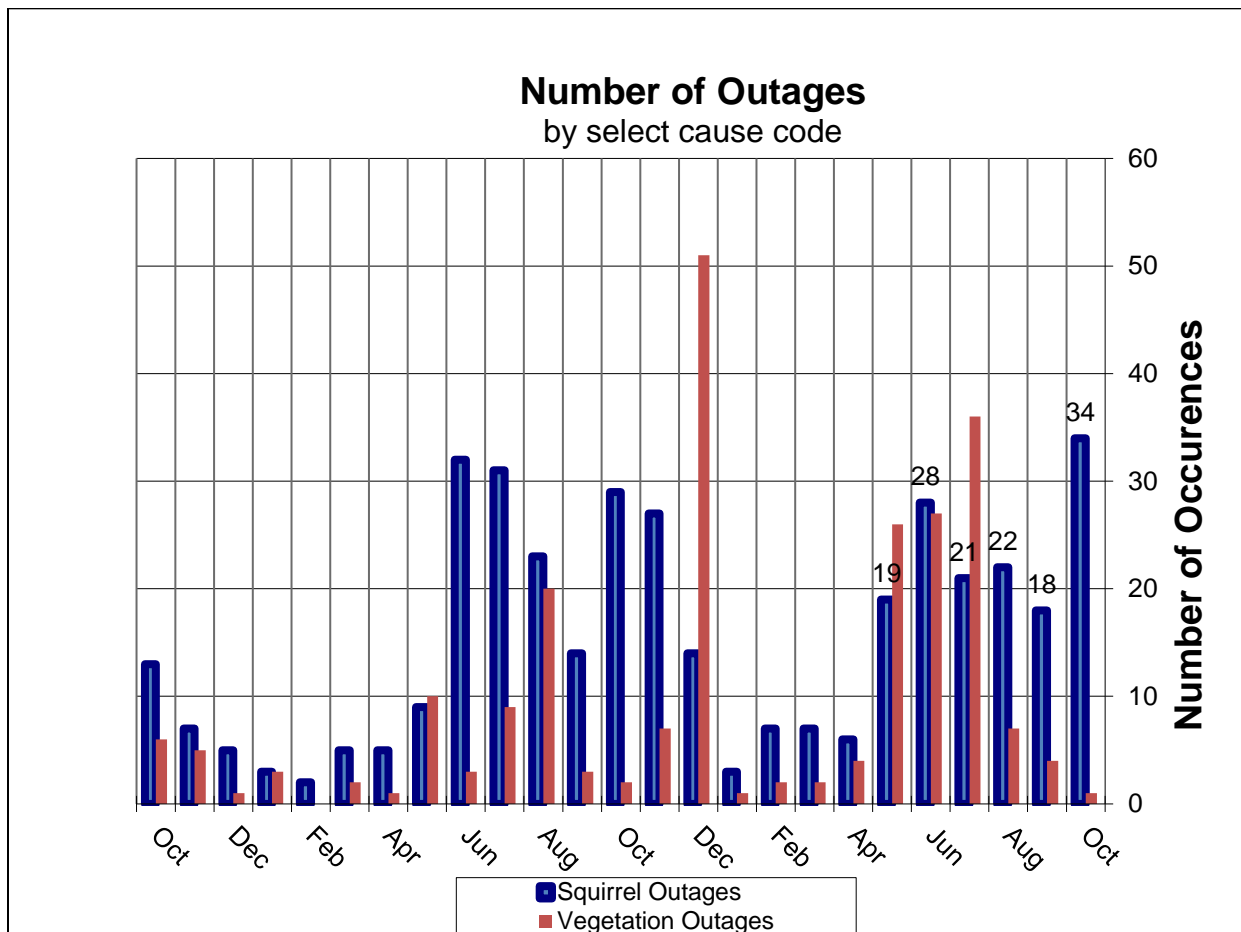
Electric Utility:

1. Electric Outage Calculations for the month and year to date (October 2022 Data)

- | | |
|--|---|
| a. Reliability = 99.98912% | Year-to-date Reliability = 99.99250% |
| b. 2,704 Customers affected by Outages | Year-to-date Customers affected by Outages = 31,695 |
| c. SAIDI = 4.86 min | Year-to-date SAIDI = 3.33 min |
| d. CAIDI = 101.70 min | Year-to-date CAIDI = 64.04 min |

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

- The AMI Request for Proposals were released to vendors. Evaluations of proposal are underway in October 2022 by RPU Subject Matter Experts.
- Commissioning on the Valley High Solar Farm was completed in October.
- Reliability statistics were impacted by a severe storm on October 23, 2022.



Summary of individual electrical outages (greater than 200 customers – Oct 2022 data)

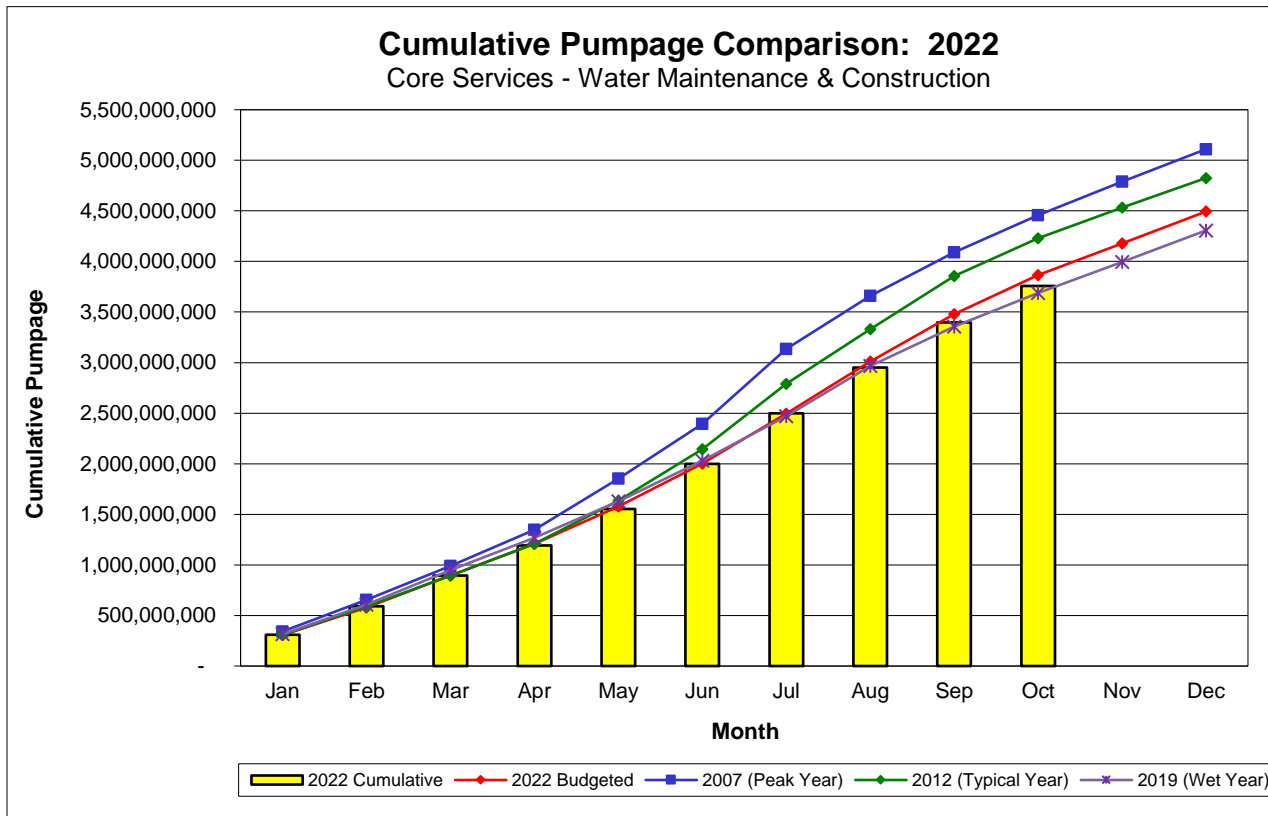
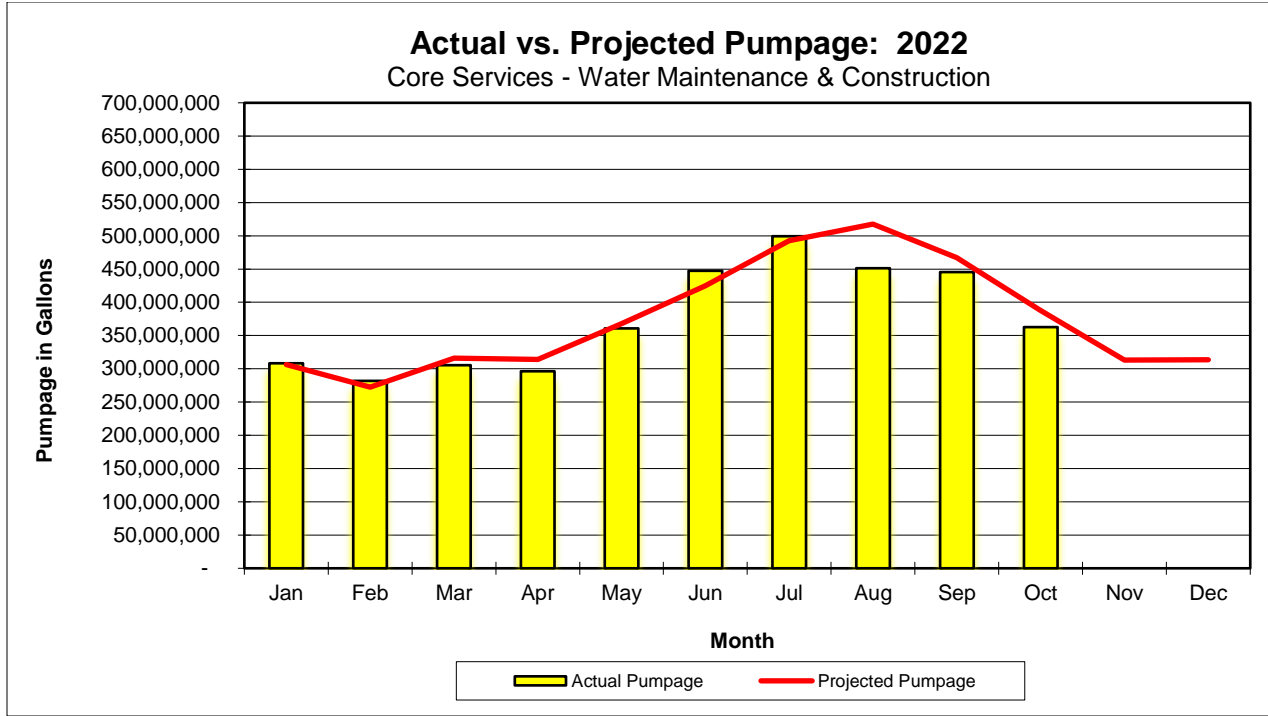
# Customers	Date	Duration	Cause
1,008	10/23/22	1h 50m	Overhead Equipment
596	10/23/22	3h 32m	Lightning

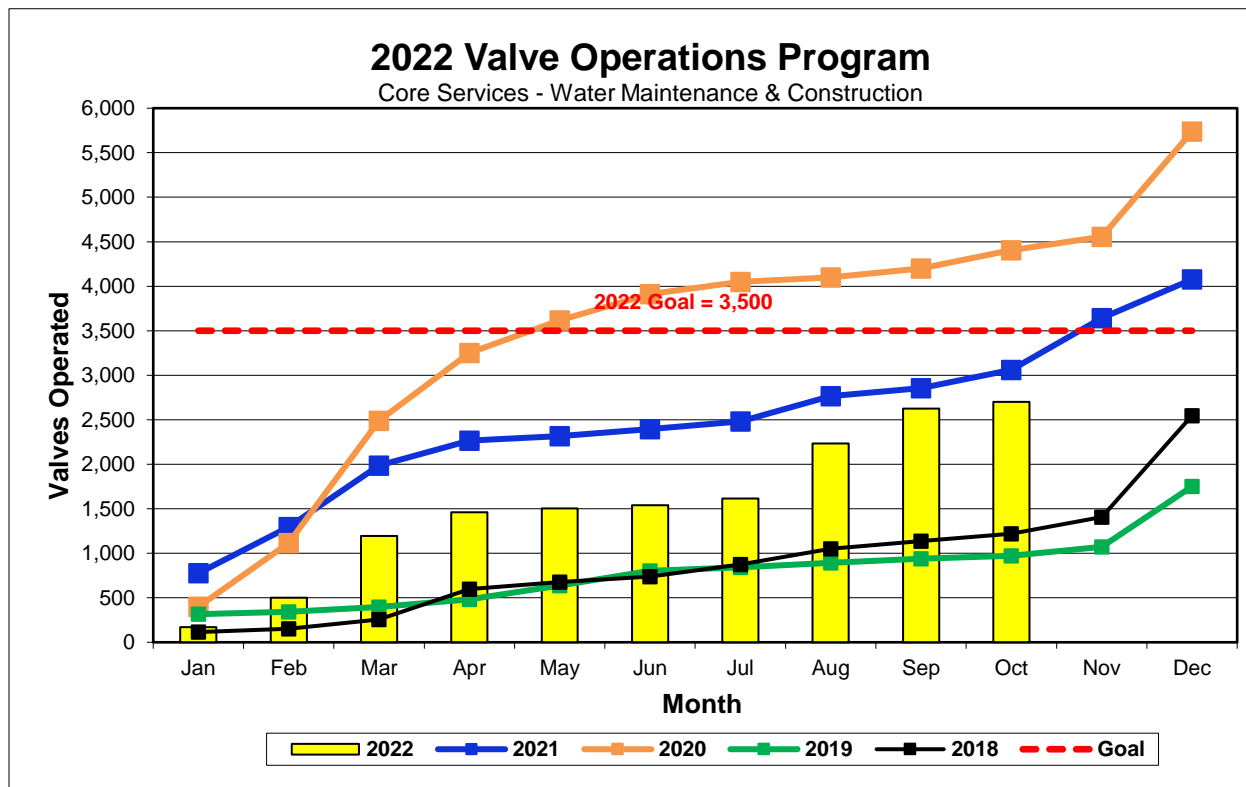
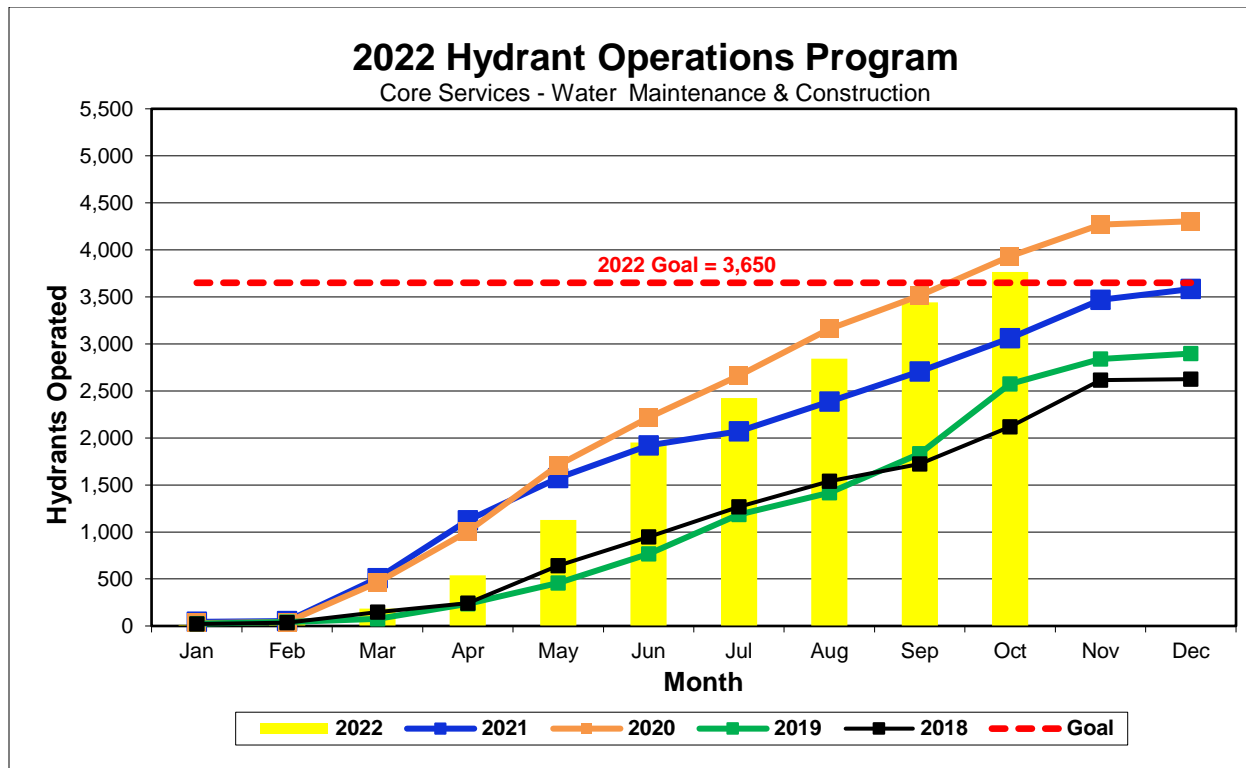
Summary of aggregated incident types (greater than 200 customers – Oct 2022 data)

# Customers	Total # of Incidents	Cause
1,028	4	Overhead Equipment
791	34	Animals
596	1	Lightning

Water Utility:**1. Water Outage Calculations for the month and year to date (October 2022 data):**

- | | |
|-------------------------------------|--|
| a. Reliability = 99.99993847% | Year-to-date Reliability = 99.99915589% |
| b. 22 Customers Affected by Outages | Year-to-date Customers Affected by Outages = 1,235 |
| c. 19.0 Customer Outage Hours | Year-to-date Customer Outage Hours = 2,556.3 |
| d. SAIDI = 0.0 | Year-to-date SAIDI = 3.7 |
| e. CAIDI = 51.8 | Year-to-date CAIDI = 124.2 |
- Performed 1,728 Gopher State water utility locates during the month for a total of 14,191 for the year.
 - Repaired water distribution system failures or maintenance at the following locations during the month. :
 - 9th Ave & 25th St SE – (Valve Leak) – 10/6
 - 851 30th Ave SE – (Valve Leak) – 10/20
 - 4040 E Frontage Rd Hwy 52 – (Water Main Break) - 10/26





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.

SAFETY / COMPLIANCE & PUBLIC AFFAIRS November 2022

1. Safety

TRAINING	Total Required Enrollments	Completions as of 10/31/2022	Percent Complete
October 2022	413	413	100%
Calendar Year to 10/31/2022	5572	5572	100%

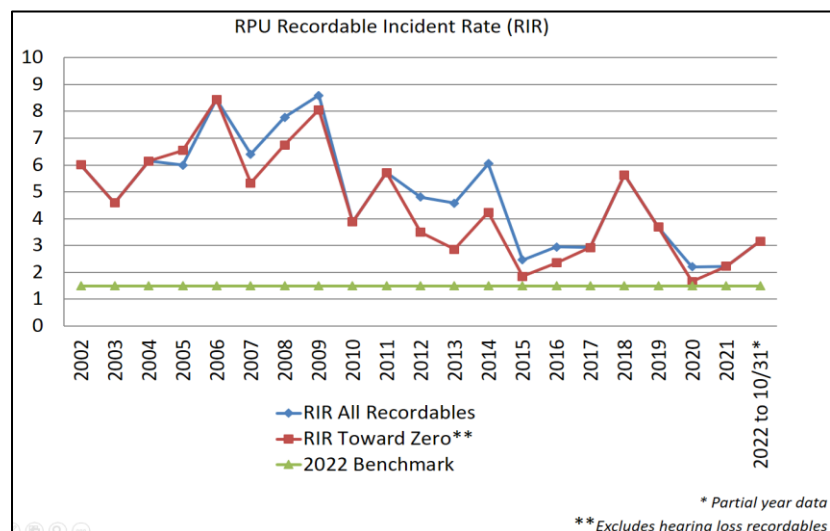
SAFETY TEAMS	Total Members	Members Attending	Percent Attending
October 2022	32	21	65.6%
Calendar Year to 10/31/2022	274	215	78.5%

INCIDENTS	Reports Submitted	OSHA Cases ¹	RPU RIR ²	BLS RIR ³
October 2022	1	0	--	--
Calendar Year to 10/31/2022	20	5	3.16	1.5

- 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



21 of RPU's 24 departments are recordable injury free in 2022
 208 of RPU's 213 employees are recordable injury free in 2022



2022 OSHA Recordable Case Detail				
Work Area	Incident Date	Description	Primary Reason it's a Recordable	Corrective Action
T&D	2/15/2022	Slipped stepping into van falling onto shoulder and knee (L)	Restricted Work Days	Posted/trained on slip falls while entering vehicles
Tech Services	5/12/2022	Felt popping sensation in shoulder and elbow (L) while installing scaffold plank	Lost Workdays	Reevaluating how task is performed
Water	5/17/2022	Pain in shoulder (L) due to fall while exiting well house	Restricted Work Days	Evaluating trip/fall incidents. Training
Water	6/12/2022	Tripped and fell into well house wall causing pain in shoulder and arm (R)	Medical attention beyond first aid	Cautioned about distracted walking
Water	9/29/2022	Curb box wrench slipped while in use causing pain in back, ribs and right side of body	Restricted Work Days	Reevaluating tools and work practice

SAFETY INITIATIVES

1. Implemented audits of First Aid supplies and atmospheric monitors with the assistance of the MMUA Safety Coordinator
2. Working with City Safety Administrator to develop method for online injury & illness reporting
3. Safety Manager attended DevLearn conference to enhance skills and abilities with creation and assignment of online learning

2. Environmental & Regulatory Affairs

- On October 17th, RPU water staff helped provide a water tour and presentation for 4th graders from St. Francis School.
- On November 2nd, Barr Engineering & MN Dept. of Natural Resources conducted the annual inspection of the Lake Zumbro Dam. There were no serious issues reported after the inspection and the final report is expected by the end of the year.
- On November 8th, Todd Osweiler, Heidi Andrist and Steve Johnson provided training to all Customer Care Advisors regarding water related inquiries they receive.

3. Communications

- RPU held a media event on October 14th for the local media to meet and interview the lineworkers and mechanics that went to Florida to help with mutual aid.
- Tony Benson attended the APPA Customer Connections Conference in Minneapolis.
- Tony Benson took part in a MISO Communicators Workshop for MISO member communicators.

Page overview

Discovery

 Post reach	4,053
 Post engagement	1,799
 New Page likes	31
 New Page Followers	52

Interactions

 Reactions	264
 Comments	47
 Shares	32
 Photo views	273
 Link clicks	93

Other

 Hide all posts	1
 Unfollows	0



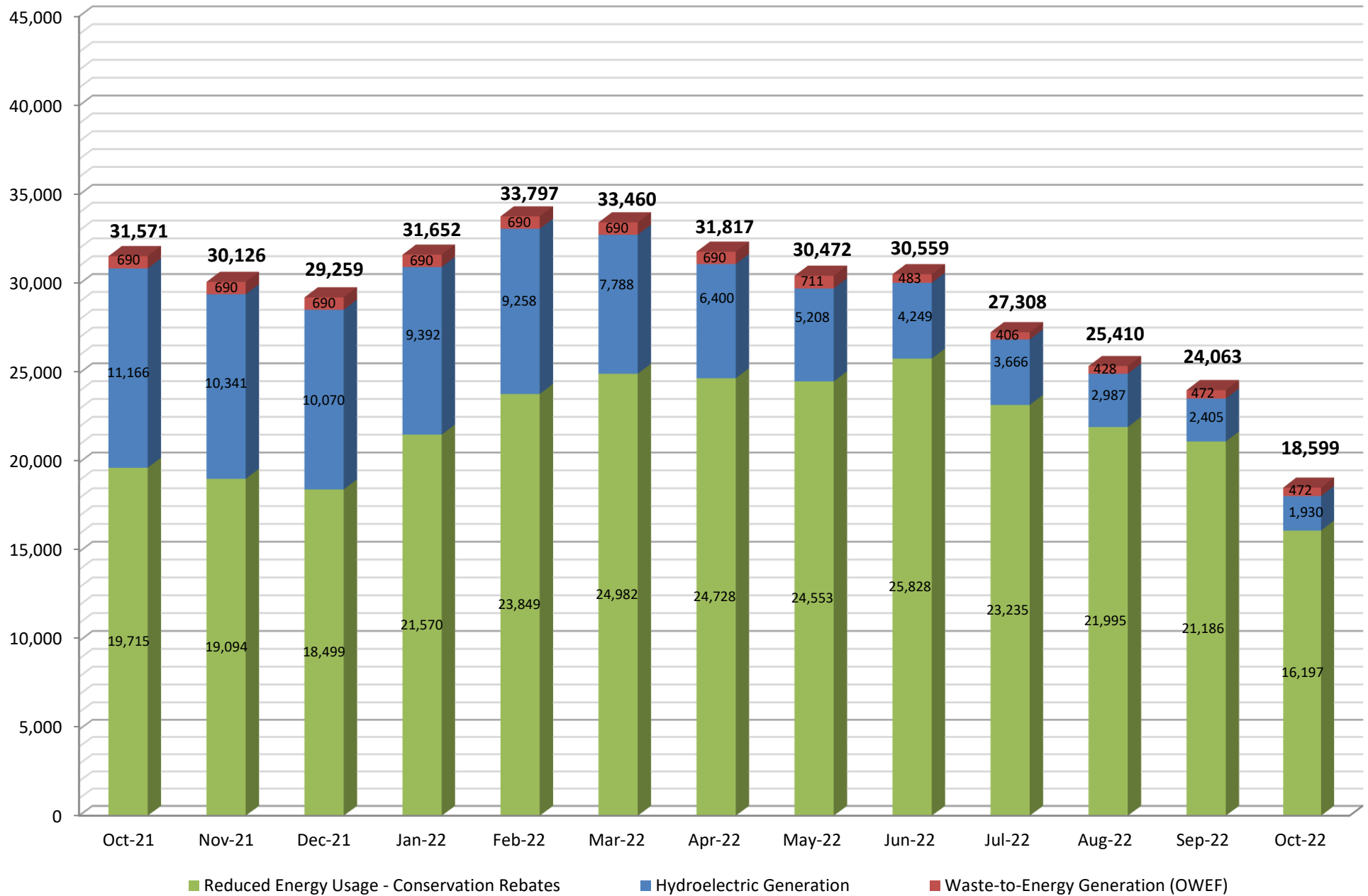
28 day summary with change over previous period



RPU Environmental Stewardship Metric

Tons CO₂ Saved

(12 Month Rolling Sum)



POWER RESOURCES MANAGEMENT

NOVEMBER 2022

Portfolio Optimization

1. In October, RPU continued to bid GT2 and WES into the MISO day-ahead and real-time markets. GT2 and WES are also capable of participating in the ancillary services market. GT2 was on outage for three weeks for annual maintenance.
 - a. Ancillary Service Market – Supplemental Reserves
 - i. Cleared DA
 1. GT2 – 16 days
 2. WES – 31 days
 - ii. Deployment YTD
 1. GT2 – 1
 2. WES – 0
 - b. Dispatched by MISO

i. GT1 – 1 times	YTD 1 times
ii. GT2 – 3 times	YTD 67 times
iii. WES – 25 times	YTD 181 times
 - c. Hours of Operation

i. GT1 – 0 hours	YTD 10 hours
ii. GT2 – 12 hours	YTD 378 hours
iii. WES – 188 hours	YTD 1,421 hours
 - d. Electricity Generated

i. GT1 – 0 MWh	YTD 189 MWh
ii. GT2 – 215 MWh	YTD 10,499 MWh
iii. WES – 5,830 MWh	YTD 46,711 MWh
 - e. Forced Outage

i. GT1 – 0 hours	YTD 0 hours
ii. GT2 – 124 hours	YTD 322 hours
iii. WES – 6 hours	YTD 6 hours
2. MISO market Real Time Price averaged \$40.94/MWh and Day Ahead Price averaged \$40.66/MWh.

CUSTOMER RELATIONS

(Contact Center and Utility Programs and Services, Commercial and Residential)

Stakeholder Engagement, Forums, and Meetings

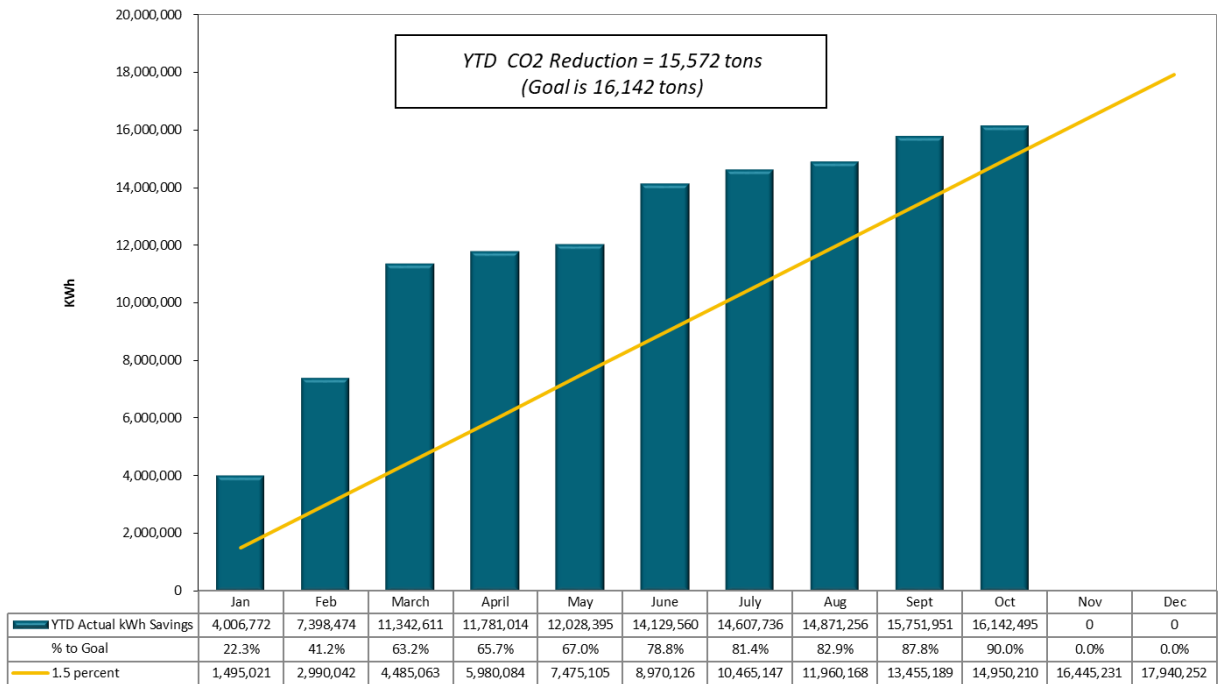
1. RPU was awarded and recognized as a “Smart Energy Provider” (SEP) at APPA’s Customer Connections Conference November 13-16 in Minneapolis. The SEP award is a best practices designation for utilities that show commitment to and proficiency in energy efficiency, distributed generation, renewable energy, and environmental initiatives. Staff were in attendance.

Opportunities for Customers

1. We are collecting holiday lights from customers again this year for recycling. This event started on November 1 and runs through January 27. Bins are located in the Service Center lobby.
2. We held a Neighborhood Energy Challenge workshop with Community Education on Saturday, November 19. We had 45 households registered for the class. A postcard was mailed targeting low income households and so far we’ve had 19 households respond as a result.
3. Customer Care and Collections continue to make outreach calls to customers with past due balances on their accounts. The intent is to be proactive and connect these customers with outside resources for financial assistance. During the month of October, 718 customers were called.

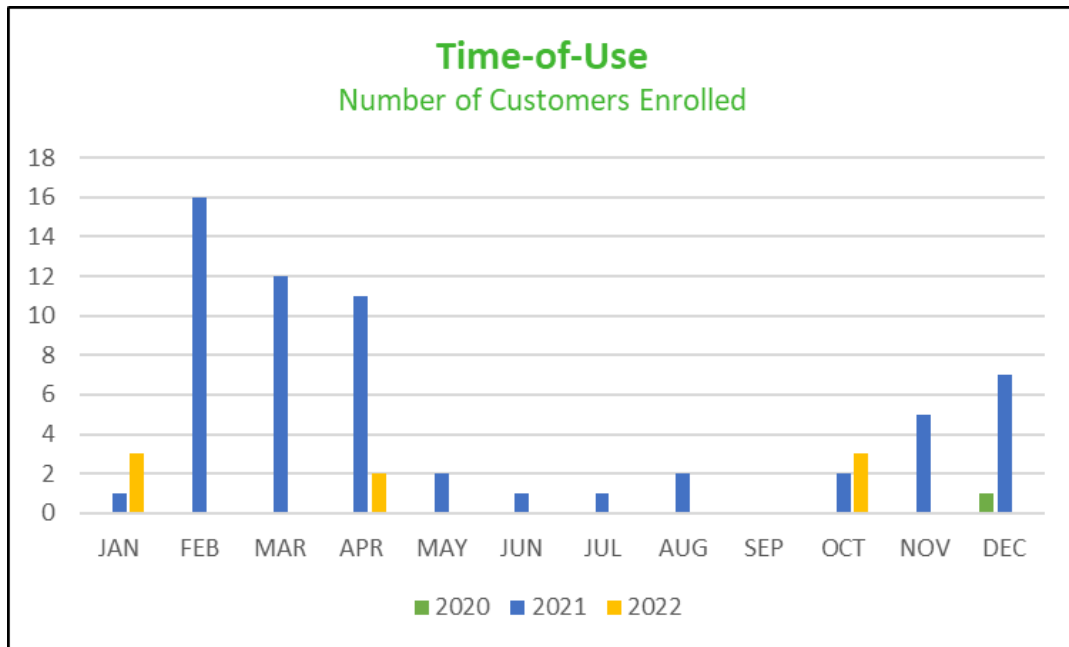
RPU'S 2022 CUMULATIVE kWh SAVINGS As of October 31, 2022

1.5% Goal = 17,940,252 kWh

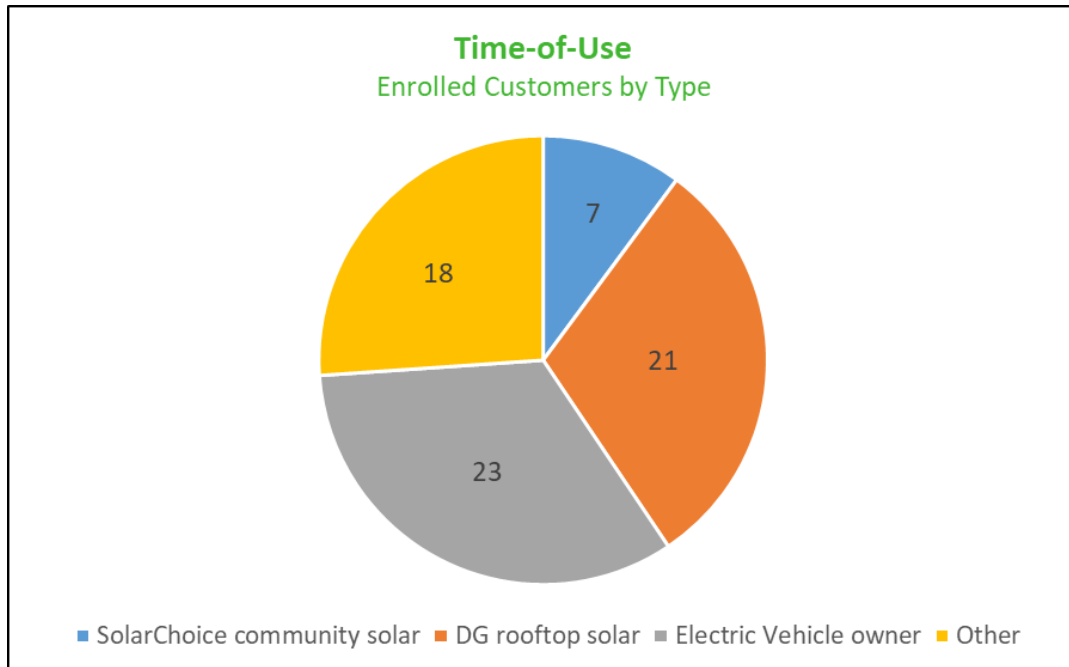


YTD Savings: 16,142,495 kWh

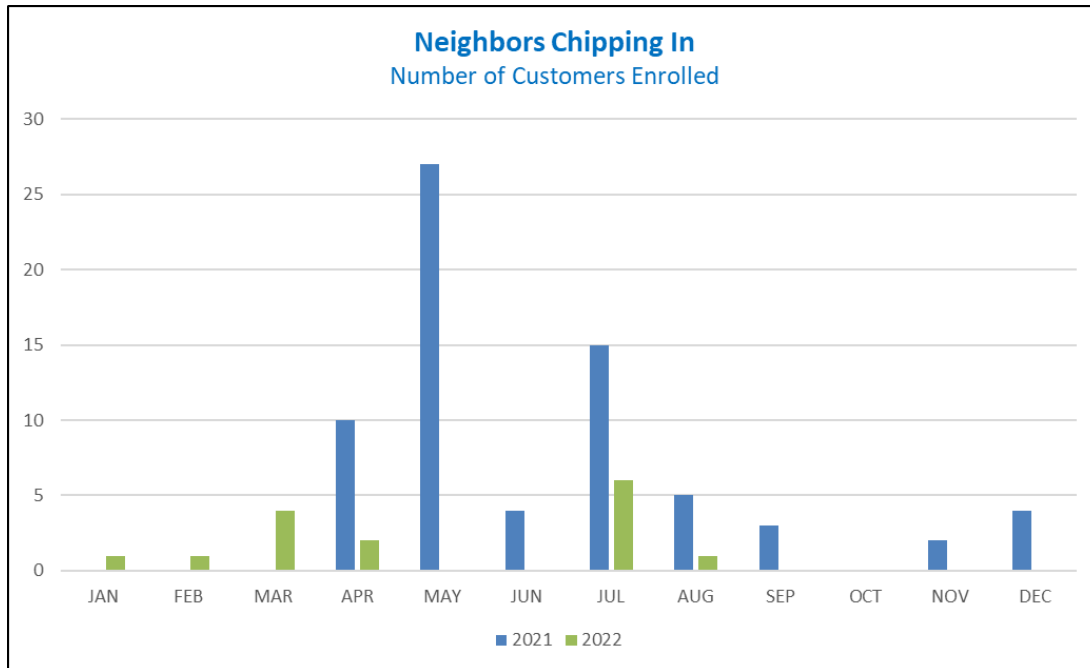
Percent to kWh Goal: 90%



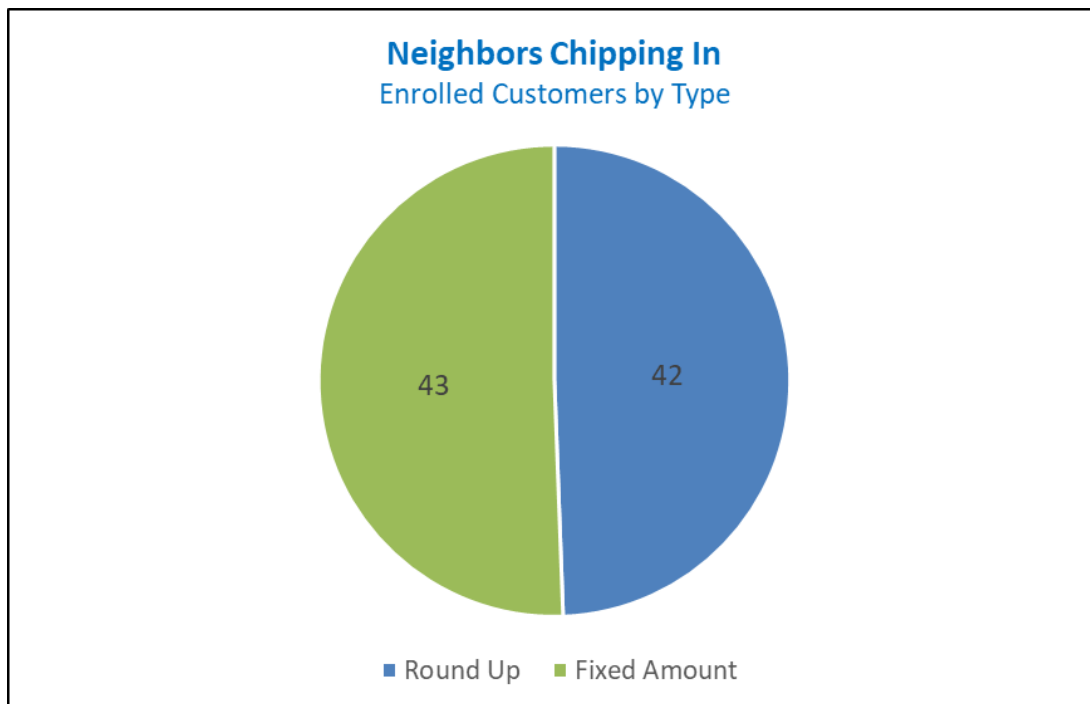
- ✚ Total Customers Enrolled: 69
- 2021 = 1
 - 2021 = 60
 - 2022 = 8



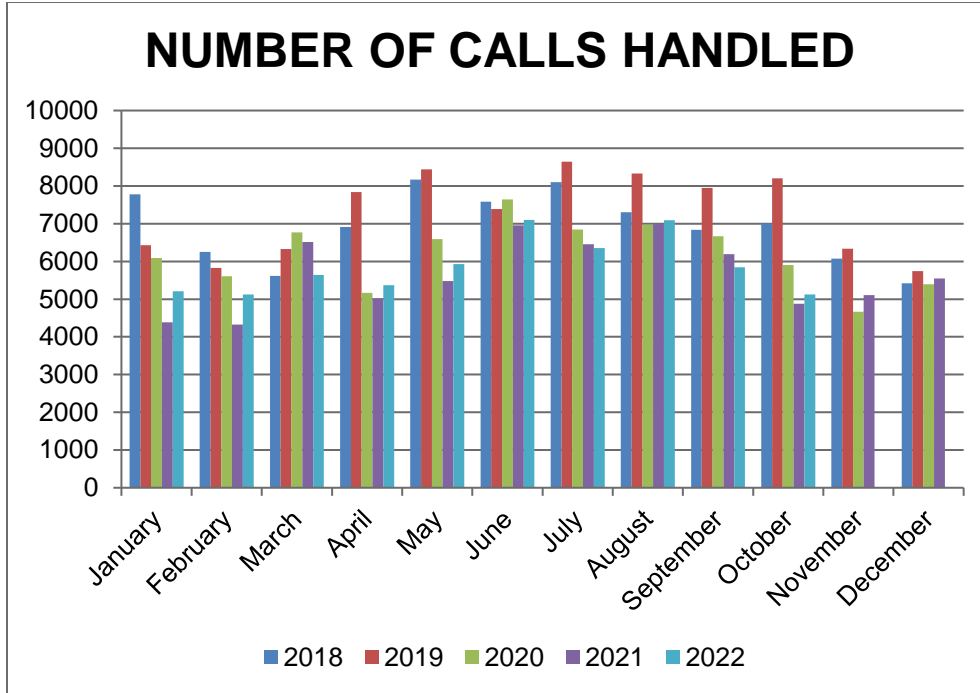
- ✚ Total Customers Enrolled: 69
- SolarChoice = 7
 - Solar = 21
 - Electric Vehicle = 23
 - Regular Residential (Other) = 18



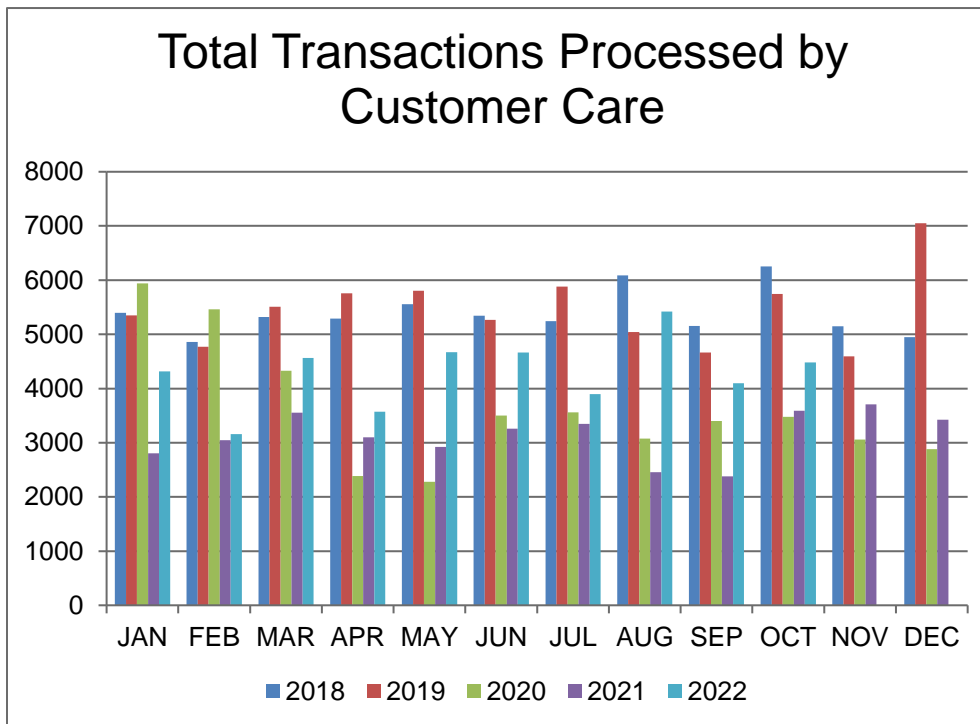
- ✚ Total Customers Enrolled: 85
- 2021 = 70
 - 2022 = 15



- ✚ Total Customers Enrolled: 85
- Round Up = 42
 - Fixed Amount = 43



✚ Total Number of Calls: 5,123 (graphed above)



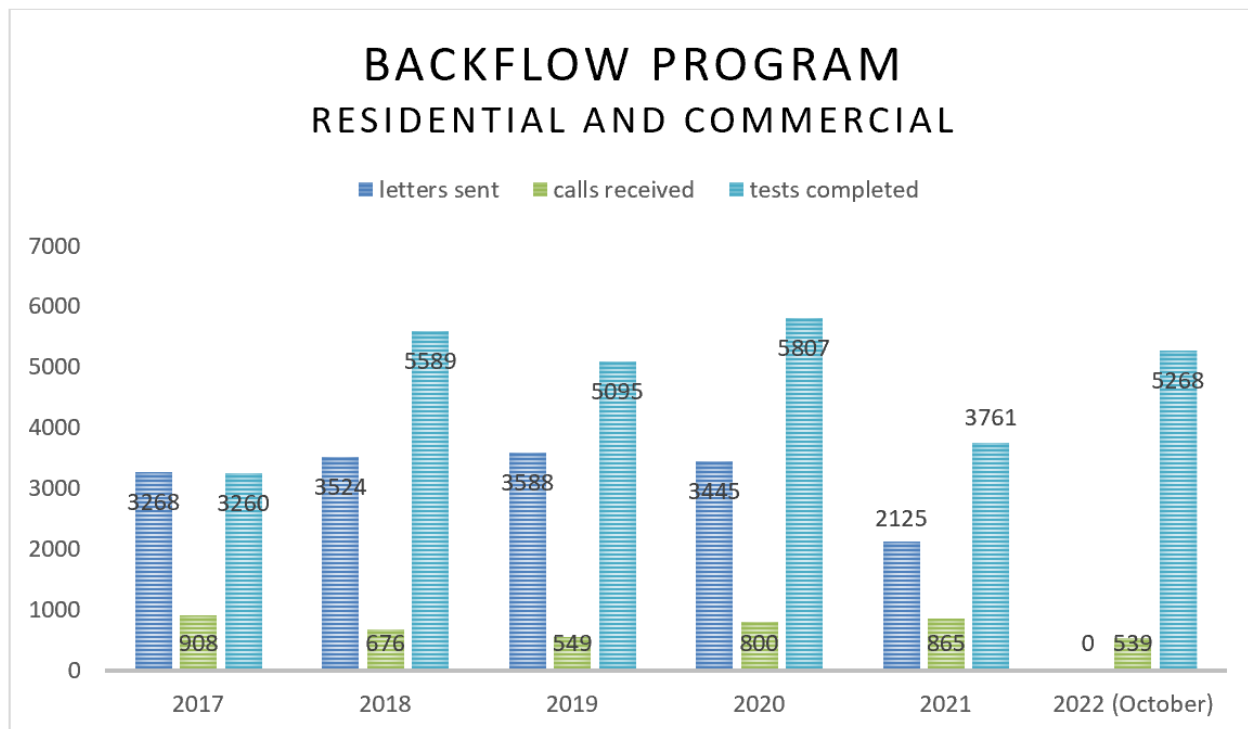
✚ Total Number in Dollars Processed by Representatives: \$1,674,313 (graphed above)

✚ Total Number of Transactions Processed by Representatives: 4,481

CORPORATE SERVICES

1. Business Services:

- Payroll/HR – Coordinated the onboarding of two full time employees
- In process of reissuing all employee badges with updated logos and pictures
- Coordinating United Way fund raising activities
- Completed quarterly NERC/CIP access review
- All employees to access to NERC/CIP restricted areas assigned Cyber Security training to be completed in November. This is a NERC/CIP annual requirement.

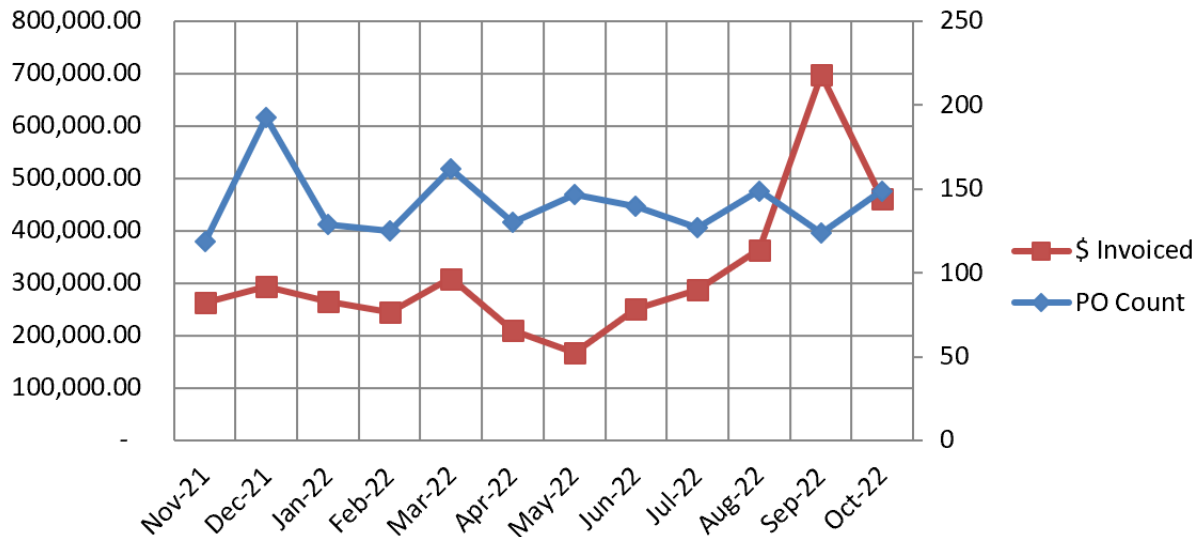


**Effective November 2021 - TCE produces all customer mailings and provides contractor support.*

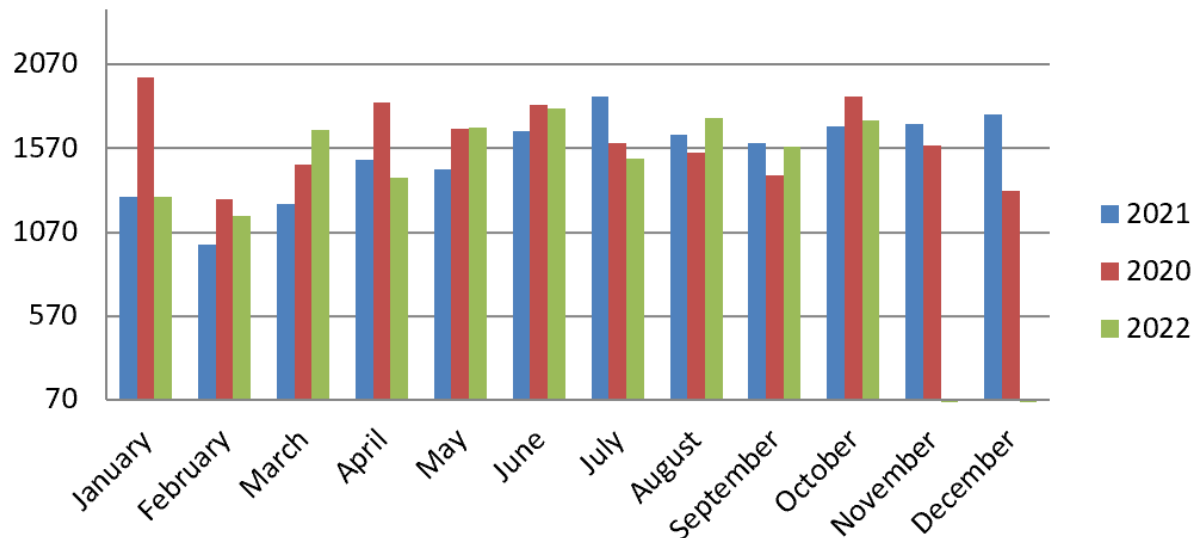
• Purchasing and Materials Management:

- Active-Invitation for Bid (IFB) Service Center Renovation close 11/10/2022
- Active-IFB Power Line Tree Clearance close 11/21/2022
- Working with both transformer and cable contracts to address supply chain delays and price increases

Purchase Order Count and Dollars Invoiced



Warehouse Transactions Count All Plants



2. Information Technology:

General

- Working with Business Services on the SharePoint migration to MS365. Expect to start building new site in November.
- Participating in the evaluation of the AMI related RFP responses.

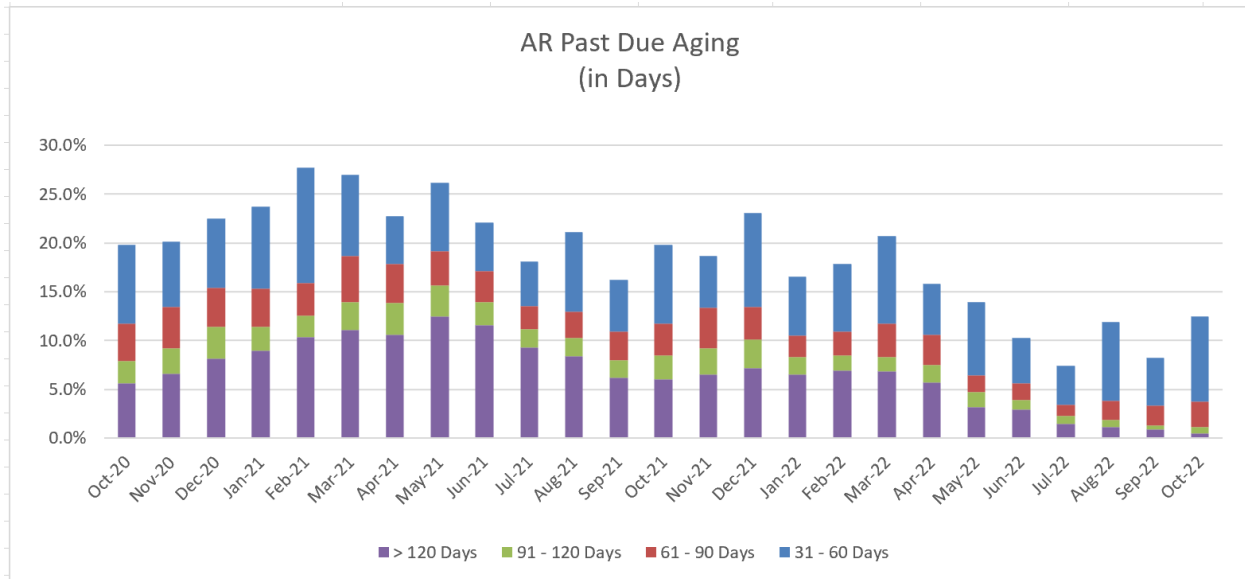
3. Finance and Accounting:

General

- Budget Process – Public comment is welcomed at the November Board meeting on the current proposed 2023 budget. Public notice of the proposed changes was published on October 8, 2022. A request to approve the 2023 recommended budgets and proposed 2023 rates will be made of the Board at the November Board meeting and December 5, 2022, City Council meeting.
- The Billing team is testing the transitional rates for small general service customers that will be moving to medium general services effective January 2023.
- The Billing team is testing the configuration of the recommended Electric Vehicle Time of Use rate proposed to the Board in September in anticipation of approval by both the Board and City Council by the end of the current year.
- Annually, the Utility is required to send unclaimed funds to the State. For the year ended June 30, 2021, we had 144 checks for a total of \$10,481.30 that were not cashed and the funds forwarded to the State.
- The financial auditors completed their preliminary fieldwork the week of October 31 – November 4, 2022 in preparation for the 2022 annual audit that will be conducted in February next year. No issues were identified.
- The accounting team is working on updating the annual Continuing Disclosures required by our outstanding Bond agreements. The team has also been providing information to the Fitch rating agency as part of their annual update process.
- Worked with GDS, the company that helps to prepare the MISO attachment “O” which determines our transmission revenue entitlement based on our transmission investments. GDS has also helped model the potential return on an ownership/investment opportunity the Electric Utility may have in some recent MISO approved multi value projects similar to the CapX2020 investments. An informational item will be presented at this month’s Board meeting.

4. Financial Results:

In the graph below, we show the breakdown of the percentage of the total past due balances as a percent of the total accounts receivable (AR). The overall trend has returned to pre pandemic levels after returned to normal operations and disconnection of service for nonpayment. As of October 1, 2022, the beginning of the Cold Weather Protection period, we have not been disconnecting residential customers for nonpayment. Both residential and commercial balances increased in October by \$131,761 and \$172,285, respectively. Most of this increase can be seen in the 31-60 day past due period, which can be impacted by the timing of payments by a few large accounts, last month’s additional energy assistance payments of \$342K, and the impact of not disconnecting for nonpayment since October 1.



Note: Budget numbers are compared to the Board approved 2022 budget which is adjusted for 2021 approved capital project not completed in 2021 and carried over to 2022.

The (\$4,826) variance in the Current Month Electric Utility Change in Net Position is due to \$5M less in budgeted distribution from SMMPA, anticipated when the 2022 budget was created in 2021. The original budget anticipated this distribution being authorized in November 2022 and paid in 2023. The current 2023 budget does not include these funds.

(In Thousands)	Current Month			Year to Date		
	Actual	Budget	Variance	Actual	Budget	Variance
Revenue - Electric	\$ 12,176	\$ 12,652	\$ (476)	\$ 139,374	\$ 136,093	\$ 3,281
Revenue - Water	902	885	17	9,343	9,209	134
Change in Net Position - Electric	1,693	6,519	(4,826)	15,797	20,439	(4,642)
Change in Net Position - Water	93	(75)	168	1,624	744	880



TO: Jeremy Sutton, Director of Power Resources

FROM: Tina Livingston, Senior Financial Analyst

SUBJECT: LOAD FORECAST SUMMARY FOR 2022

MONTH	SYSTEM ENERGY			PEAK SYSTEM DATA		
	ACTUAL MWH	FORECAST MWH	% DIFF	ACTUAL MW	FORECAST MW	% DIFF
JAN	102,220	99,814	2.4%	170.3	171.2	-0.5%
FEB	90,277	91,964	-1.8%	180.1	170.1	5.9%
MAR	91,268	88,426	3.2%	150.9	146.6	2.9%
APR	84,733	104,335	-18.8%	146.4	194.0	-24.5%
MAY	92,943	95,645	-2.8%	235.1	199.2	18.0%
JUN	104,970	106,599	-1.5%	267.0	236.3	13.0%
JUL	117,635	123,195	-4.5%	252.2	272.7	-7.5%
AUG	112,224	119,686	-6.2%	249.1	251.9	-1.1%
SEP	95,870	106,293	-9.8%	241.4	233.4	3.5%
OCT	87,362	93,924	-7.0%	151.3	169.2	-10.6%
NOV					167.1	
DEC					176.1	
YTD	979,504	1,029,881	-4.9			

HISTORICAL SYSTEM PEAK 292.1 MW 07/20/2011

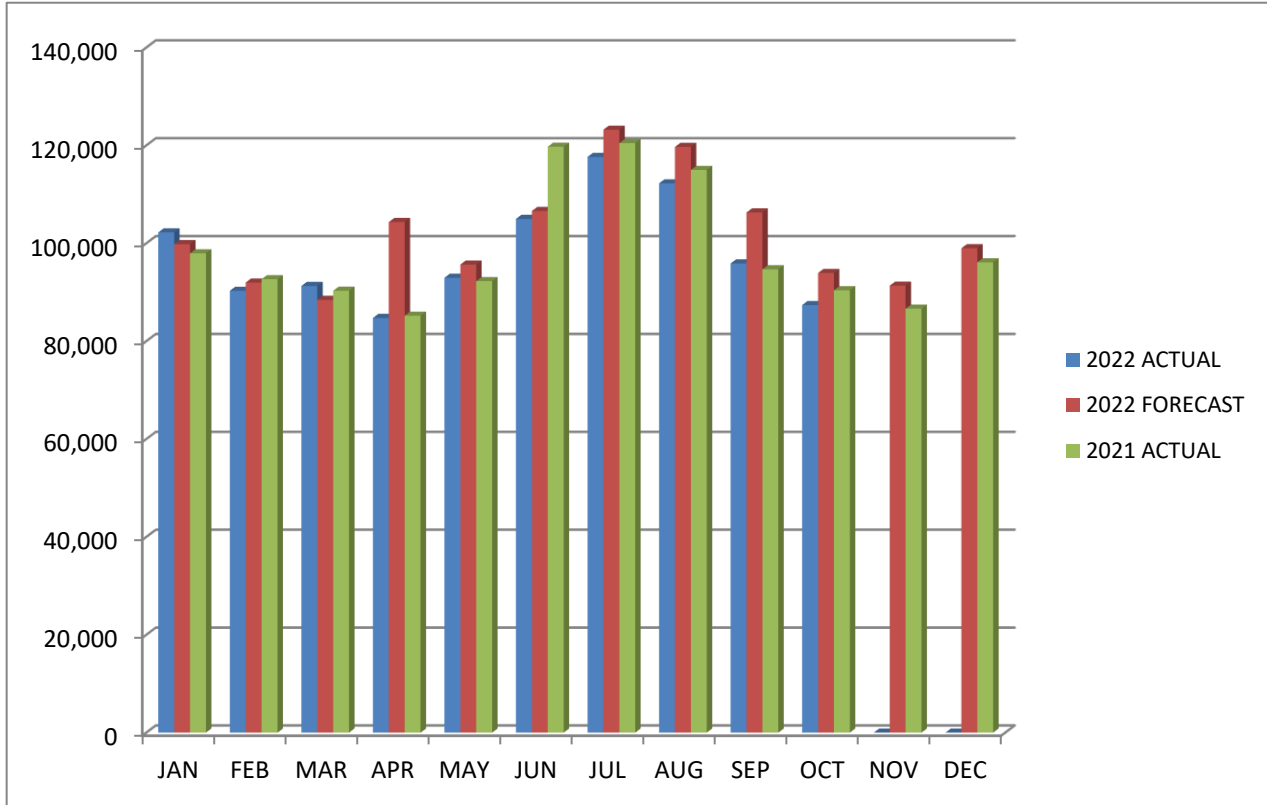
% DIFF = (ACTUAL / FORECAST X 100) - 100

MWH = MEGAWATT HOUR = 1000 KILOWATT HOURS

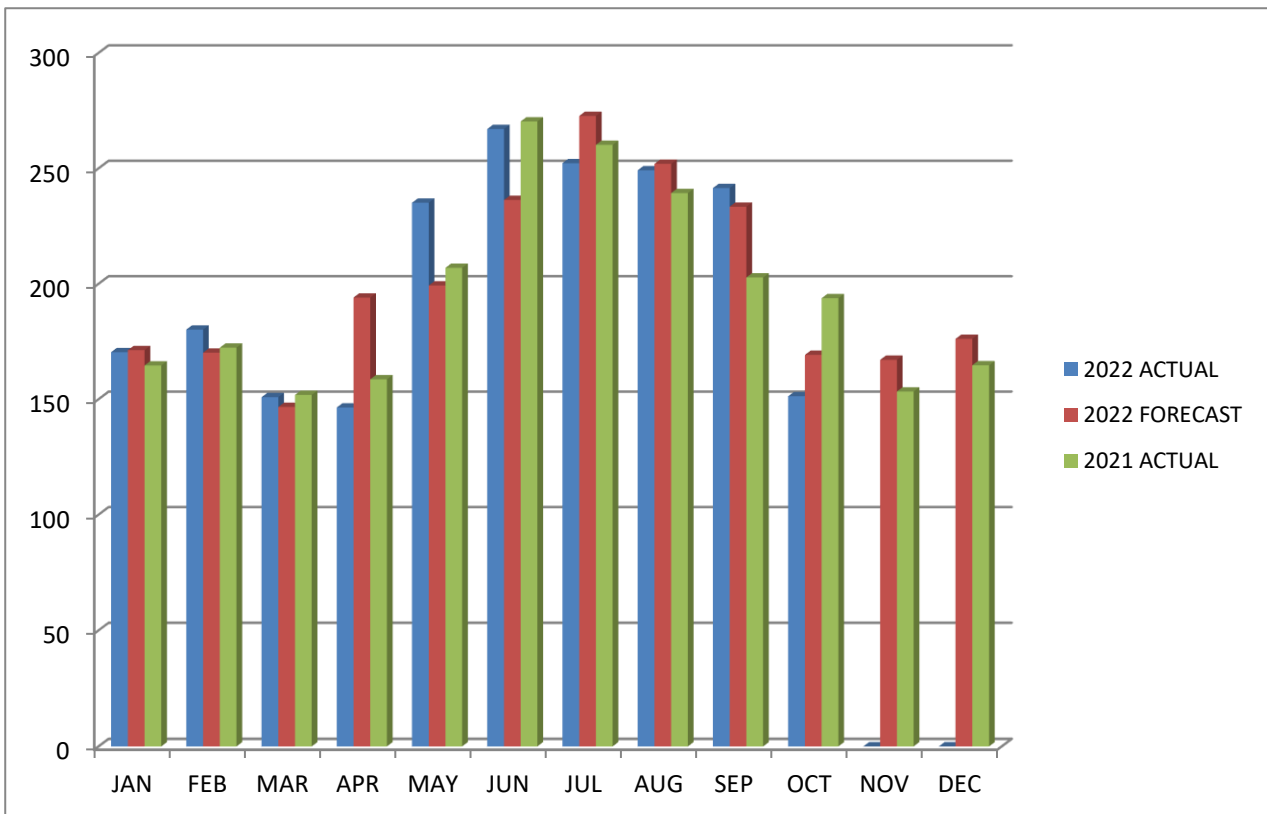
MW = MEGAWATT = 1000 KILOWATTS

2022 YTD SYSTEM REQUIREMENTS

Energy Required for the Month (MWH)



Peak Demand for the Month (MW)



ROCHESTER PUBLIC UTILITIES

INDEX

K:\RPU\GA\FINANCIAL REPORTS\FINANCIALS CRMO.pdf

DATE: October 2022

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 November 2022 (15112 : Division Reports & Metrics - November 2022)

ROCHESTER PUBLIC UTILITIES
STATEMENT OF NET POSITION
ELECTRIC UTILITY
October 31, 2022

	<u>October 2022</u>	<u>October 2021</u>	<u>Difference</u>	<u>% Diff.</u>	<u>September 2021</u>
ASSETS					
CURRENT ASSETS					
CASH & INVESTMENTS					
Unreserved Cash & Investments	52,126,669	44,451,377	7,675,292	17.3	51,685,941
BOARD RESERVED CASH & INVESTMENTS					
Clean Air Rider Reserve	5,948,601	6,529,996	(581,395)	(8.9)	5,948,601
Working Funds Reserve	20,867,000	19,537,000	1,330,000	6.8	20,867,000
Special Capital & Major Maintenance Reserve	3,300,638	2,800,818	499,820	17.8	3,300,638
Contingency Reserve	11,251,000	10,943,000	308,000	2.8	11,251,000
General Capital & Major Maintenance Reserve	16,877,773	21,299,180	(4,421,407)	(20.8)	17,509,421
Total Reserved Cash & Investments	58,245,013	61,109,994	(2,864,982)	(4.7)	58,876,661
Total Cash & Investments	110,371,682	105,561,372	4,810,310	4.6	110,562,611
Receivables & Accrued Utility Revenues	29,779,786	27,103,871	2,675,915	9.9	32,846,331
Inventory	9,242,424	6,707,224	2,535,200	37.8	8,807,631
Other Current Assets	1,530,880	1,214,369	316,512	26.1	1,416,191
RESTRICTED ASSETS					
Restricted Cash and Equivalents	9,248,299	8,831,049	417,250	4.7	8,107,131
Total Current Assets	160,173,071	149,417,884	10,755,187	7.2	161,739,901
NON-CURRENT ASSETS					
RESTRICTED ASSETS					
RESTRICTED CASH & INVESTMENTS					
Debt Service Reserve	12,127,898	12,072,991	54,907	0.5	12,108,141
Funds Held in Trust	0	0	0	0.0	0
Total Restricted Cash & Investments	12,127,898	12,072,991	54,907	0.5	12,108,141
Total Restricted Assets	12,127,898	12,072,991	54,907	0.5	12,108,141
CAPITAL ASSETS					
NON-DEPRECIABLE ASSETS					
Land and Land Rights	11,264,662	11,264,662	0	0.0	11,264,662
Construction Work in Progress	28,453,799	21,423,769	7,030,030	32.8	25,179,491
Total Non-depreciable Assets	39,718,461	32,688,431	7,030,030	21.5	36,444,161
DEPRECIABLE ASSETS					
Utility Plant in Service, Net	242,335,462	242,558,521	(223,058)	(0.1)	242,900,341
Steam Assets, Net	932,765	1,227,322	(294,557)	(24.0)	957,311
Total Depreciable Assets	243,268,227	243,785,842	(517,616)	(0.2)	243,857,651
Net Capital Assets	282,986,688	276,474,274	6,512,414	2.4	280,301,811
Other Non-Current Assets	11,480,461	11,893,680	(413,219)	(3.5)	11,520,001
Total Non-Current Assets	306,595,046	300,440,944	6,154,102	2.0	303,929,961
TOTAL ASSETS	466,768,117	449,858,828	16,909,289	3.8	465,669,871
DEFERRED OUTFLOWS OF RESOURCES					
DEFERRED OUTFLOWS OF RESOURCES	6,971,702	3,644,658	3,327,044	91.3	7,180,051
TOTAL ASSETS + DEFERRED OUTFLOW RESOURCE	473,739,819	453,503,487	20,236,333	4.5	472,849,931
LIABILITIES					
CURRENT LIABILITIES					
Accounts Payable	13,035,296	11,306,131	1,729,164	15.3	13,919,861
Due to other funds	3,517,543	3,494,673	22,870	0.7	3,726,701
Customer Deposits	2,187,786	2,057,087	130,699	6.4	2,192,211
Compensated absences	2,062,452	1,956,170	106,282	5.4	2,040,271
Accrued Salaries & Wages	551,461	445,164	106,297	23.9	470,711
Interest Payable	2,753,716	2,876,382	(122,667)	(4.3)	2,202,971
Current Portion of Long Term Debt	7,085,000	6,515,000	570,000	8.7	7,085,000
Misc Other Current Liabilities	3,913	1,184	2,729	230.4	3,671
Total Current Liabilities	31,197,166	28,651,791	2,545,375	8.9	31,641,421
NON-CURRENT LIABILITIES					
Compensated absences	1,650,109	1,519,793	130,316	8.6	1,645,401
Other Non-Current Liabilities	10,112,060	14,291,386	(4,179,326)	(29.2)	10,112,060
Unearned Revenues	1,863,917	1,914,528	(50,611)	(2.6)	1,738,051
Long-Term Debt	166,288,139	174,855,777	(8,567,638)	(4.9)	166,411,621
Total Non-Current Liabilities	179,914,225	192,581,484	(12,667,259)	(6.6)	179,907,151
TOTAL LIABILITIES	211,111,392	221,233,275	(10,121,883)	(4.6)	211,548,571
DEFERRED INFLOWS OF RESOURCES					
DEFERRED INFLOWS OF RESOURCES	18,437,347	1,211,107	17,226,240	1,422.4	18,803,541
NET POSITION					
Net Investment in Capital Assets	120,650,653	106,192,696	14,457,957	13.6	118,392,321
Total Restricted Net Position	6,494,583	5,954,667	539,917	9.1	5,904,161
Unrestricted Net Position	117,045,845	118,911,743	(1,865,898)	(1.6)	118,201,321
TOTAL NET POSITION	244,191,081	231,059,105	13,131,976	5.7	242,497,811
TOTAL LIAB, DEFERRED INFLOWS, NET POSITION	473,739,819	453,503,487	20,236,333	4.5	472,849,931

Attachment: Division Reports November 2022 (15112 : Division Reports & Metrics - November 2022)

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

October, 2022
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	49,893,532	49,474,971	418,561	0.8	48,691,72
Electric - General & Industrial Service	73,392,643	76,238,543	(2,845,899)	(3.7)	72,136,24
Electric - Public Street & Highway Light	1,159,509	1,217,127	(57,618)	(4.7)	1,375,45
Electric - Rental Light Revenue	161,464	218,556	(57,092)	(26.1)	157,55
Electric - Interdepartmental Service	919,491	919,969	(478)	(0.1)	933,92
Electric - Power Cost Adjustment	(1,859,808)	(195,555)	(1,664,252)	(851.0)	510,90
Electric - Clean Air Rider	1,818,345	1,808,573	9,772	0.5	1,847,70
Electric - Total Retail Revenue	125,485,176	129,682,183	(4,197,008)	(3.2)	125,653,50
Wholesale Electric Revenue					
Energy & Fuel Reimbursement	5,842,654	2,464,708	3,377,945	137.1	5,267,54
Capacity & Demand	1,609,353	440,930	1,168,422	265.0	423,94
Total Wholesale Electric Revenue	7,452,006	2,905,639	4,546,368	156.5	5,691,49
Steam Sales Revenue	6,436,738	3,505,264	2,931,474	83.6	5,918,13
TOTAL SALES REVENUE	139,373,920	136,093,086	3,280,833	2.4	137,263,13
COST OF REVENUE					
Purchased Power	73,436,353	76,737,568	(3,301,215)	(4.3)	74,595,69
Generation Fuel, Chemicals & Utilities	8,480,904	3,812,687	4,668,216	122.4	7,556,46
TOTAL COST OF REVENUE	81,917,256	80,550,255	1,367,001	1.7	82,152,15
GROSS MARGIN					
Retail	52,048,823	52,944,616	(895,793)	(1.7)	51,057,81
Wholesale	5,407,840	2,598,216	2,809,625	108.1	4,053,15
TOTAL GROSS MARGIN	57,456,663	55,542,831	1,913,832	3.4	55,110,97
FIXED EXPENSES					
Utilities Expense	400,030	363,850	36,179	9.9	367,00
Depreciation & Amortization	12,382,886	11,847,250	535,636	4.5	12,149,04
Salaries & Benefits	18,061,218	19,679,313	(1,618,094)	(8.2)	16,935,72
Materials, Supplies & Services	12,728,622	15,141,045	(2,412,423)	(15.9)	8,811,83
Inter-Utility Allocations	(1,576,916)	(1,551,668)	(25,248)	(1.6)	(1,572,15)
TOTAL FIXED EXPENSES	41,995,840	45,479,790	(3,483,950)	(7.7)	36,691,45
Other Operating Revenue	7,272,580	12,981,407	(5,708,827)	(44.0)	13,573,97
NET OPERATING INCOME (LOSS)	22,733,404	23,044,449	(311,045)	(1.3)	31,993,49
NON-OPERATING REVENUE / (EXPENSE)					
Investment Income (Loss)	1,007,877	1,690,964	(683,087)	(40.4)	1,068,72
Interest Expense	(4,476,951)	(4,507,436)	30,485	0.7	(4,642,85)
Amortization of Debt Issue Costs	(88,000)	(88,000)	0	0.0	(88,08)
Miscellaneous - Net	(230,849)	(23,700)	(207,149)	(874.0)	(238,20)
TOTAL NON-OPERATING REV (EXP)	(3,787,922)	(2,928,171)	(859,751)	(29.4)	(3,900,42)
INCOME (LOSS) BEFORE TRANSFERS / CAPITAL CONTRIBUTIONS	18,945,482	20,116,277	(1,170,796)	(5.8)	28,093,06
Transfers Out	(7,345,321)	(7,604,446)	259,125	3.4	(7,163,77)
Capital Contributions	4,196,768	7,927,592	(3,730,824)	(47.1)	4,657,38
CHANGE IN NET POSITION	15,796,929	20,439,423	(4,642,495)	(22.7)	25,586,68
Net Position, Beginning	228,394,152				205,472,42
NET POSITION, ENDING	244,191,081				231,059,10

Attachment: Division Reports November 2022 (15112 : Division Reports & Metrics - November 2022)

Debt Coverage Ratio

2

Rolling 12 Months

2.94

Planned for Curr Year

3.04

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ROCHESTER PUBLIC UTILITIES
STATEMENT OF CASH FLOWS
ELECTRIC UTILITY
FOR
OCTOBER, 2022
YEAR-TO-DATE

	<u>Actual YTD</u>	<u>Last Yr Actual YTD</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received From Customers	138,453,518	136,822,895
Cash Received From Other Revenue Sources	2,548,890	4,267,058
Cash Received From Wholesale & Steam Customer	13,393,866	11,005,742
Cash Paid for:		
Purchased Power	(73,925,363)	(74,614,764)
Operations and Maintenance	(30,420,949)	(23,526,390)
Fuel	(8,480,775)	(6,596,395)
Payment in Lieu of Taxes	(7,416,462)	(7,203,324)
Net Cash Provided by(Used in) Utility Operating Activities	34,152,725	40,154,822
Sewer, Storm Water, Sales Tax & MN Water Fee Collections		
Receipts from Customers	38,019,769	37,598,587
Remittances to Government Agencies	(37,843,303)	(37,881,290)
Net Cash Provided by(Used in) Non-Utility Operating Activities	176,466	(282,703)
NET CASH PROVIDED BY(USED IN) OPERATING ACTIVITIES	34,329,191	39,872,119
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES		
Additions to Utility Plant & Other Assets	(16,765,596)	(13,891,017)
Payments related to Service Territory Acquisition	(117,471)	(94,272)
Payment on Long-Term Debt	0	3,175,000
Net Bond/Loan Receipts	0	0
Cash Paid for Interest & Commissions	(3,304,459)	(7,775,658)
NET CASH PROVIDED BY(USED IN) CAPITAL & RELATED ACTIVITIES	(20,187,526)	(18,585,947)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Earnings on Investments	619,190	636,042
Construction Fund (Deposits) Draws	0	0
Bond Reserve Account	(8,162,046)	(6,773,675)
Escrow/Trust Account Activity	0	0
NET CASH PROVIDED BY(USED IN) INVESTING ACTIVITIES	(7,542,856)	(6,137,633)
Net Increase(Decrease) in Cash & Investments	6,598,809	15,148,539
Cash & Investments, Beginning of Period	103,772,874	90,412,832
CASH & INVESTMENTS, END OF PERIOD	110,371,683	105,561,371
Externally Restricted Funds	21,376,197	20,904,040
Grand Total	131,747,880	126,465,411

11/16/2022

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

**October, 2022
YEAR-TO-DATE**

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Attachment: Division Reports November 2022 (15112 : Division Reports & Metrics - November 2022)

11/16/2022

ROCHESTER PUBLIC UTILITIES
PRODUCTION & SALES STATISTICS (continued)
ELECTRIC UTILITY

October, 2022

YEAR-TO-DATE

Last Yr

Actual YTD

Actual YTD Budget YTD Variance % Var.

FUEL USAGE

(calendar month)

Gas Burned

SLP	503,893	MCF	544,345	MCF	(40,452)	(7.4)	527,678	MCF
Cascade	107,991	MCF	188,831	MCF	(80,840)	(42.8)	289,743	MCF
Westside	371,205	MCF	276,415	MCF	94,790	34.3	366,950	MCF
Total Gas Burned	983,089	MCF	1,009,591	MCF	(26,502)	(2.6)	1,184,371	MCF

Oil Burned

Cascade	14,415	GAL	0	GAL	14,415	-	206,143	GAL
IBM	2,441	GAL	0	GAL	2,441	-	1,884	GAL
Total Oil Burned	16,856	GAL	0	GAL	16,856	-	208,027	GAL

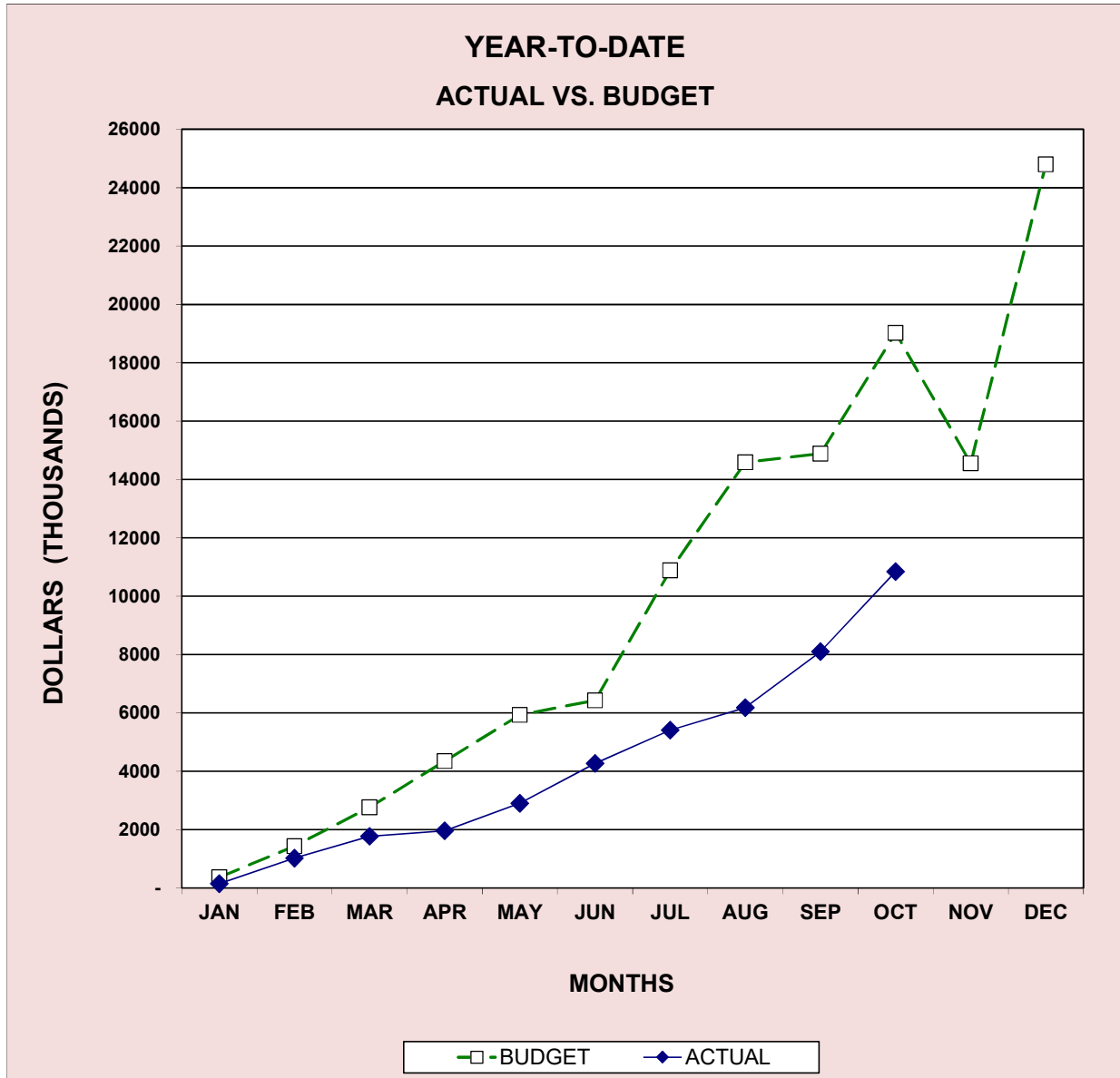
Attachment: Division Reports November 2022 (15112 : Division Reports & Metrics - November 2022)

CAPITAL EXPENDITURES ELECTRIC

Current Year	
ANNUAL BUDGET	24,799,405
ACTUAL YTD	10,841,273
% OF BUDGET	43.7%

October, 2022

Prior Years Ending Dec 31st		
2021	2020	2019
15,246,736	15,059,888	21,990,984
7,041,030	10,078,628	11,174,211
46.2%	66.9%	50.8%



Attachment: Division Reports November 2022 (15112 : Division Reports & Metrics - November 2022)

MAJOR MAINTENANCE EXPENDITURES ELECTRIC

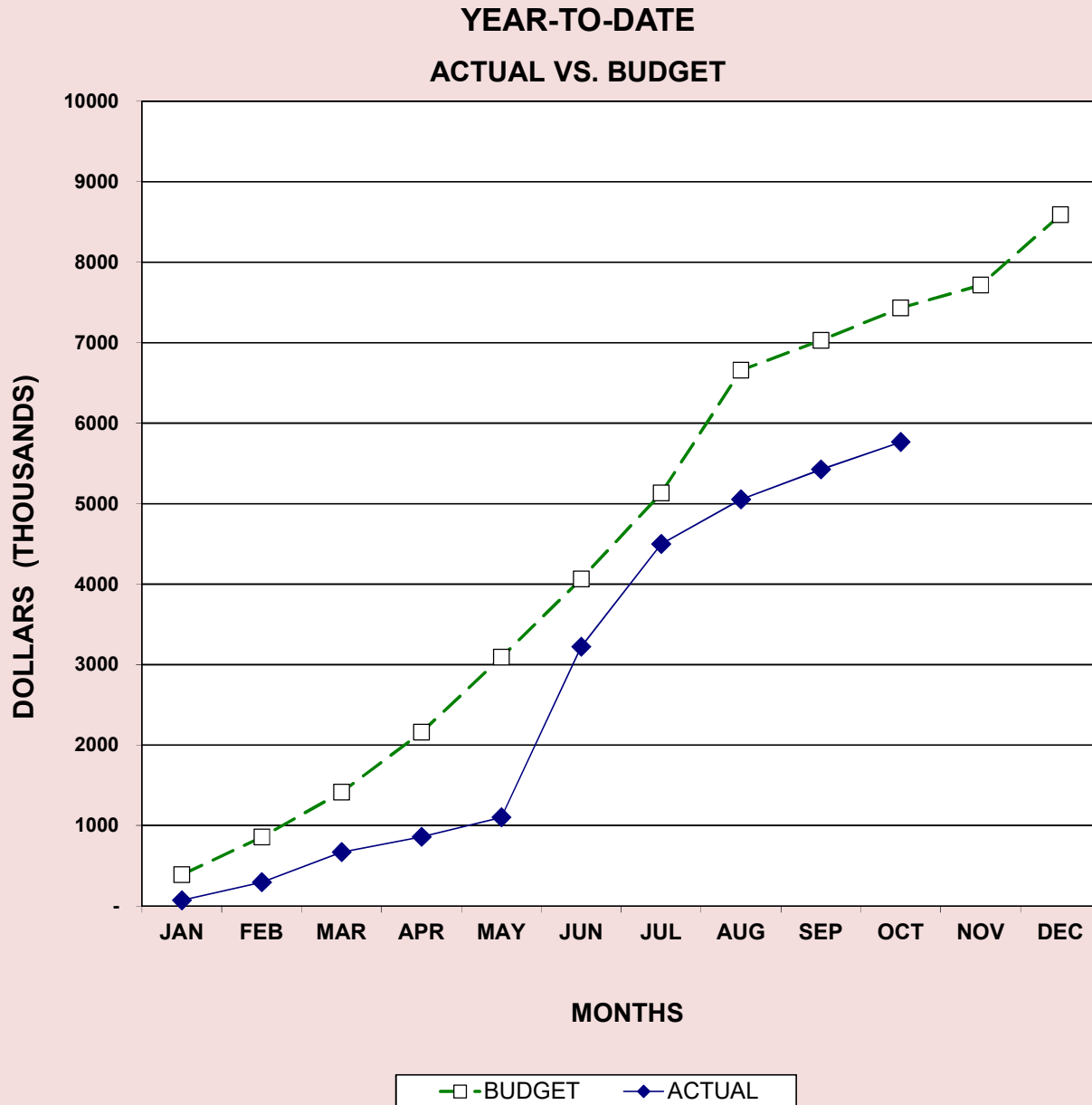
Current Year

ANNUAL BUDGET 8,589,452
 ACTUAL YTD 5,766,292
 % OF BUDGET 67.1%

October, 2022

Prior Years Ending Dec 31st

2021	2020	2019
3,815,243	4,010,088	3,353,049
3,680,535	3,111,620	2,881,017
96.5%	77.6%	85.9%



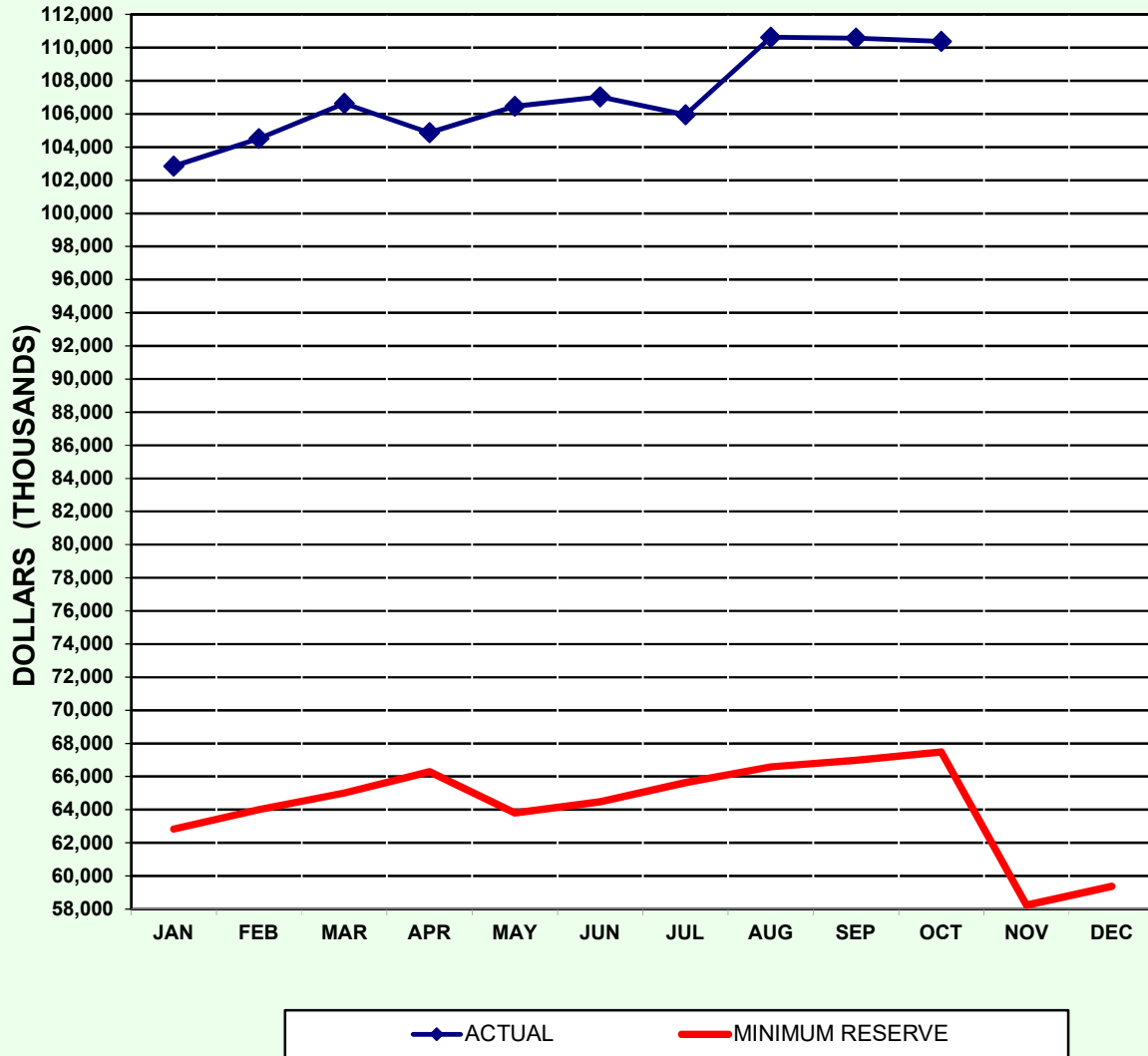
Attachment: Division Reports November 2022 (15112 : Division Reports & Metrics - November 2022)

CASH AND TEMPORARY INVESTMENTS ELECTRIC

October, 2022

YEAR-TO-DATE ACTUAL

Excluding: Construction Fund, Debt Reserve,
and Escrow Funds Accounts

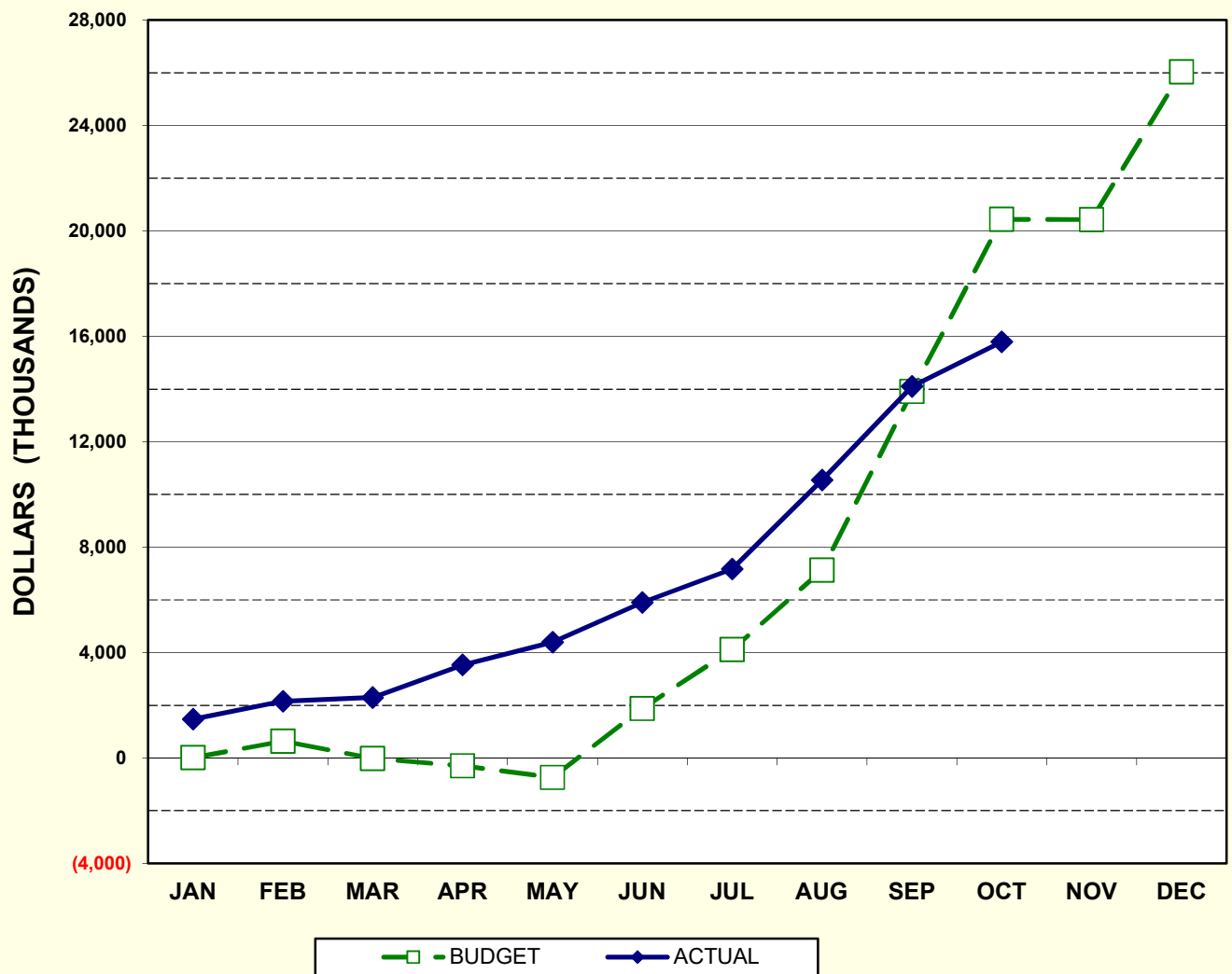


Attachment: Division Reports November 2022 (15112 : Division Reports & Metrics - November 2022)

CHANGE IN NET POSITION ELECTRIC

October, 2022

YEAR-TO-DATE ACTUAL vs. BUDGET



Attachment: Division Reports November 2022 (15112 : Division Reports & Metrics - November 2022)

10/31/2022

Principal & Interest (in thousands)

Electric Debt Service Payments
(2002 Bonds were redeemed in full on 4/1/2013; 2007C Bonds were partially redeemed on 11/17/2015 and redeemed in full on 2/15/17, 2013B Bonds were redeemed in full on 2/10/21)



10/31/2022

in thousands

**Electric Outstanding Debt
(as of End of Year)**



Attachment: Division Reports November 2022 (15112 : Division Reports & Metrics - November 2022)

ROCHESTER PUBLIC UTILITIES
STATEMENT OF NET POSITION
WATER UTILITY
October 31, 2022

	<u>October 2022</u>	<u>October 2021</u>	<u>Difference</u>	<u>% Diff.</u>	<u>September 2022</u>
ASSETS					
CURRENT ASSETS					
CASH & INVESTMENTS					
Unreserved Cash & Investments	7,317,809	4,064,258	3,253,551	80.1	6,891,095
BOARD RESERVED CASH & INVESTMENTS					
Working Funds Reserve	1,175,000	1,045,000	130,000	12.4	1,175,000
Capital & Major Maintenance Reserve	3,635,000	5,766,000	(2,131,000)	(37.0)	3,635,000
Contingency Reserve	1,664,000	1,622,000	42,000	2.6	1,664,000
Total Reserved Cash & Investments	6,474,000	8,433,000	(1,959,000)	(23.2)	6,474,000
Total Cash & Investments	13,791,809	12,497,258	1,294,551	10.4	13,365,095
Receivables & Accrued Utility Revenues	873,101	1,088,995	(215,894)	(19.8)	1,080,046
Inventory	274,878	213,791	61,086	28.6	258,689
Other Current Assets	17,991	14,129	3,862	27.3	32,210
Total Current Assets	14,957,778	13,814,173	1,143,606	8.3	14,736,041
CAPITAL ASSETS					
NON-DEPRECIABLE ASSETS					
Land and Land Rights	677,486	677,486	0	0.0	677,486
Construction Work in Progress	6,322,612	4,294,265	2,028,347	47.2	6,317,504
Total Non-depreciable Assets	7,000,098	4,971,751	2,028,347	40.8	6,994,990
DEPRECIABLE ASSETS					
Utility Plant in Service, Net	96,982,262	95,063,865	1,918,397	2.0	97,186,035
Net Capital Assets	103,982,360	100,035,616	3,946,744	3.9	104,181,026
Total Non-Current Assets	103,982,360	100,035,616	3,946,744	3.9	104,181,026
TOTAL ASSETS	118,940,138	113,849,789	5,090,349	4.5	118,917,066
DEFERRED OUTFLOWS OF RESOURCES					
DEFERRED OUTFLOWS OF RESOURCES	698,719	224,574	474,145	211.1	723,636
TOTAL ASSETS + DEFERRED OUTFLOW RESOURCE	119,638,857	114,074,363	5,564,494	4.9	119,640,703
LIABILITIES					
CURRENT LIABILITIES					
Accounts Payable	225,738	479,076	(253,338)	(52.9)	189,777
Due to Other Funds	0	0	0	0.0	0
Customer Deposits	139,196	118,604	20,591	17.4	142,741
Compensated Absences	291,361	274,604	16,757	6.1	297,680
Accrued Salaries & Wages	70,260	38,078	32,182	84.5	58,849
Total Current Liabilities	726,555	910,362	(183,807)	(20.2)	689,046
NON-CURRENT LIABILITIES					
Compensated Absences	169,644	159,654	9,991	6.3	168,752
Other Non-Current Liabilities	1,335,994	1,807,972	(471,979)	(26.1)	1,335,994
Total Non-Current Liabilities	1,505,638	1,967,626	(461,988)	(23.5)	1,504,746
TOTAL LIABILITIES	2,232,193	2,877,988	(645,795)	(22.4)	2,193,792
DEFERRED INFLOWS OF RESOURCES					
DEFERRED INFLOWS OF RESOURCES	1,159,234	220,642	938,591	425.4	1,292,368
NET POSITION					
Net Investment in Capital Assets	103,982,360	100,035,616	3,946,744	3.9	104,181,026
Unrestricted Net Assets (Deficit)	12,265,071	10,940,116	1,324,954	12.1	11,973,517
TOTAL NET POSITION	116,247,430	110,975,732	5,271,698	4.8	116,154,543
TOTAL LIAB, DEFERRED INFLOWS, NET POSITION	119,638,857	114,074,363	5,564,494	4.9	119,640,703

Attachment: Division Reports November 2022 (15112 : Division Reports & Metrics - November 2022)

11/16/2022

ROCHESTER PUBLIC UTILITIES
Statement of Revenues, Expenses & Changes in Net Position
WATER UTILITY
October, 2022
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>
RETAIL REVENUE					
Water - Residential Service	5,549,678	5,462,861	86,817	1.6	5,664,657
Water - Commercial Service	2,742,758	2,565,289	177,469	6.9	2,742,283
Water - Industrial Service	529,744	656,064	(126,320)	(19.3)	526,729
Water - Public Fire Protection	500,413	505,842	(5,428)	(1.1)	496,558
Water - Interdepartmental Service	19,912	19,136	776	4.1	20,877
TOTAL RETAIL REVENUE	9,342,506	9,209,192	133,314	1.4	9,451,104
COST OF REVENUE					
Utilities Expense	941,786	867,701	74,085	8.5	958,829
Water Treatment Chemicals/Demin Water	165,317	103,829	61,488	59.2	115,222
Billing Fees	699,320	604,952	94,368	15.6	624,571
TOTAL COST OF REVENUE	1,806,423	1,576,482	229,941	14.6	1,698,623
GROSS MARGIN	7,536,083	7,632,710	(96,627)	(1.3)	7,752,482
FIXED EXPENSES					
Depreciation & Amortization	2,354,982	2,448,500	(93,518)	(3.8)	2,306,283
Salaries & Benefits	2,316,282	2,554,841	(238,559)	(9.3)	2,283,309
Materials, Supplies & Services	1,181,785	1,814,615	(632,830)	(34.9)	1,228,947
Inter-Utility Allocations	1,576,916	1,551,668	25,248	1.6	1,572,151
TOTAL FIXED EXPENSES	7,429,967	8,369,624	(939,658)	(11.2)	7,390,690
Other Operating Revenue	1,630,563	1,631,730	(1,167)	(0.1)	1,226,038
NET OPERATING INCOME (LOSS)	1,736,679	894,816	841,863	94.1	1,587,830
NON-OPERATING REVENUE / (EXPENSE)					
Investment Income (Loss)	159,098	169,825	(10,727)	(6.3)	166,083
Interest Expense	(72)	0	(72)	0.0	(252)
Miscellaneous - Net	(26,067)	0	(26,067)	0.0	(94,303)
TOTAL NON-OPERATING REV (EXP)	132,958	169,825	(36,867)	(21.7)	71,529
INCOME (LOSS) BEFORE TRANSFERS / CAPITAL CONTRIBUTIONS	1,869,637	1,064,641	804,996	75.6	1,659,359
Transfers Out	(343,821)	(320,183)	(23,638)	(7.4)	(354,135)
Capital Contributions	98,386	0	98,386	0.0	0
CHANGE IN NET POSITION	1,624,202	744,458	879,744	118.2	1,305,224
Net Position, Beginning	114,623,228				109,670,508
NET POSITION, ENDING	116,247,430				110,975,732

Attachment: Division Reports November 2022 (15112 : Division Reports & Metrics - November 2022)

11/16/22

ROCHESTER PUBLIC UTILITIES
STATEMENT OF CASH FLOWS
WATER UTILITY
FOR
OCTOBER, 2022
YEAR-TO-DATE

	<u>Actual YTD</u>	<u>Last Yr Actual YTD</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received From Customers	11,252,283	10,499,040
Cash Paid for:		
Operations and Maintenance	(6,846,629)	(6,613,640)
Payment in Lieu of Taxes	(338,726)	(348,445)
Net Cash Provided by(Used in) Utility Operating Activities	4,066,928	3,536,955
Sales Tax & MN Water Fee Collections		
Receipts from Customers	495,854	396,132
Remittances to Government Agencies	(473,910)	(420,803)
Net Cash Provided by(Used in) Non-Utility Operating Activities	21,944	(24,671)
NET CASH PROVIDED BY(USED IN) OPERATING ACTIVITIES	4,088,872	3,512,284
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES		
Additions to Utility Plant & Other Assets	(3,359,071)	(3,156,290)
Payment on Long-Term Debt	0	0
Net Loan Receipts	0	0
Cash Paid for Interest & Commissions	0	0
NET CASH PROVIDED BY(USED IN) CAPITAL & RELATED ACTIVITIES	(3,359,071)	(3,156,290)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Earnings on Investments	159,025	165,832
NET CASH PROVIDED BY(USED IN) INVESTING ACTIVITIES	159,025	165,832
Net Increase(Decrease) in Cash & Investments	888,826	521,826
Cash & Investments, Beginning of Period	12,902,983	11,975,432
CASH & INVESTMENTS, END OF PERIOD	13,791,809	12,497,258

11/16/2022

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

October, 2022

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	(primarily calendar month)						
10	TOTAL PUMPAGE		5,025,673	4,569,940	455,733	10.0		5,407,833
11	RETAIL SALES	(primarily billing period)						
		<u># Custs</u>						
12	Water - Residential Service	37,586	2,359,328	2,265,622	93,706	4.1		2,689,495
13	Water - Commercial Service	3,853	1,885,016	1,739,868	145,148	8.3		1,905,133
14	Water - Industrial Service	22	543,313	545,445	(2,132)	(0.4)		540,036
15	Water - Interdptmntl Service	<u>1</u>	15,431	15,620	(189)	(1.2)		17,132
16	Total Customers	<u>41,462</u>						
17	TOTAL RETAIL SALES		4,803,087	4,566,555	236,532	5.2		5,151,796
18	Lost & Unacctnd For Last 12 Months		250,392	4.3%				

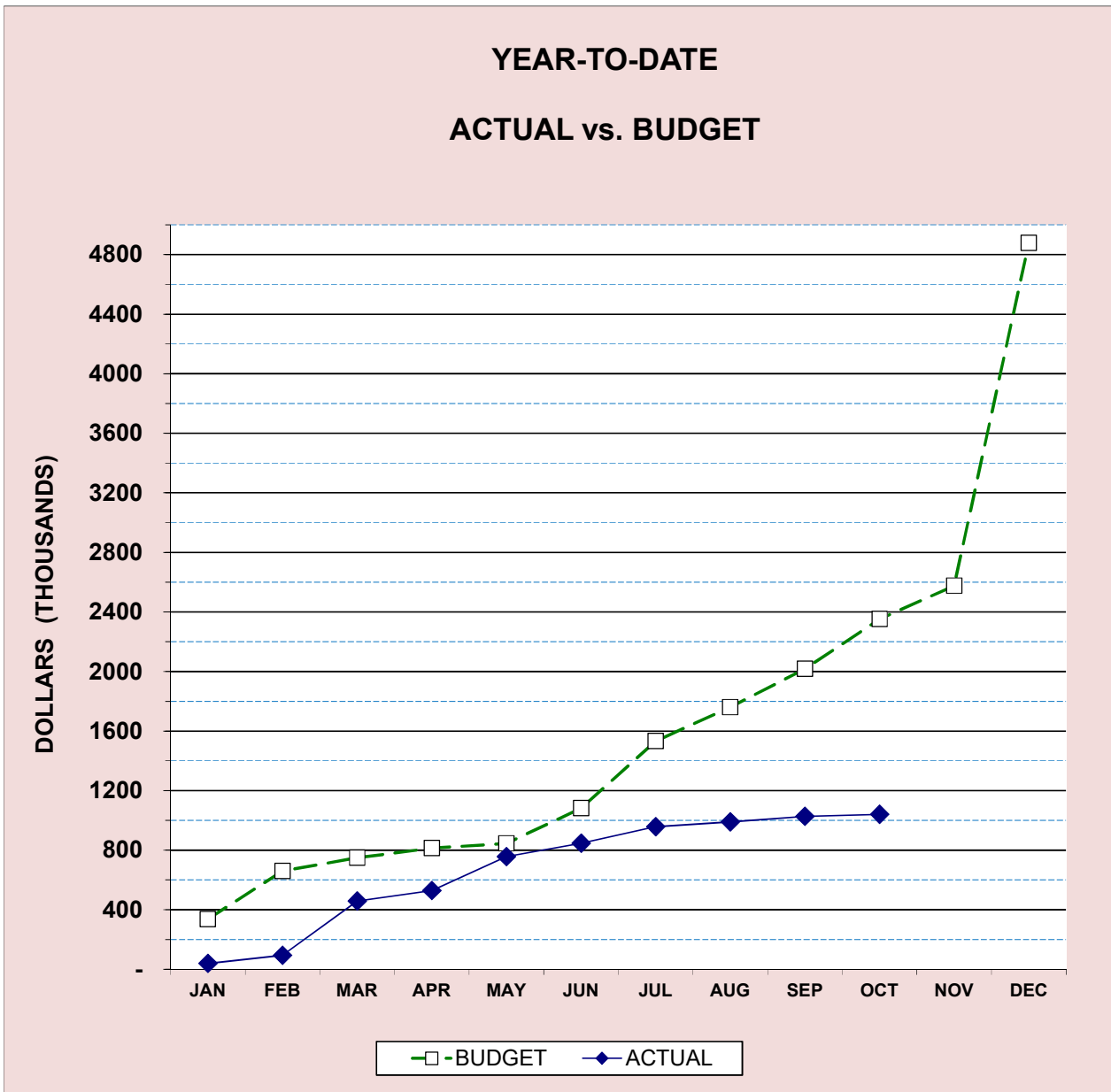
Attachment: Division Reports November 2022 (15112 : Division Reports & Metrics - November 2022)

CAPITAL EXPENDITURES WATER

Current Year	
ANNUAL BUDGET	4,878,440
ACTUAL YTD	1,040,251
% OF BUDGET	21.3%

October, 2022

Prior Years Ending Dec 31st		
2021	2020	2019
6,807,825	5,917,740	4,554,317
3,548,783	2,365,830	1,689,025
52.1%	40.0%	37.1%



Attachment: Division Reports November 2022 (15112 : Division Reports & Metrics - November 2022)

MAJOR MAINTENANCE EXPENDITURES WATER

Current Year

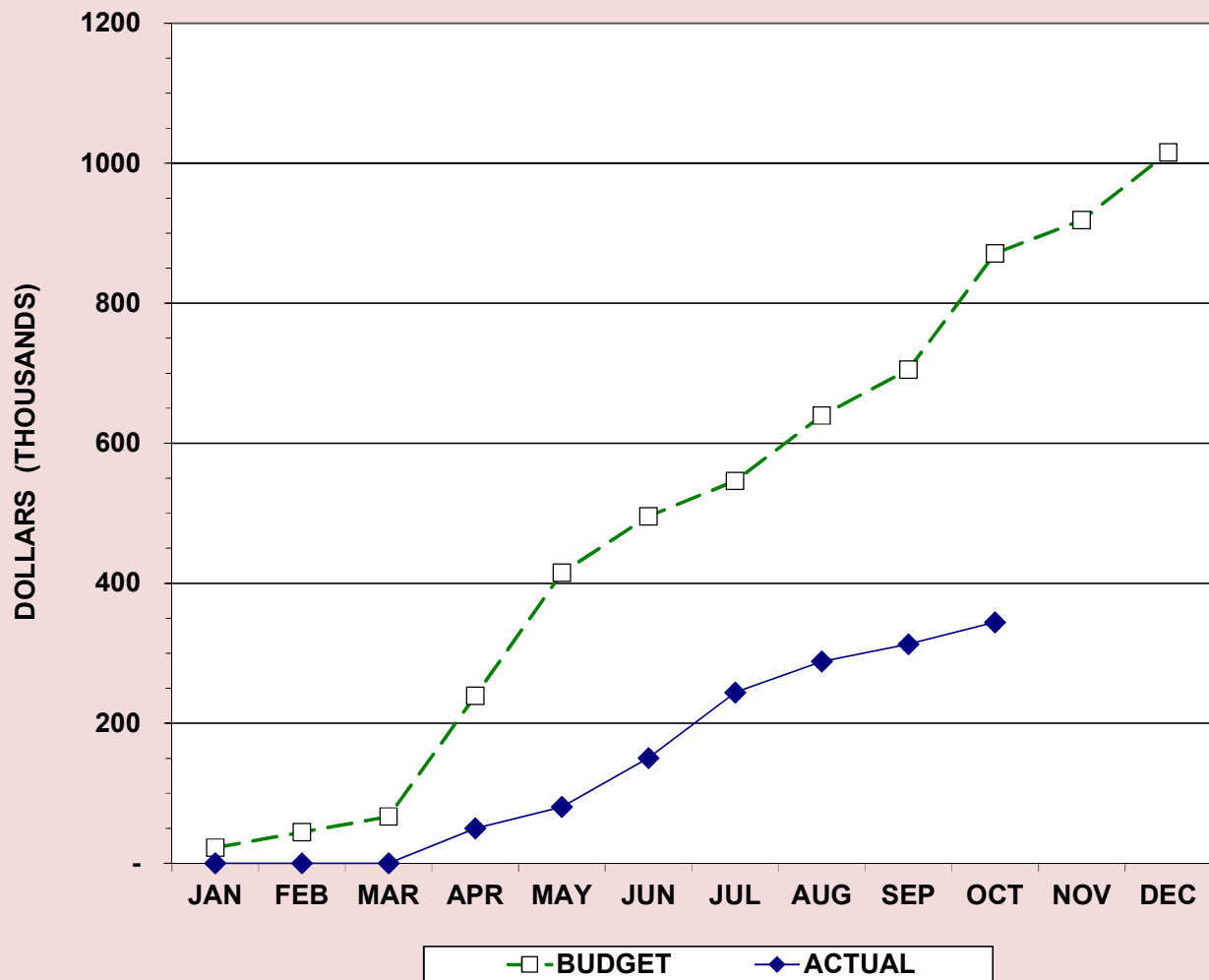
ANNUAL BUDGET	1,015,476
ACTUAL YTD	344,428
% OF BUDGET	33.9%

October, 2022

Prior Years Ending Dec 31st

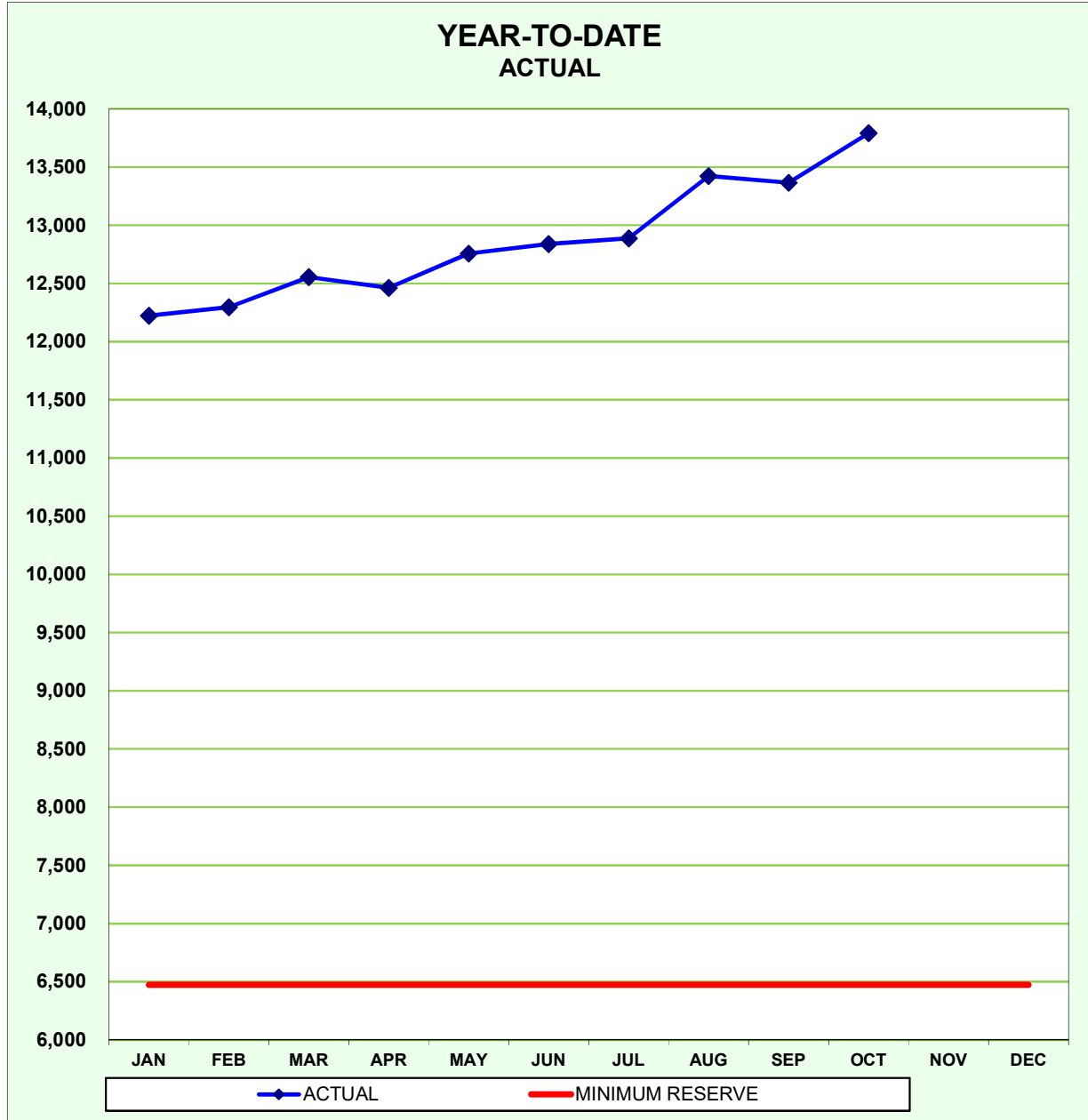
2021	2020	2019
528,408	552,500	567,500
225,087	521,228	322,751
42.6%	94.3%	56.9%

YEAR-TO-DATE ACTUAL vs. BUDGET



CASH AND TEMPORARY INVESTMENTS WATER

October, 2022

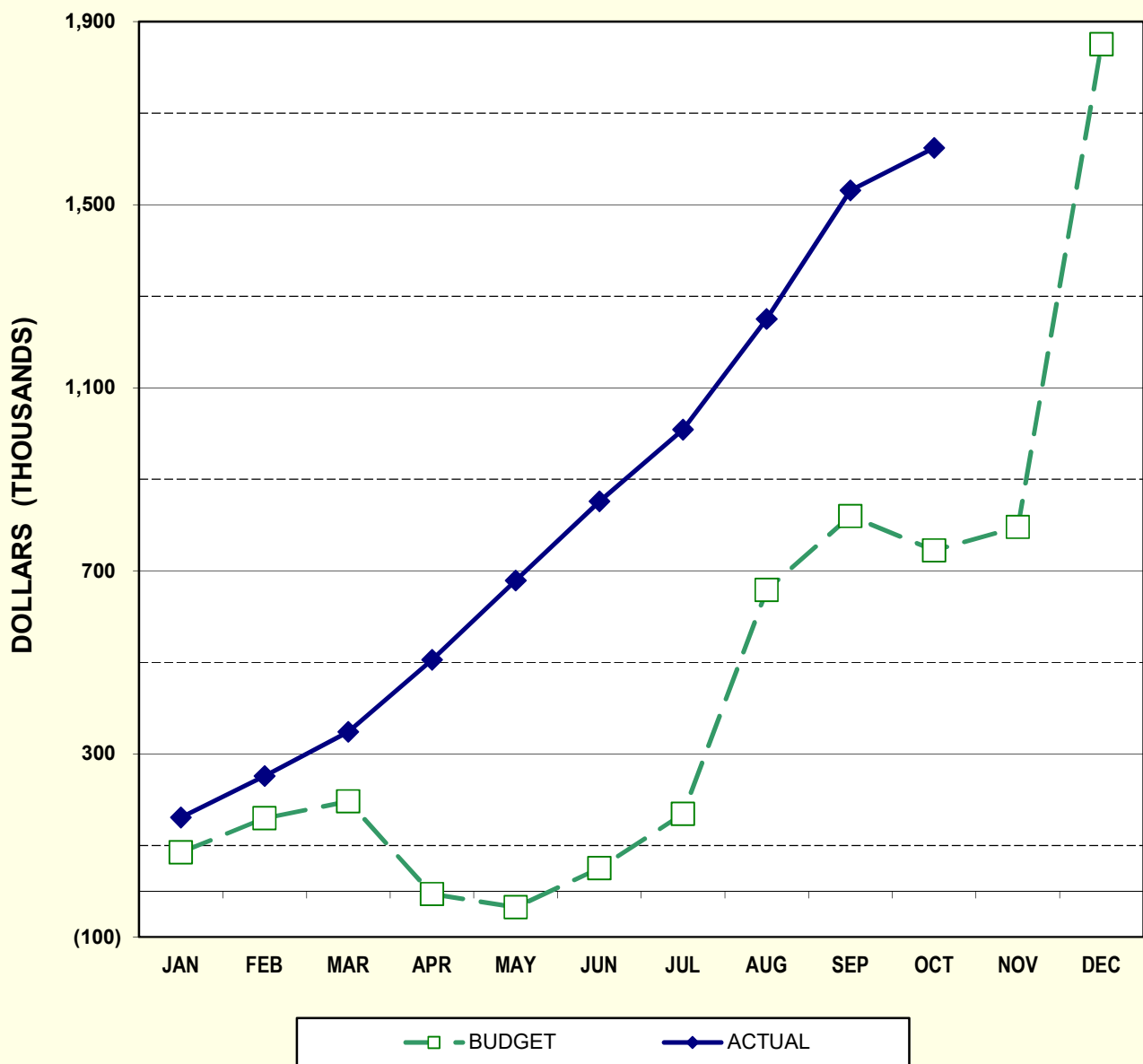


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CHANGE IN NET POSITION WATER

October, 2022

YEAR-TO-DATE ACTUAL vs. BUDGET



Attachment: Division Reports November 2022 (15112 : Division Reports & Metrics - November 2022)