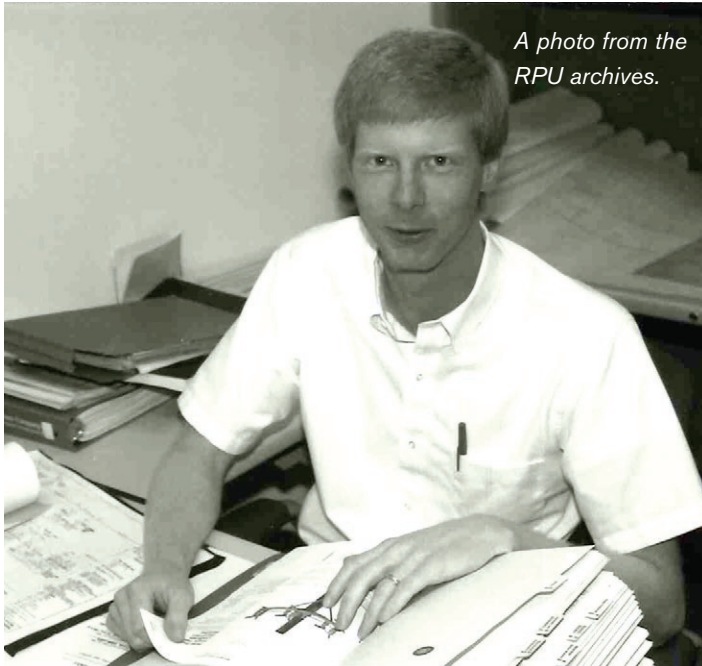


RPU Plugged In



Happy
Holidays
from RPU!

LETTER FROM THE GM



A photo from the RPU archives.



Our Vision:

We Will Set the Standard for Service

•

Our Core Values:

Safety

Protect every individual

Integrity

Demonstrate honesty, respect, and good faith

Service

Leave every individual with a positive impression

Stewardship

Protect our environment through the wise use of resources

Accountability

Take ownership and responsibility for actions and outcomes

Skill

Improve our own and other's abilities and knowledge

As the Bob Dylan song goes, "the times they are a changin'." He released this title track back in 1964 and it's never been truer. Whether it's the changing seasons, the baby boomers retiring and being replaced by the Gen Xers and Gen Yers, the latest in tools and technology, or even how we shop, change is everywhere. RPU is no different. When I started in 1981, we had one computer dedicated solely to the accounting and billing functions. Now computers run every aspect of our business and we take them with us when we leave the office. It's rather ironic that change has become the constant.

In this world of fast-paced change, it is vital to have a solid foundation from which to base our actions. For the employees of RPU, that rock-solid foundation is our vision and core values.

Our vision is exactly that, our vision for where we plan to get by operating with the core values at the forefront of everything we do (view graphic on bottom left of this page or larger graphic on bottom of page 3). These values exemplify how we perform work and conduct ourselves. Core values are not descriptions of work or strategies to accomplish our mission. Our work will change, our strategies will change, but our core values remain constant.

The important piece about the RPU core values is they were developed from the inside looking out. A cross section of our employees were asked to put together a set of values that embody the way it feels to work at RPU, retain the essential parts of the RPU culture, stimulate behaviors to be successful, provide a compass for challenging decisions, paint a view of the world we wish to create, and describe the legacy we will leave behind. The group brainstormed using our history, our beliefs, and a little research to create a large field of suggestions. Those suggestions were then vetted and culled resulting in the six values of Safety, Integrity, Service, Stewardship, Accountability, and Skill. Each value was further defined and described along with the preparation of a communication plan for educating all within the organization about these important values.

Our vision and core values will continue to guide us as we make decisions and look for ways to improve service to you and the community.

Your business and support this past year are truly appreciated. From myself and everyone at RPU, have a safe and happy holiday season!

Mark Kotschevar, General Manager

Winter Reminder About Salting

Winter is just around the corner and residents will soon turn to de-icing products to make travel safe. When the snow and ice melt, whatever products we have spread on our paved surfaces will wash into the nearest storm drain, through the storm sewer, and into our lakes and rivers. Research indicates that 78% of salts applied to pavements are retained in area water bodies! (Source: University of Minnesota & Minnesota Department of Transportation.)

Not only are high concentrations of salts in surface waters harmful to aquatic plants and animals, these same surface waters are responsible for replenishing our drinking water supply. While Rochester's drinking water currently has very low levels of chlorides, regular testing has shown an upward trend in chloride levels since the 1980s. Your winter snow and ice management practices can have a direct impact on the health of our drinking water supply.

Follow these tips to avoid salting our streams:

- Use muscle power! The more snow you remove manually, the less salt you will need to apply.
- Match the right product to the conditions; de-icing salts stop working at certain temperatures.
- Use sand for traction when it is too cold for salt.
- Apply salt sparingly and use a spreader to assist in dispersing the proper amount of product.
- Sweep up extra salt and sand.

We must remember that our groundwater is replenished by surface water and the actions we make on the surface could have drastic effects on groundwater quality in the future. Make an effort this winter to reduce salt introduced into the environment to help keep Rochester's drinking water salt free for future generations!



Vision:

We Will Set the Standard for Service

Mission:

We provide the highest quality services and products for our customers.

With our experience and resources, we enrich people's lives, help businesses prosper, and promote the community's welfare.



Core Values:

Safety

Protect every individual

Integrity

Demonstrate honesty, respect, and good faith

Service

Leave every individual with a positive impression

Stewardship

Protect our environment through the wise use of resources

Accountability

Take ownership and responsibility for actions and outcomes

Skill

Improve our own and other's abilities and knowledge



WATER RATE INCREASE APPROVED

At the Nov. 12 RPU Board meeting, the RPU Board approved a 3.5% rate increase for water starting on Jan. 1, 2015. With the increase, an average residential water customer will see an increase of approximately \$0.41 per month.

Last year, RPU increased water rates by 1.5% and previously had not had a water rate increase since 2007. This latest increase will help to build cash reserves and to provide for necessary infrastructure needs moving forward.

Want to save some energy & money this winter?

ATTEND A FREE ENERGY WORKSHOP

and get a \$400 home energy audit for a co-pay of only \$50!

UPCOMING WORKSHOP:

Tuesday 1.13.2015 • 6:30 pm • George Gibbs Elementary School

TO RESERVE YOUR SPOT CONTACT:

Stacy Boots Camp • 888.734.6365 • sbootscamp@mncee.org



Learn more and find future, monthly workshop dates at www.rpu.org.

Celebrate with savings!
BUY ENERGY EFFICIENT
LED Holiday Lights & Decorations

1. Purchase LED holiday plug-in (not battery operated) lights and decorations in 2014.
2. Complete this coupon and submit it to RPU **by March 31, 2015** with your **original sales receipt** and the **LED packaging showing the LED logo and number of lights per string**.
3. Rebate cannot exceed price of LED string or package, tax excluded.

Customer Name _____

Home Phone # (with area code) _____

Daytime Phone # (with area code) _____

Mailing Address _____

City _____

State _____

Zip +4 _____

Installation Address (if different from above) _____

City _____

State _____

Zip +4 _____

Account # _____

☐ Residential☐ Commercial**(Rebates under \$75 will be applied to your account.)**

Recipient must be an electric customer of RPU. Valid only on purchases made in 2014.

Rochester Public Utilities

Attn: Rebate Processing

4000 E River Rd NE

Rochester, MN 55906-2813

(507) 280-1500 • www.rpu.org



| A Lamp Size | B # of Lamps per String | C # of Strings | D Rebate per String* | E Total Rebate (C X D) |
|--|-------------------------------|----------------------|----------------------------|------------------------------|
| <input type="checkbox"/> Mini <input type="checkbox"/> Other | | | | |
| <input type="checkbox"/> Mini <input type="checkbox"/> Other | | | | |
| <input type="checkbox"/> Mini <input type="checkbox"/> Other | | | | |
| <input type="checkbox"/> Mini <input type="checkbox"/> Other | | | | |
| <input type="checkbox"/> Mini <input type="checkbox"/> Other | | | | |

GRAND TOTAL REBATE: _____

OFFICE USE ONLY:

ID # _____

| *Rebates: | # of Lamps | Rebate per String |
|-----------|--------------|-------------------|
| | less than 99 | \$3.00 |
| | 100 - 199 | \$6.00 |
| | 200 - 299 | \$9.00 |
| | 300 or more | \$12.00 |

Holiday Light Recycling Is BACK!

We are excited to announce that our holiday light recycling program is back again this year! Now through Jan. 31, 2015, drop off all of your old holiday light strands at the RPU Service Center or at Cascade Meadow Wetlands & Environmental Science Center. Look for the designated bins at both locations.

Drop Off Locations

RPU Service Center

4000 East River Road NE

Rochester, MN 55906

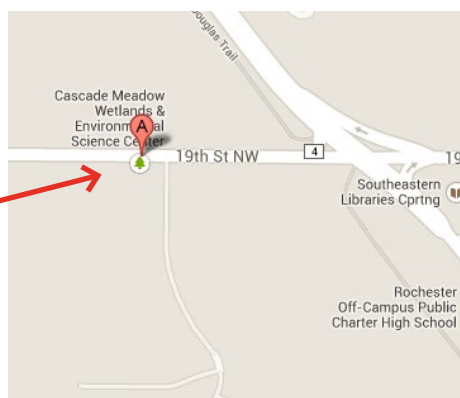
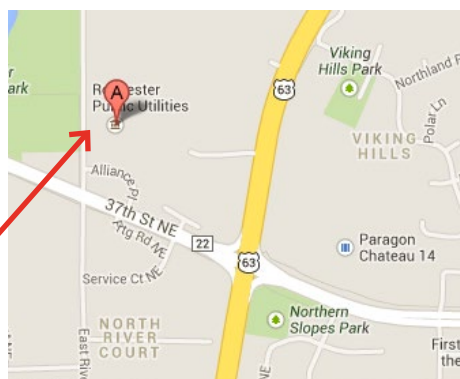
Open Monday-Friday 8 a.m.-5 p.m.

Cascade Meadow Wetlands & Environmental Science Center

2900 19th St. NW

Rochester, MN 55901

Open Thursday-Saturday 10 a.m.-4 p.m.



Explaining the Power Cost Adjustment (PCA) on Your Bill

As you may be aware, the RPU Board recently approved a three-year rate track for the Electric Utility increasing rates overall by an average of 3.5% in 2015, 1.7% in 2016, and 1.7% in 2017. Going to a three-year rate track instead of evaluating and establishing rates on a year-to-year basis was done to change RPU's rate-setting methodology from the previous practice of cash-basis rate setting, where rates were set to maintain a targeted cash reserve balance at the end of the upcoming year, to a methodology referred to as the utility method. The utility method, instead of focusing primarily on a targeted cash reserve balance, adds an operating income target that, in effect, collects for future replacements of utility infrastructure such as distribution lines, transformers, and substations as that infrastructure is being used and worn out.

As part of establishing a three-year rate track, the RPU Board also implemented a Power Cost Adjustment (PCA) rate tariff. The PCA rate tariff establishes a base or assumed cost for wholesale power supply of \$0.07285 cents per kwh (kilowatt-hour), which is the major component of the rate that RPU charges to you. If the actual cost of wholesale power is above or below the established base, the PCA will come into effect. In the case where actual wholesale power supply cost is less than the established base cost, a credit for the difference will be calculated and will appear as a separate line item on your bill. In the case where actual wholesale power supply cost is more than the established base cost, a charge for the difference will be calculated and will appear as a separate line item on your bill.

This is a sample bill with a sample amount shown. PCA is based on usage.

ROCHESTER PUBLIC UTILITIES BILLING DETAILS

ACCOUNT ACTIVITY

| | |
|-----------------|--------|
| Balance Forward | \$0.00 |
|-----------------|--------|

ROCHESTER PUBLIC UTILITIES CHARGES

| | | | |
|---|--|---------------------------------|---|
| RPU CUSTOMER SERVICE 507.280.1500 or 800.778.3421 | | SMALL COMMERCIAL SERVICE | |
| PAYMENT OPTIONS PAY BY PHONE: 855.210.2285 | | Meter #68589 Readings | |
| PAPERLESS BILLING & PAY ONLINE | | JUL 14 60103 | Estimated reading |
| ELECTRONIC PAYMENT For electronic, automatic, or credit card payment options visit www.rpu.org | | JUN 11 57640 | Estimated reading = 2463 X 1 Mult. = 2463 KWH |
| PAY IN PERSON - RPU's Service Center 4000 East River Rd NE | | Energy Charge | \$285.91 |
| CONSERVE & \$AVE For rebates and program information visit www.rpu.org | | Energy Customer Charge | \$29.90 |
| | | Clean Air Rider | \$6.48 |
| | | Power Cost Adjustment | \$3.99 |
| | | | \$326.28 |
| | | COMMERCIAL WATER | |
| | | Meter #21635919 Readings | |
| | | JUL 14 113.83 | Estimated reading |
| | | JUN 11 113.11 | Estimated reading 0.72 Unit(s) |
| | | Water Usage Charge | \$0.51 |
| | | Water Customer Charge | \$5.34 |
| | | Fire Hydrant Facilities Charge | \$2.35 |
| | | State Mandated Water Charge | \$0.53 |
| | | | \$8.73 |

CITY OF ROCHESTER CHARGES

| | | | |
|---|--|------------------------------------|----------------|
| ROCHESTER PUBLIC WORKS 201 4th St SE Rm 108 Mon-Fri 8:00am-5:00pm | | NON-RESIDENTIAL WASTE WATER | |
| STORMWATER MANAGEMENT For more information visit www.rochesterstormwater.com | | 0.72 Unit(s) | \$2.07 |
| | | Waste Water Customer Charge | \$12.50 |
| | | NON-RESIDENTIAL WASTE WATER | \$14.57 |
| | | NON-RESIDENTIAL STORM WATER | |
| | | Storm Water Utility Fee | \$3.18 |

CONTINUED ON BACK

Detach and return the portion below with your payment

Amount Enclosed \$

Current Charges \$381.08 **Due** 08/04/2014

ROCHESTER PUBLIC UTILITIES
PO BOX 77074
MINNEAPOLIS MN 55480-7774

A sample RPU bill showing where the Power Cost Adjustment (PCA) is located on the bill.

We realize that stable rates are important to you so RPU has chosen to use a 12-month rolling average in computing what the PCA will be. This rolling average methodology will act to smooth out wide month-to-month variations that could occur if the PCA were computed each month individually.

If you have questions regarding RPU's rates and the transition in RPU's rate-setting methodology, please contact RPU Customer Service at 507.280.1500.

*This holiday season,
give yourself peace of mind!*



For only \$2.99 per month*, you can rest assured
that you won't be hit with costly repair bills
if your underground electric or water service breaks!
To learn more and/or enroll, please visit: www.rpu.org

*Contact us to determine your eligibility; some exclusions apply. Visit our website to review our Terms & Conditions.



4000 East River Road NE
Rochester, MN 55906
507.280.1500
www.rpu.org

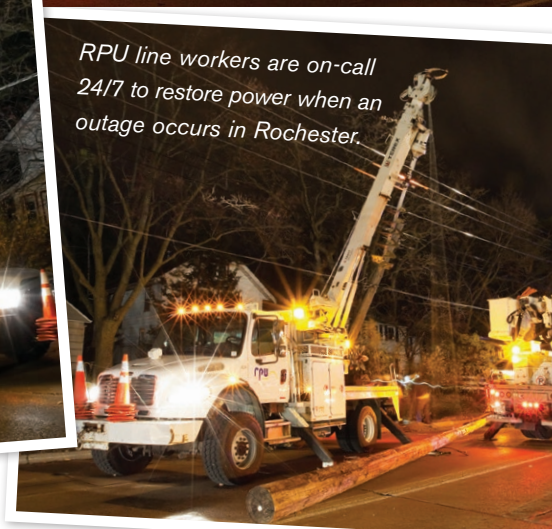
PRESORTED
STANDARD
US POSTAGE
PAID
BlueSpire



Photos by Josh Banks



RPU line workers are on-call 24/7 to restore power when an outage occurs in Rochester.



RPU Service Center Holiday Hours

The RPU Service Center
will be closed on:

Dec. 24 – closed at noon
Dec. 25 – closed all day
Dec. 31 – closed at noon
Jan. 1 – closed all day

Photos from an Electric Outage

During an electric outage, most customers never get to see what goes into the work to restore power to customers. Safety is always the most important part of any restoration effort. Here are a few photos from an outage in late October, where over 1,000 customers were without power for an hour.