

Happy Holidays from RPU!

[dec '11]

# RPU



# Plugged In



**No Rate Increase**  
*for 2012* in Water or Electric!

PG 4

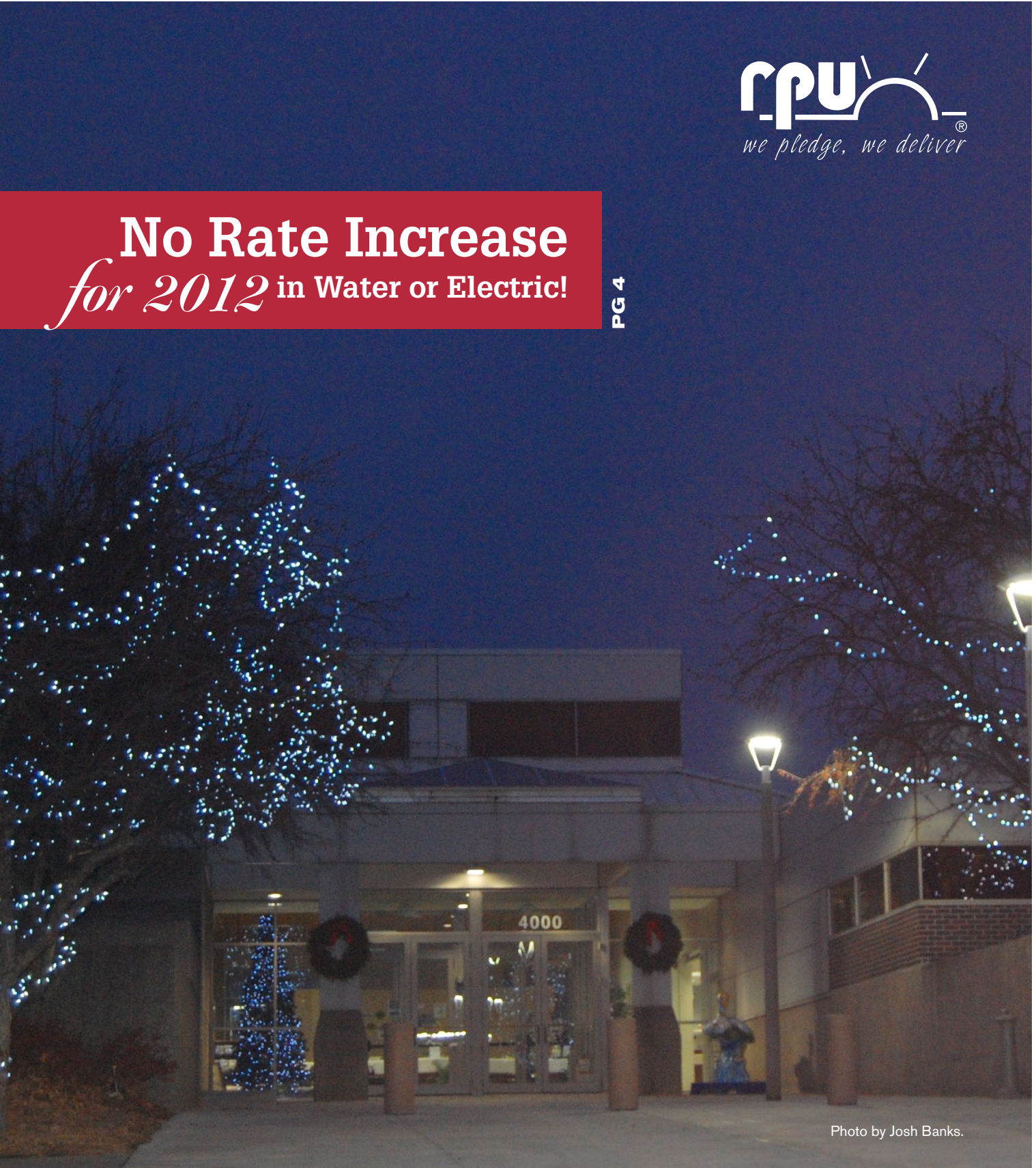


Photo by Josh Banks.

**FEATURING:** 2 Message from Our General Manager | 5 Smart Grid: In Progress | 6 Is Your Home Protected By Service Assured®?





# Message from Our General Manager



**A**s we end this year, RPU staff has been focused on planning and budgeting for 2012. This process takes a number of months, and involves wide participation among the various departments representing water, electric, administration, operations, and the plant. The results are reviewed by a Utility Board finance

committee, and the budget draft is reviewed in October by the Utility Board. Since RPU is a public body, the results are then presented at a public board meeting with any proposed rate increases. This process allows us to announce to the public the proposed budget and any proposed revenue adjustments. Should there be input from the public, the Utility Board can receive and consider that input prior to making a decision. On November 15, 2011, the Board approved the electric and water operating budgets for 2012. These budgets included no rate increases in either the electric or the water utilities. Rochester's Common Council then ratified the Utility Board's recommendation.

The 2012 budget reflects RPU's recognition of the tight economic times that we are facing. By holding its own expenses down, RPU did not need to ask its water and electric users to pay more for the services. Also, it is important to report that the 2012 budget reflects RPU's continued focus on fiscal responsibility and environmental stewardship. Our conservation efforts will continue as they have in the past, while we continue to educate the public on the wise use of electricity and water.

The budget recognizes the slower customer growth that has occurred in Rochester, which then reduces the upward pressure on capital reserves to serve the slower growth. While

considering the 2012 capital budget, there was a focus on including resources for continued capital investment in maintenance of the water and electric systems to ensure continued safe and reliable water and electric service. This will continue to be a top priority for RPU in serving its customers into the future.

Another continued initiative in 2012 will be educating the electric users on the components and features of Smart Grid. Our initial efforts have been to educate customers through our Home Energy Reports on energy use compared to their neighbors. This focus will be extended to all residential customers in 2012. We received positive responses in the past on this initiative and we look forward to the opening of new dialogues on energy use in our conservation efforts.

Water continues to be a precious resource. RPU is committed to conserve this resource while providing adequate water for residential, commercial, and industrial needs that support a growing and thriving community. Our goal is to use the resources that we have available wisely so there are satisfactory reserves for future community growth.

We continue to be mindful of the limited resources that we have and look forward to serving all of our electric and water customers in 2012 with safe and reliable electric and water service.

Regards,

Larry Koshire  
General Manager

2012



*RPU shared information on electric safety and utility careers at the recent STEM (Science, Technology, Engineering, Math) Summit held at the RCTC Fieldhouse. More than 1,500 students were said to be in attendance at the one-day event. Pictured: Line Worker Mark Larson demonstrating electrical safety for local students.*

# RPU Using IVR Calls to Keep Customers Informed

**I**nteractive Voice Response, or IVR, is now the latest customer communication tool being used by RPU. IVR is a great option for customers who prefer to receive the additional customer services that IVR offers, without taking additional time out of their busy schedules. The new IVR system is available for customers to call in and access account balance information or to make a secure, one-time payment over the phone at no charge.

RPU will also use the IVR system to provide information to customers regarding planned outages or planned work in their neighborhood. If you see RPU's customer service number (**507-280-1500**) on your caller ID, do not ignore it. The recorded message will provide important information regarding planned work or a planned outage in your area that will affect your water or electric service. At the end of the recorded message, a phone number will be listed in case you have any questions. The IVR message will be left at least one day prior to the work beginning, in order to provide customers time to adjust schedules or to make necessary arrangements.

Planning ahead and communicating with customers make working conditions safer for RPU crews and helps to ensure system reliability. In addition, using the IVR system saves RPU and its customers money by reducing the mailing and printing cost for letters and door hangers. If you are not sure if RPU has your most updated contact information, please contact RPU via email at [customerservice@rpu.org](mailto:customerservice@rpu.org) or by calling **507-280-1500**. This will help ensure you are receiving the latest information regarding planned outages and planned work in your area.



Call **1-855-210-2285** to access your account balance or to make a payment anytime.



*RPU Board President Jerry Williams received the Rochester Area Chamber of Commerce President's Award for community service.*





Photo by Josh Banks.

## RPU Holds the Line *Again for 2012*

**A**fter careful and thorough preparation of the 2012 budget, RPU staff presented a budget to the RPU Board on October 25, with no rate increase for the fifth straight year for water and the third straight year for electric. The RPU Board approved the 2012 budget at a special Board meeting on November 15, with final approval coming from the Rochester City Council on November 21.

### **Some of the significant business drivers for the electric utility in 2012 include:**

- Commitment to community to have no electric rate increase for the third year during continuing tough economic times while supporting our mission statement and strategic initiatives;
- Continue holding approved staff positions open to evaluate need while adding two positions to support the customer and system growth;
- SMMPA's Board approved rates with no increase for 2012. SMMPA continues to be a significant operating expense at approximately \$89 million or about 68 percent of our operating costs;
- Lack of demand and low prices in the MISO market has made the Silver Lake Plant uncompetitive this past year, and RPU is projecting few wholesale sales from this facility in 2012;

- Achieving our energy conservation goals through continued work with residential and commercial customers;
- Continuing our participation in the CAPX 2020 initiative to expand the electric transmission grid to ensure reliable and affordable service; and
- Continuing to implement Smart Grid education and possible pilot projects.

### **Significant business drivers for the water utility include:**

- Continued water conservation programs and education;
- Slowdown in new development;
- New reservoir to be constructed in 2013 and 2014; and
- Addition of one water operator to support water system growth.

Be a part of the RPU decision making process by attending a future RPU board meeting. Check the RPU website at [www.rpu.org](http://www.rpu.org) for the full 2012 meeting calendar.

# Smart Grid

In Progress



**R**PU's electric distribution system is modern and reliable because of investments already made to increase operational efficiencies, improve service to customers, and provide customers with valuable information regarding their energy usage. These investments mean RPU is already heading down the path to becoming a maximum information utility. Levels of Smart Grid functionality already within RPU's system include:

## Automated Meter Reading (AMR)

The AMR system now encompasses all of our residential electric meters and 99 percent of our water meters. With AMR, meter readers drive through neighborhoods and gather information remotely via wireless connection. This replaces the old method of walking house-to-house to manually record meter data.

## Geographic Information System (GIS)

The computerized software provides us with an overall picture of our facilities in the field and is utilized in our outage management system, location searches for repairs, and new electric service design.

## System Protection

We have made a significant investment by installing microprocessor-based protective relays in our electrical substations. The new relays provide sophisticated protection for worker safety, customizable control, digital information about load, and significant outage information.

## Home Energy Reports

25,000 RPU customers receive a free Home Energy Report as part of a pilot program in the City of Rochester. The report provides customers information on their energy use and offers easy, personalized energy saving tips.

## Communicating with our Customers

We were among a small number of utilities on the cutting edge of electronic communication in 2004, when we launched our Internet blog, "Behind the Meter" (<http://blog.rpu.org/>). Recently, we revamped its design to give customers more ways to react to our postings. At the same time, we set up a Facebook and Twitter.

## Energy Efficiency Programs

Through our CONSERVE & SAVE® program, RPU continues to offer rebates to our customers who purchase and install new energy and water efficient appliances and equipment. RPU and Minnesota Energy Resources have teamed up with the Center for Energy and Environment to offer Rochester homeowners the Neighborhood Energy Challenge, a new full-service residential energy audit program.

## ATTEND A FREE ENERGY EFFICIENCY WORKSHOP!

**Monday, January 9, 2012 at 6:30 p.m.**  
Jefferson Elementary School

**Tuesday, February 7, 2012 at 6:30 p.m.**  
Bamber Valley Elementary School

**Reserve your spot! Contact Ashley Robertson  
at 888.734.6365 or [arobertson@mncee.org](mailto:arobertson@mncee.org).**



Attendees are eligible for a home energy audit. Auditors will also install products that can help you start saving right away. You'll receive information on energy efficiency financing and rebates. This \$400 value is available to workshop attendees for a co-pay of only \$40! **Visit [www.rpu.org](http://www.rpu.org) to learn more.**



**RESIDENTIAL ENERGY EFFICIENCY PROGRAM**





# Is Your Home Protected By Service Assured®?

**D**id you know that as a Rochester homeowner, you own your water service and possibly your underground electric service? RPU customers own their underground electric service if it was installed or updated after January 1, 1981. Underground electric service installed before 1981 may be owned by RPU and is RPU's responsibility to repair in the event of a break. Some services installed prior to 1981, by a company other than RPU, may also be customer owned. To determine if you own your service, call us at **507-280-1500**.

Aging pipes, invasive tree roots, soil conditions, and seasonal changes are just a few examples of how normal wear and tear can cause a water or underground electric service to break. You can't prevent it. You can't predict it. And, worst of all, most homeowner insurance policies do not cover repairing it, so you'll have to pay for it.

Service Assured® is an RPU program that is available to customers living in single-family homes or single-owner duplexes. Townhome associations, individual twin-homes, and triplexes, where each unit has its own service line, may also be eligible. Some exclusions apply such as with mobile homes and in rare instances of atypical configurations.

## Pricing

Single-family homes and single-owner duplexes pay only \$1.99 per service per month with a special price of only \$2.99 per month when you sign up for both water and electric!

Townhomes, twin-homes, and triplexes pay \$1.99 per service per month, or \$3.98 per month for both!

## Enrollment

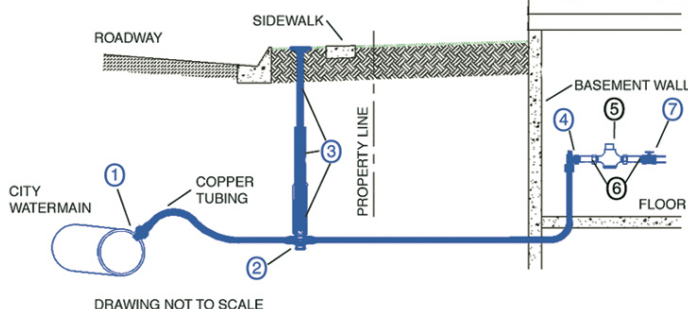
Visit our website, [www.rpu.org](http://www.rpu.org), for complete terms and conditions. You can enroll online or by calling us at **507-280-1500**.



**Figure 1** Typical Residential **Water Service**

Service Assured® covers from ① to ⑥

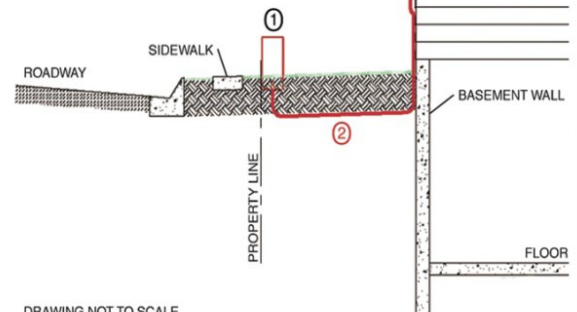
- ① Corporation Stop (CUSTOMER OWNED)
- ② Curb Valve (CUSTOMER OWNED)
- ③ Curb Box (CUSTOMER OWNED)
- ④ Angle Stop (CUSTOMER OWNED)
- ⑤ Meter (RPU OWNED)
- ⑥ Meter Tails (RPU OWNED)
- ⑦ Full Flow Gate Valve (CUSTOMER OWNED)



**Figure 2** Typical Residential **Underground Electric Service**

Service Assured® covers from ① to ③

- ① Transformer or Secondary Pedestal (RPU OWNED)
- ② Service Line (CUSTOMER OWNED)
- ③ Meter (RPU OWNED)
- ④ Meter Socket (CUSTOMER OWNED)





# WANTED

## Old Holiday Lights!

**D**on't know what to do with those old or non-working holiday lights? Are they a wadded up mess with missing and broken bulbs? Are you making the switch to energy efficient LED holiday lights? Don't toss your old holiday lights in the trash. Instead, recycle them!

RPU is participating in the Recycle Your Holidays™ program, which is a seasonal program created by the Recycling Association of Minnesota. This program employs more than 200 individuals with developmental disabilities at vocational centers throughout the state of Minnesota. Every bulb of the light strand is

dismantled by vocational center clients and then properly recycled in Minnesota.

Just drop off your unwanted light strands at RPU's Service Center (4000 East River Road NE) this holiday season through the end of January.

And don't forget ... if you upgrade to new, high-efficiency LED holiday lights, RPU will give you a rebate of up to \$12 per string! According to the Department of Energy, running LED holiday lights on one 6-foot tree for 12 hours per day for 40 days can save 90 percent or more energy when compared to traditional incandescent holiday lights.



## Tips to Protect Your Water Service this Holiday Season

- \* Customers who have outside faucets should make sure garden hoses are disconnected so the faucet can drain properly.
- \* If left connected, the faucets will not drain and can freeze and break. The line usually breaks in the wall so the first sign of a problem is water running through the wall.
- \* Customers who live in mobile homes should make sure their heat tape is turned on and working properly. If the heat tape is turned off or malfunctioning, the pipes and water meter can freeze and break.
- \* If there is exposed plumbing in closets or cabinets on an outside wall, open doors and let warm air from your home circulate into the closet to prevent frozen pipes.
- \* Customers who have experienced frozen water services in the past, or who know their service is susceptible to freezing, should begin monitoring the temperature and condition of their water. Taking your water's temperature is a simple way to avoid a costly problem. If the water temperature reaches 35° F, or if water sporadically appears rusty, then the water service could be in danger of freezing.
- \* If you are leaving your home for an extended time, contact RPU customer service at **507-280-1500** with the dates you will be gone. Also leave a name and phone number of a person in the area who would know how to reach you in case of a utility emergency at your home.
- \* If you would like bills forwarded to your winter or temporary address, please give us that address.

*Celebrate with savings!*

**GET A REBATE  
UP TO \$12 PER STRING**

WHEN YOU BUY ENERGY EFFICIENT LED  
*Holiday Lights & Decorations*

For more information and to download a rebate coupon, go to **www.rpu.org**.







4000 East River Road NE  
Rochester, MN 55906  
**507-280-1500**  
[www.rpu.org](http://www.rpu.org)



## RPU Service Center Holiday Hours

The RPU Service Center will be closed  
the following days.

**Dec. 26**  
**Jan. 2**

Payments can always be made online  
at [www.rpu.org](http://www.rpu.org) or over the phone by  
calling **1-855-210-2285**.

## CONSERVE & \$AVE®

Working with residential and commercial  
customers to reduce electric and water usage  
and promote environmental stewardship.

**Our 2011 Conservation Goals are:**

### Electric Utility

**Goal 19,100,143  
kWh saved**



**18,317,990 kWh  
saved to date**

**95.9% to goal**

### Water Utility

**Goal 5,423,738  
gallons saved**



**7,729,756 gallons  
saved to date**

**142.5% to goal**



**We can help your home or  
business save energy and money  
too! Visit [www.rpu.org](http://www.rpu.org) to learn  
more about Conserve & Save®**