

## FOR BOARD ACTION

Agenda Item # 5

Meeting Date: 8/30/11

**SUBJECT:**

Amendment 4 to Schedule A to the Power Sales Contract between SMMPA and the City of Rochester

**PREPARED BY:**

Randy Anderton, Manager of Engineering

ITEM DESCRIPTION:

Schedule A to the Power Sales Contract between SMMPA and the City of Rochester has been updated to reflect the current points of measurement for power and energy delivered under the contract.

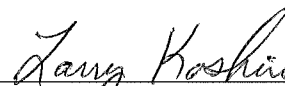
The updates reflect the metering additions associated with Westside Substation and the metering for the new unit #3 at Olmsted Waste to Energy Facility (OWEF). No other provisions of the Power Sales Contract are changed.

FOR CAPITAL PURCHASES/BIDS/MAJOR PROJECTS:

Not Applicable

UTILITY BOARD ACTION REQUESTED:

Management recommends that the Utility Board request the Common Council to approve Amendment 4 to Schedule A of the Power Sales Contract between Southern Minnesota Municipal Power Agency and the City of Rochester, and that the Council authorize the Mayor and City Clerk to execute the Amendment.

  
\_\_\_\_\_  
General Manager

  
\_\_\_\_\_  
Date

**ROCHESTER PUBLIC UTILITIES**

AMENDMENT 4 TO SCHEDULE A  
TO THE  
POWER SALES CONTRACT  
BETWEEN  
SOUTHERN MINNESOTA MUNICIPAL POWER AGENCY  
AND  
THE CITY OF ROCHESTER, MINNESOTA

AMENDMENT 4 TO SCHEDULE A, dated as of September 1, 2011, to Power Sales Contract dated as of April 1, 1981, as amended to the date hereof (the "Power Sales Contract"), between SOUTHERN MINNESOTA MUNICIPAL POWER AGENCY (the "Agency") and the CITY OF ROCHESTER, MINNESOTA (the "Member").

The Agency and the Member have agreed to amend Schedule A to the Power Sales Contract to update the identity and locations of the Points of Delivery and Points of Measurement, at which electric power and energy are delivered and metered under the Power Sales Contract and to provide for a specific loss factor for certain new points of delivery.

1. New Schedule A. Schedule A to the Power Sales Contract is hereby amended in its entirety to be identical to the Schedule A dated September 1, 2011, attached hereto.
2. Effective Date. This Amendment 4 shall be effective (a) from and after the date hereof and (b) retroactively, with respect to the new points of delivery and points of measurement, from and after the date or dates when such points of delivery and measurement became active.
3. Effect on Power Sales Contract. Except as amended hereby the Power Sales Contract shall remain in full force and effect.

IN WITNESS WHEREOF, the Agency and the Member have caused this Amendment 4 to Schedule A to be executed by duly authorized officers, all as of the date first set forth above.

SOUTHERN MINNESOTA MUNICIPAL POWER AGENCY

By \_\_\_\_\_  
David P. Geschwind, Executive Director and CEO

ROCHESTER PUBLIC UTILITIES

\_\_\_\_\_  
General Manager

CITY OF ROCHESTER, MINNESOTA

\_\_\_\_\_  
Mayor

Attest: \_\_\_\_\_  
City Clerk

Reviewed By:

\_\_\_\_\_  
City Attorney

SCHEDULE A  
(September 1, 2011)

SOUTHERN MINNESOTA MUNICIPAL POWER AGENCY  
SERVICE SPECIFICATIONS

MEMBER: City of Rochester, Minnesota

1. **Applicability.** These service specifications are applicable to the Power Sales Contract dated as of April 1, 1981 (as heretofore amended), covering the supply and delivery of electric power and energy by the Agency to the City of Rochester, Minnesota, Member.
2. **Points of Delivery.** The Agency is obligated to deliver electric power and energy contracted for by the Member at the following points and voltages as shown in the diagram under paragraph 6 hereof:

| <b>Delivery Point Identity and Location</b>   | <b>Delivery Voltage</b> |
|---|-------------------------|
| (1) The Member's Chester Substation, located in the City of Rochester, MN, at the termination of each (2) of Dairyland's 161,000 volt transmission lines.                   | 161,000 V               |
| (2) The Member's Cascade Creek Substation, located in the City of Rochester, MN, at the termination of the Agency's 161,000 volt transmission line.                         | 161,000 V               |
| (3) The Member's Westside Substation, located in the City of Rochester, MN, at the termination of the Agency's 161,000 volt transmission line.                              | 161,000 V               |
| (4) The Member's IBM Substation, located in the City of Rochester, MN at the output of each (2) of the Diesel Electric Generating Units #1, #2, located in such Substation. | 480 V                   |

3. **Points of Measurement.** The Agency shall meter electric power and energy delivered to the Member as follows and as shown in the diagram under paragraph 6 hereof:

| <b>Metering Point Identity and Location</b>   | <b>Metering Voltage</b> |
|---|-------------------------|
| (1) The Member's Chester Substation, located in the City of Rochester, MN, at the termination of each (2) of Dairyland's 161,000 volt transmission lines. | 161,000 V               |
| (2) The Member's Cascade Creek Substation, located in the City of Rochester, MN, at the termination of the Agency's 161,000 volt transmission line.       | 161,000 V               |
| (3) Net Output of each (2) of the Combustion Turbine Generating Units #1, #2, located in the Member's Cascade Creek Substation.                           | 13,800 V                |
| (4) Net Output of each (3) of the Coal Fired Steam Generating Units #1, #2, #3, located in the Member's Silver Lake Power Plant.                          | 13,800 V                |

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|--|-----------|
| (5) Net Output of the Coal Fired Steam Generating Unit #4, located in the Member's Silver Lake Power Plant.                                    | 13,800 V  |
| (6) Net Output of each (3) of the Waste to Energy Units #1, #2 and #3, located in the City of Rochester, MN.                                   | 13,800 V  |
| (7) Net Output of each (2) of the Diesel Electric Generating Units #1, #2, located in the Member's IBM Substation.                             | 480 V     |
| (8) The Member's Westside Substation, located in the City of Rochester, MN, at the termination of the Agency's 161,000 volt transmission line. | 161,000 V |

4. **Power Factor.** In any billing period beginning on or after November 1, 1982 and before November 1, 1984, the Member shall maintain its system power factor between 95% lagging and 95% leading as measured at its Point or Points of Delivery. In any billing period beginning on or after November 1, 1984, the Member shall maintain its system power factor between 98% lagging and 98% leading as measured at its Point or Points of Delivery.

5. **Adjustments.** (a) If electric power and energy are metered on the low side of the transformer at any Point of Delivery, meter readings for all electric power and energy supplied by the Agency at such metering point will be increased by 1% to compensate for transformer losses between the delivery voltage level and the metering voltage.

If there are other losses between any Point of Measurement and any Point of Delivery, an appropriate loss factor will be used to compensate for losses.

(b) If the Agency delivers electric power and energy to the Member at a Point of Delivery at a voltage less than 69,000 volts, the charges for such service shall be a surcharge added to the Billing Rates shown in Schedule B hereof to compensate the Agency for owning, maintaining and operating transformation facilities necessary to provide service below 69,000 volts.

6. **Diagrams.** Following is a one-line diagram of the facilities at each Point of Delivery and Point of Measurement.



## RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, that the Common Council of the said City is requested to approve an amendment to the Power Sales Contract between the Southern Minnesota Municipal Power Agency and the City of Rochester, Minnesota, and that the Common Council authorize the Mayor and the City Clerk to execute the agreement for

Amendment 4 to Schedule A of the Power Sales Contract between Southern Minnesota  
Municipal Power Agency and the City of Rochester, Minnesota

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 30<sup>th</sup> day of August, 2011.

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President

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Secretary