

FOR BOARD ACTION

Agenda Item # 8

Meeting Date:

4/24/12

SUBJECT: Annual Update of Cost and Rate Schedules for Cogeneration & Small Power Production Rate (SPP) Tariff

PREPARED BY: Michael Heppelmann, Senior Financial Analyst

ITEM DESCRIPTION:

Minnesota Statute 216B.164 requires that each utility must file a new Power Production Tariff annually with the Public Utilities Commission, or for municipal utilities, with their governing board. If there are no changes to the tariff other than Schedule C, this statute allows for the filing of a new Schedule C, with notification to the utility board that there are no other changes. There are no other changes to the tariff, and the update for Schedule C is attached.


Currently RPU has seven residential customers qualifying as small power producers under the Cogeneration Rules. These customers fall under the 2011 Residential rate of \$.1006, which is the proposed rate for 2012. The 2010 rate in effect during 2011 was \$.0990. This represents an increase of 1.6%. RPU also has one commercial (MGS) customer who has chosen to install the net metering required to qualify for the SPP rate. Three other commercial (MGS) customers have opted not to install net metering to qualify for this rate. All of these customers would fall under the 2011 MGS rate of \$.0962, which is the proposed rate for 2012. The 2010 rate in effect during 2011 was \$.0955, representing an increase of .8%.

FOR CAPITAL PURCHASES/BIDS/MAJOR PROJECTS:

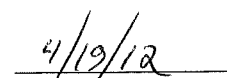
Not applicable.

UTILITY BOARD ACTION REQUESTED:

It is recommended that the Utility Board request Common Council approval of the updated Schedule C, to be attached to the previously approved Rules Covering Cogeneration and Small Power Production Facilities.



General Manager



Date

ROCHESTER PUBLIC UTILITIES

ROCHESTER PUBLIC UTILITIES
 RULES COVERING COGENERATION
 AND SMALL POWER PRODUCTION

SCHEDULE C

	2011	2010	
RESIDENTIAL			
Total revenues	\$ 42,565,163.49	\$ 41,706,952.24	
Less fixed revenues (customer charge)	\$ 7,743,007.38	\$ 7,527,477.94	
Net revenues	<u>\$ 34,822,156.11</u>	<u>\$ 34,179,474.30</u>	
kWh	<u>346,088,443</u>	<u>345,076,045</u>	
Average retail energy rate	<u>\$ 0.1006</u>	<u>\$ 0.0990</u>	1.6%
COMMERCIAL			
SGS			
Total revenues	\$ 15,619,502.02	\$ 15,817,286.72	
Less fixed revenues (customer charge)	\$ 1,485,830.63	\$ 1,450,369.20	
Net revenues	<u>\$ 14,133,671.39</u>	<u>\$ 14,366,917.52</u>	
kWh	<u>139,956,094</u>	<u>148,120,013</u>	
Average retail energy rate	<u>\$ 0.1010</u>	<u>\$ 0.0970</u>	4.1%
MGS			
Total revenues	\$ 33,319,633.26	\$ 32,260,179.88	
Less fixed revenues (customer charge)	-	-	
Net revenues	<u>\$ 33,319,633.26</u>	<u>\$ 32,260,179.88</u>	
kWh	<u>346,352,110</u>	<u>337,977,241</u>	
Average retail energy rate	<u>\$ 0.0962</u>	<u>\$ 0.0955</u>	.8%
LGS			
Total revenues	\$ 13,985,344.20	\$ 13,652,963.26	
Less fixed revenues (customer charge)	-	-	
Net revenues	<u>\$ 13,985,344.20</u>	<u>\$ 13,652,963.26</u>	
kWh	<u>156,404,280</u>	<u>157,901,138</u>	
Average retail energy rate	<u>\$ 0.0894</u>	<u>\$ 0.0865</u>	3.4%
INDUSTRIAL			
Total revenues	\$ 19,455,535.85	\$ 19,389,007.02	
Less fixed revenues (customer charge)	-	-	
Net revenues	<u>\$ 19,455,535.85</u>	<u>\$ 19,389,007.02</u>	
kWh	<u>236,879,566</u>	<u>240,438,265</u>	
Average retail energy rate	<u>\$ 0.0821</u>	<u>\$ 0.0806</u>	1.9%



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 a revised Schedule C of the RPU Cogeneration and Small Power Production (SPP) Rate Tariff which is updated annually after each calendar year by RPU. This is required by Section III, paragraph A of the Rules Covering Cogeneration and Small Power Production Facilities (Minnesota Statutes Section 216B.164 Subdivision 9) which were previously approved by the Board/ Council in June 2005.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 24th day of April, 2012.

President

Secretary