

FOR BOARD ACTION

Agenda Item # 7.

Meeting Date:

4/25/06

SUBJECT: 2006 Air Emissions Fee for Silver Lake Plant

PREPARED BY: Joe Hensel, Director of Field Services

ITEM DESCRIPTION:

Minnesota Rules Parts 7002 and 7005 require facilities with air emission permits to pay an emission-based annual fee to the Minnesota Pollution Control Agency (MPCA) to fund air quality programs. Approximately 70% of the air program budget is funded by emissions fees.

The 2006 air emission fee for the Silver Lake Plant is \$138,231.41. The fee is based on actual emissions from 2004 and a rate of \$29.84 per ton. Air emissions fees were included in the Year 2006 budget approved by the Board and Council.

The following is a summary of fees from 1994-2006:

FEE YEAR	EMISSION YEAR	EMISSIONS(TONS)	FEE RATE (\$/ton)	FEE
2006	2004	4,632.42	\$29.84	\$138,231.41
2005	2003	4,912.92	\$28.22	\$138,642.60
2004	2002	1,661.13	\$28.41	\$47,192.70
2003	2001	3,884	\$27.61	\$107,247.73
2002	2000	3,657	\$26.51	\$96,954.23
2001	1999	2,939	\$24.94	\$73,299.40
2000	1998	3,981	\$24.65	\$98,132.63
1999	1997	3,657	\$23.75	\$86,854.94
1998	1996	3,521	\$23.48	\$82,694.22
1997	1995	2,018	\$22.60	\$45,598.89
1996	1994	2,930	\$21.62	\$63,355.25
1995	1993	2,422	\$18.30	\$44,328.08
1994	1992	3,316	\$18.91	\$62,729.64

UTILITY BOARD ACTION REQUESTED:

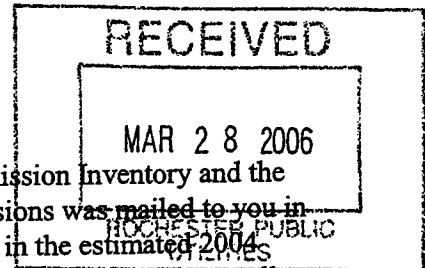
Utility Board approval of the resolution authorizing payment of the Silver Lake Plant 2006 air emission fee in the amount of \$138,231.41.


General Manager


Date

ROCHESTER PUBLIC UTILITIES

March 2006



Dear Permittee:

This invoice lists your 2004 emissions as calculated from your 2004 Air Emission Inventory and the resultant **2006 Air Emission Fee**. An estimate of your facility's 2004 emissions was mailed to you in October, 2005. Facilities had until November 18, 2005, to report any errors in the estimated 2004 emissions that would result in a lower fee. Facilities requiring air quality permits are billed annually based on the total number of tons of nitrogen oxides (NO_x), lead (Pb), particulate matter less than 10 micrometers (PM₁₀), sulfur dioxide (SO₂), and volatile organic compounds (VOCs) that they emit into the atmosphere. The rule that relates to this fee is Minn. R. ch. 7002 and 7005. These fees provide funding for Minnesota Pollution Control Agency's air programs.

The dollar per ton figure was calculated by dividing the total amount of money required to operate air programs by the 2004 air emissions, which are the five air pollutants subject to fees. Facilities with emissions of less than one ton pay a flat fee of \$25. Flat rate fees for Option B Registration Permits and facilities with less than one ton of emissions are subtracted from the fee target. The resulting amount is \$10,266,173.00. The calculation is shown below:

Total Billable emissions (**from all facilities combined**) subject to fees from the 2004 Emission Inventory:

NO _x	149,253 tons
Pb	23 tons
PM ₁₀	33,433 tons
SO ₂	133,772 tons
VOC	<u>27,592 tons</u>
	344,073 Total Billable tons of emissions (for all facilities)

$$\$10,266,173.00 / 344,073 \text{ tons} = \$29.84 \text{ per ton}$$

The air emission fee for your facility has been calculated by multiplying the total emissions of each of the five pollutants, as calculated from your 2004 Emission Inventory, by \$29.84 per ton.

Please note if your facility's 2004 air emission inventory was received late, not received by April 1, a fee of 1.5 times the estimated actual emissions as stated in your facility's permit application is assessed for your 2006 fee, per Minn. R. 7002.0025. If your facility has an option B registration permit and your inventory was received late it shall be assessed an annual fee of \$210, per Minn. R. 7002.0025.

If you feel your emissions are in error

If you feel that the assessed emissions are in error, please provide a separate written explanation of your position to Paul Kim or Michael Smith at the Minnesota Pollution Control Agency before the fee invoice due date. Also, separately submit the full invoice payment to the address specified on the invoice. Within 60 days of receipt of your letter, the MPCA will provide either a written explanation of why the fee was not in error, or a refund of the overpayment. **If full payment is not provided, the error request will not be considered.**

Contacts

Please contact the following staff if you have questions:

- For all fee questions call Jennie Olson at (651) 297-8611.
- For questions on specifically the emissions used to calculate your fee or questions on the emission inventory, contact Paul Kim at (651) 296-7320; or Michael Smith at (651) 282-5849.

Minnesota Pollution Control Agency

Annual Air Emissions Fee

Invoice Number: 1100014151

New billing contact, if changed:

Rochester Public Utilities - Silver Lake
 ATTN: Mr. Joseph Hensel
 Rochester Public Utilities
 4000 E River Rd NE
 Rochester, MN 55906-2813

Account Number: 10900011
 Minnesota Tax ID: 8024844
 Federal Tax ID: 416005494
 Invoice Date: 03/27/2006
 Due Date: 05/26/2006
 Pay This Amount: \$138,231.41
 Amount Enclosed: _____

Submit payment to Minnesota Revenue. See payment information below.

138231 41

PAYMENT APPROVAL

For electronic payments see Minnesota Revenue Internet at
www.taxes.state.mn.us

If making payment by check or money order, remit to
 Minnesota Revenue, Mail Station 3331, St. Paul, MN 55146-3331 with the above stub.

PO. # _____ **CLOSE POT V/N**

Minnesota Pollution Control Agency

~~COST ELEMENT~~
 Annual Air Emissions Fee

All fees are required by Minnesota Rules Parts 7002 and 7005.

~~COST CENTER~~

See attached for information on where to direct questions.

~~ORDER #~~

Account Number: 10900011

Summary of charges for the following facility:

BY _____

Invoice Number: 1100014151

~~DATE~~ Rochester Public Utilities - Silver Lake
 425 W Silver Lake Dr NE
 Rochester, MN 55906

Invoice Date: 03/27/2006

Due Date: 05/26/2006

Amount Due: \$138,231.41

~~BRIEF DESCRIPTION~~

Inter-agency payments may be made through MAPS:
 Fund 330
 Agency G90
 Org 7620
 Rev Src 5681

1	2006 Fee: Based on 2004 NOX Emissions: 1256.33 tons @ \$29.84 per ton	\$37,488.89
2	2006 Fee: Based on 2004 Pb Emissions: 0.22 tons @ \$29.84 per ton	\$6.56
3	2006 Fee: Based on 2004 PM10 Emissions: 188.90 tons @ \$29.84 per ton	\$5,636.78
4	2006 Fee: Based on 2004 SO2 Emissions: 3181.06 tons @ \$29.84 per ton	\$94,922.83
5	2006 Fee: Based on 2004 VOC Emissions: 5.91 tons @ \$29.84 per ton	\$176.35
TOTAL		\$138,231.41

Fees are due by the due date of this invoice. A late fee of 10% is applicable for each additional 30 days.



RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to authorize payment of the 2006 Silver Lake Plant 2006 air emission fee in the amount of \$138,231.41 to the Minnesota Pollution Control Agency, Invoice 1100014151.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 25th day of April, 2006.

President

Secretary