

# FOR BOARD ACTION

Agenda Item # 11

Meeting Date:

9/26/06

**SUBJECT:** CAPX Agreements

**PREPARED BY:** Greg Woodworth  
Transmission Manager

ITEM DESCRIPTION:

During the past few months the twelve CAPX participants have formed an agreements team to codify various agreements necessary to pursue the \$1.3 Billion worth of transmission construction being undertaken by the CAPX 2020 organization. I have been the business representative for RPU on the agreements team and the legal representative has been Eric Swanson of the Minneapolis office of Winthrop and Weinstine. Today I am presenting three initial agreements for approval by the Board. These agreements have been reviewed after-the-fact by the City Attorney's office due to the time constraints between completion of the individual agreements and the execution timeline.

Three agreements are being presented to the Board for approval. They are:

1. CapX Confidentiality Agreement
2. CapX Organization Memorandum of Understanding
3. Southeast Twin Cities-Rochester-La Crosse Transmission Project Memorandum of Understanding

Each agreement will be discussed individually.

1. CapX Confidentiality Agreement

The Confidentiality Agreement simply obligates all CapX participants to treat the confidential information of other participants in a uniform manner. What is attached is an agreement executed by a member of each CapX utility in order to start the agreements team discussions. It was necessary to sign the agreement in order to start the agreements team proceedings in a timely manner. We are bringing this forward for approval by the Board to bind all members of the City of Rochester to abide by this agreement rather than just the agreements team participant. This agreement has no intrinsic monetary value.

2. CapX Organization Memorandum of Understanding

The CAPX organization MOU defines the sharing of CapX expenses for the balance of the calendar year. The term of the agreement as written expires December 31, 2006. The Maximum cost cap for the agreement is \$1,018,000 and RPU's share of the cost cap is 2.823% or a maximum potential cost of \$28,738.14 in 2006. Costs of this agreement were included in the 2006 budget under the transmission intertie budget item.

The agreements team is working on a longer, more detailed agreement to replace this agreement. That agreement is referred to as the Definitive Agreement and is expected to have a

  
General Manager

  
Date

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term from 1/1/07 through 12/31/2020. The estimated total cost of that agreement is unknown at this time. However, when that agreement is completed, it will be brought to the City Attorney, Board and Council for review and approval and will supersede this agreement.

3. Southeast Twin Cities-Rochester-La Crosse Transmission Project Memorandum of Understanding

This is the Southeast Project MOU which covers the maximum potential 2006 project-related costs of \$1,060,000 for the 345 and 161 lines proposed to be constructed. The maximum exposure of RPU under this agreement is 9% as shown in Appendix A, or \$95,400. Again, the term of this agreement is set to expire on 12/31/2006 whereupon this agreement will be replaced by a Development agreement with a two to four year term starting on 1/1/2007 and covering the Certificate of Need and potentially the routing hearing proceedings.

While the series of agreements methodology listed under agreements 2 and 3 sounds complicated, they are part of a process designed to gain maximum participation. As the projects are being defined by the public hearings, the certificate of need hearings and the routing hearings, potentially large changes to the assumed projects and their associated costs may occur. The series of agreements methodology allows the maximum number of participants early in the process. It minimizes the potential early costs as illustrated above. The further into the series of agreements that a participant signs, the more facts are known, and the costs of participating and dropping out of the project increase, while maintaining relatively low costs early in the series of agreements.

This is a complex issue and staff will be available at the Board meeting to answer questions.

### UTILITY BOARD ACTION REQUESTED:

The Board is requested to approve the following agreements related to CapX 2020 and authorize the Mayor and City Clerk to execute the Agreements:

1. CapX Confidentiality Agreement
2. CapX Organization Memorandum of Understanding
3. Southeast Twin Cities-Rochester-La Crosse Transmission Project Memorandum of Understanding

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

\_\_\_\_\_  
Date

**ROCHESTER PUBLIC UTILITIES**

# CapX

## Confidentiality Agreement

This Confidentiality Agreement (the "Confidentiality Agreement"), dated as of July 21, 2006 (the "Effective Date"), sets forth certain understandings and agreements of the undersigned parties hereto (each, a "Participant") regarding matters, actions or activities in connection with transmission projects involving one or more Participants that may be located in and around the State of Minnesota (the "CapX 2020 Projects" or "Projects"). The Projects are being considered or undertaken to help maintain and enhance system reliability for electric customers in Minnesota and the surrounding region.

WHEREAS, each of the Participants has indicated an interest in participating in one or more of the CapX 2020 Projects;

NOW, THEREFORE, by a Participant's execution of this Confidentiality Agreement, the following provisions will constitute the legally binding and enforceable agreement of the Participant.

1. Confidentiality of Information.

a. Each Participant agrees to use the confidential and proprietary information provided to it by any other Participant in connection with the CapX 2020 Projects (the "Confidential Information") solely in order to evaluate and/or participate in the CapX 2020 Projects or a CapX 2020 Project ("Permitted Purpose"), that the Participant will keep the Confidential Information confidential and that the Participant will not, and will advise its representatives not to, disclose to any person or entity any of the Confidential Information in any manner whatsoever or otherwise use any of the Confidential Information other than for a Permitted Purpose; provided, however, that any of such Confidential Information may be disclosed to each Participant's financial, technical and legal advisors, members, and representatives (collectively referred to as "Representatives") who may need to know such Confidential Information for the purpose of advising the Participant on the CapX 2020 Projects or a CapX 2020 Project provided that such Representatives are informed by the Participant of the Confidential nature of the Confidential Information and that they will be bound by the confidentiality provisions of this Confidentiality Agreement to the same extent as if they were parties hereto. Each Participant agrees that it will be responsible for any breach of this Confidentiality Agreement by any of its Representatives and for any use of the Confidential Information by any of them for any purpose other than a Permitted Purpose. Written documents, electronic documents and other physical information shall be deemed Confidential Information only if clearly and prominently marked and identified as "CONFIDENTIAL". Oral or other non-written communications shall be deemed Confidential Information only if it is declared to be Confidential Information at the time disclosed.

b. Notwithstanding the above, the term "Confidential Information" shall not be deemed to include any information which (i) is or becomes generally available to the public other than as a result of a disclosure by a Participant or any of its representatives in violation of this Confidentiality Agreement, (ii) was within a Participant's possession prior to its being furnished to such Participant by or on behalf of any other Participant (iii) becomes available to a Participant on a non-confidential basis from a source other than any other Participant or any of their respective representatives, provided that the Participant does not know that such source is bound by a confidentiality agreement with, or other contractual, legal or fiduciary obligation of confidentiality to, the Participant or any other party with respect to such information; or (iv) is independently developed by a Participant, without access to the Confidential Information.

c. In the event that a Participant is required by legal process, a government agency or otherwise by operation of law to disclose any of the Confidential Information then to the extent legally permissible, it shall provide prompt notice of such requirement to the Participant to which such Confidential Information relates ("Disclosing Participant") so that the Disclosing Participant at its own costs may seek a protective order or other appropriate remedy. The Participant will disclose only that portion of the Confidential Information which it is legally required to disclose. The Participant may rely on reasonable advice of legal counsel (which may be in-house counsel to such Participant) with respect to its obligations of disclosure as contemplated by this paragraph c.

d. The Participant receiving Confidential Information from a Disclosing Participant will not reveal any non-public Transmission Information directly provided by the Disclosing Participant's Transmission Function to any person employed by a Disclosing Participant in a Sales or Marketing Function or by an Energy Affiliate (as those terms are defined in 18 C.F.R. Part 358). In the event of an inadvertent disclosure of non-public Transmission Information, the Participant shall notify the Disclosing Participant's Transmission Function and the Disclosing Participant's Transmission Function shall make arrangements to provide contemporaneous disclosure per 18 C.F.R. Part 358.

e. All Confidential Information shall remain the sole property of the Disclosing Participant and any Confidential Information provided to any other Participant shall be returned or destroyed at the instruction of the Disclosing Participant.

f. The Disclosing Participant is not providing any warranties or representations as to the accuracy of any Confidential Information. Nothing herein is intended to, nor shall it, obligate the Disclosing Participant to provide any information or Confidential Information to any other Participant.

g. Each Participant expressly agrees that a breach of any of the terms or conditions of this Section 1 would result in irreparable harm and that money damages would not be a sufficient remedy for any such breach. Accordingly, in the event of a breach or threatened breach by a Participant or by any of its representatives or advisors of any of the provisions of this Section 1 (and in addition to any other remedy provided by law or in equity), the Participant which such breach would harm will be entitled to appropriate equitable relief, including injunctive relief and specific performance in any court of competent jurisdiction.

2. Public Disclosure. If a Participant intends to make, directly or indirectly, any material public comment, statement, or communication with respect to, or otherwise to disclose or to permit the disclosure of the existence of discussions regarding, a material aspect of a proposed CapX 2020 Project or any of the material terms, conditions, or other material aspects of a CapX 2020 Project, it will use its best efforts to first provide to the other Participants the content of the proposed disclosure, and the time and place that the disclosure will be made and provide the other Participants a reasonable opportunity to comment on the proposed disclosure; provided that no such public comment, statement or communication will include any Confidential Information.

3. Governing Law. This Confidentiality Agreement will be governed by and construed in accordance with the laws of the State of Minnesota (exclusive of conflicts of law principles).

4. Termination. This Confidentiality Agreement will be terminated on the earlier to occur of:

a. by mutual consent of all the Participants; or

b. December 31, 2006, except that the provisions of paragraph 1, Confidential Information, will survive the termination of this Confidentiality Agreement for a period of ten years from the Effective Date.

5. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

*[signatures on following page]*

**PARTICIPANTS**

**Otter Tail Power Company**

By

  
Rodney C. H. Scheel

Title: Vice President, Asset Management

Address: 215 S. Cascade St.

Fergus Falls, MN 56538-0496

Fax Number: 218-739-8218

E-Mail Address: rscheel@otpc.com

Phone Number: 218-739-8204

**Southern Minnesota Municipal Power Agency**

By \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

Fax Number: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

Phone Number: \_\_\_\_\_

**Great River Energy**

By \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

Fax Number: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

Phone Number: \_\_\_\_\_

**Minnesota Power**

By \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

Fax Number: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

Phone Number: \_\_\_\_\_

**PARTICIPANTS**

**Otter Tail Power Company**

By \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

Fax Number: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

Phone Number: \_\_\_\_\_

**Southern Minnesota Municipal Power Agency**

By Raymond A. Hayward

Title: Ec. Dir.

Address: 500 First Avenue SW  
Rochester, MN 55902-3303

Fax Number: 507-292-6414

E-Mail Address: rs.hayward@smmpa.org

Phone Number: 507-285-0478

**Great River Energy**

By \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

Fax Number: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

Phone Number: \_\_\_\_\_

**Minnesota Power**

By \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

Fax Number: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

Phone Number: \_\_\_\_\_

45791317.4

**PARTICIPANTS**

Otter Tail Power Company

By \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

Fax Number: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

Phone Number: \_\_\_\_\_

Southern Minnesota Municipal Power Agency

By \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

Fax Number: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

Phone Number: \_\_\_\_\_

Great River Energy

By *Mike Kaul*

Title: Vice President, Transmission

Address: 17845 East Highway 10

Elk River, MN 55330

Fax Number: 763-241-6288

E-Mail Address: wkaul@grenergy.com

Phone Number: 763-241-2380

Minnesota Power

By \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

Fax Number: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

Phone Number: \_\_\_\_\_



**PARTICIPANTS**

**Otter Tail Power Company**

By \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

Fax Number: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

Phone Number: \_\_\_\_\_

**Southern Minnesota Municipal Power Agency**

By \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

Fax Number: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

Phone Number: \_\_\_\_\_

**Great River Energy**

By \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

Fax Number: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

Phone Number: \_\_\_\_\_

**Minnesota Power**

By  \_\_\_\_\_

Title: Vice President - Transmission

Address: 30 West Superior Street

Duluth, MN 55802

Fax Number: (218) 720-2685

E-Mail Address: tferguson@mnpower.com

Phone Number: (218) 720-2662

**PARTICIPANTS (Continued)**

Missouri River Energy Services

By Raymond Walb

Title: Director, Power Supply & Oper

Address: P.O. Box 88920  
Sioux Falls, SD 57109-8920

Fax Number: 605-978-9360

E-Mail Address: rwalbe@mrenergy.com

Phone Number: \_\_\_\_\_

Northern States Power Company d/b/a Xcel Energy

By \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

Fax Number: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

Phone Number: \_\_\_\_\_

Minnkota Power Cooperative

By \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

Fax Number: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

Phone Number: \_\_\_\_\_

Wisconsin Public Power, Inc.

By \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

Fax Number: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

Phone Number: \_\_\_\_\_

**PARTICIPANTS (Continued)**

**Missouri River Energy Services**

By \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

Fax Number: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

Phone Number: \_\_\_\_\_

**Northern States Power Company d/b/a Xcel Energy**

By  \_\_\_\_\_

Title: Vice President, Transmission

Address: 250 Marquette Plaza

Minneapolis, MN 55401

Fax Number: 612-330-5991

E-Mail Address: Doug.Jaeger@xcelenergy.com

Phone Number: 612-330-7608

**Minnkota Power Cooperative**

By \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

Fax Number: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

Phone Number: \_\_\_\_\_

**Wisconsin Public Power, Inc.**

By \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

Fax Number: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

Phone Number: \_\_\_\_\_

**PARTICIPANTS (Continued)**

Missouri River Energy Services

Northern States Power Company d/b/a Xcel Energy

By \_\_\_\_\_

By \_\_\_\_\_

Title: \_\_\_\_\_

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Minnesota Power Cooperative

Wisconsin Public Power, Inc.

By *D. Shepard*

By \_\_\_\_\_

Title: *V.P. Legal*

Title: \_\_\_\_\_

Address: *P.O. Box 13200*

Address: \_\_\_\_\_

*Grand Forks, ND 58001*

Fax Number: *701 795 4214*

Fax Number: \_\_\_\_\_

E-Mail Address: *dshepard@minnco.com*

E-Mail Address: \_\_\_\_\_

Phone Number: *701 795 4210*

Phone Number: \_\_\_\_\_

**PARTICIPANTS (Continued)**

Missouri River Energy Services

By \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

Fax Number: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

Phone Number: \_\_\_\_\_

Northern States Power Company d/b/a Xcel Energy

By \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

Fax Number: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

Phone Number: \_\_\_\_\_

Minnkota Power Cooperative

By \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

Fax Number: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

Phone Number: \_\_\_\_\_

Wisconsin Public Power, Inc.

By Michael Stunt

Title: SVP

Address: 1425 Corporate Center Drive  
San Francisco, CA 94111

Fax Number: 609.837.0274

E-Mail Address: mstunt@wppsys.com

Phone Number: 609.834.4556

**PARTICIPANTS (Continued)**

Midwest Municipal Utilities Association d/b/a  
Midwest Municipal Transmission Group

Basin Electric Power Cooperative

By Anne Kimber

By \_\_\_\_\_

Title: Chair, MMTG

Title: \_\_\_\_\_

Address: 1735 NE 70<sup>th</sup> Avenue  
Ankeny IA 50021

Address: \_\_\_\_\_

Fax Number: 515 289-2999

Fax Number: \_\_\_\_\_

E-Mail Address: akimber@jamh.org

E-Mail Address: \_\_\_\_\_

Phone Number: 515 289 1999

Phone Number: \_\_\_\_\_

**Rochester Public Utilities**

**Montana Dakota Utilities**

By \_\_\_\_\_

By \_\_\_\_\_

Title: \_\_\_\_\_

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Address: \_\_\_\_\_

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**PARTICIPANTS (Continued)**

**Midwest Municipal Transmission Group**

By \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

Fax Number: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

Phone Number: \_\_\_\_\_

**Basin Electric Power Cooperative**

By Mike Risan

Michael D. Risan

Title: **Senior Vice President, Transmission**

Address: **1717 East Interstate Avenue  
Bismarck, ND 58503**

Fax Number: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

Phone Number: \_\_\_\_\_

**Rochester Public Utilities**

By \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

Fax Number: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

Phone Number: \_\_\_\_\_

**Montana Dakota Utilities**

By \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

Fax Number: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

Phone Number: \_\_\_\_\_

45791317A

**PARTICIPANTS (Continued)**

**Midwest Municipal Transmission Group**

**Basin Electric Power Cooperative**

By \_\_\_\_\_

By \_\_\_\_\_

Title: \_\_\_\_\_

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Address: \_\_\_\_\_  
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Phone Number: \_\_\_\_\_

**Rochester Public Utilities**

**Montana Dakota Utilities**

By Greg A. Wadsworth \_\_\_\_\_

Title: Engineering Manager Title: \_\_\_\_\_

Address: 4000 E EVER RD NE Address: \_\_\_\_\_

Rochester, MN. 559062813 \_\_\_\_\_

Fax Number: 507 280-1542 \_\_\_\_\_

Fax Number: \_\_\_\_\_

E-Mail Address: gwadsworth@cpu.org \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

Phone Number: 507 280-1546 \_\_\_\_\_

Phone Number: \_\_\_\_\_



**PARTICIPANTS (Continued)**

**Midwest Municipal Transmission Group**

By \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

Fax Number: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

Phone Number: \_\_\_\_\_

**Basin Electric Power Cooperative**

By \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

Fax Number: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

Phone Number: \_\_\_\_\_

**Rochester Public Utilities**

By \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

Fax Number: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

Phone Number: \_\_\_\_\_

**Montana Dakota Utilities**

By *Andrea Storb* \_\_\_\_\_

Title: Vice President-Electric Supply

Address: 400 North Fourth Street

Bismarck, ND 58501

Fax Number: 701-222-7606

E-Mail Address: andrea.storb@mdu.com

Phone Number: 701-222-7752

**PARTICIPANTS (Continued)**

**Dairyland Power Cooperative**

**Western Minnesota Municipal Power Agency**

By Chuck Collins By \_\_\_\_\_

Title: Vice President, Power Delivery Title: \_\_\_\_\_

Address: 3200 East Avenue South Address: \_\_\_\_\_  
La Crosse, WI 54601 \_\_\_\_\_

Fax Number: 608-787-1475 Fax Number: \_\_\_\_\_

E-Mail Address: csc@dairynet.com E-Mail Address: \_\_\_\_\_

Phone Number: 608-787-1474 Phone Number: \_\_\_\_\_

**PARTICIPANTS (Continued)**

**Dairyland Power Cooperative**

By \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

Fax Number: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

Phone Number: \_\_\_\_\_

**Western Minnesota Municipal Power Agency**

By Robin Sawyer

Title: Assistant Secretary

Address: P.O. Box 88920

Sioux Falls, SD 57109-8920

Fax Number: 605-978-9360

E-Mail Address: rwahle@mrenergy.com

Phone Number: 605-330-6963

Dated: \_\_\_\_\_

**ROCHESTER PUBLIC UTILITIES**

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

**CITY OF ROCHESTER**

\_\_\_\_\_  
**Mayor**

Attest:

\_\_\_\_\_  
**City Clerk**

Reviewed By:

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



## CapX Organization

### Memorandum of Understanding

This Memorandum of Understanding (the "MOU"), effective as of July 28, 2006, sets forth certain understandings and agreements of the undersigned parties hereto (each, a "Participant") regarding matters, actions or activities in connection with transmission projects involving one or more Participants that may be located in and around the State of Minnesota (the "CapX 2020 Projects" or "Projects"). The Projects are being considered or undertaken to help maintain and enhance system reliability for electric customers in Minnesota and the surrounding region.

WHEREAS, each of the Participants has indicated an interest in participating in one or more of the CapX 2020 Projects; and

WHEREAS, each of the Participants has previously entered into a CapX Confidentiality Agreement, dated as of July 21, 2006 (the "Confidentiality Agreement"); and

WHEREAS, certain of the Participants have to date been collaborating together on the development of certain CapX 2020 Projects, the Participants now desire to establish a written understanding among the Participants regarding CapX organization-related issues; and

WHEREAS, the Participants view this MOU as being temporary in nature and expect this MOU to be superseded by a more definitive agreement to be executed by the Participants prior to December 31, 2006.

NOW, THEREFORE, by a Participant's execution of this MOU, the following provisions will constitute the legally binding and enforceable agreement of the Participant.

1. Costs Sharing. In furtherance of CapX 2020 Project-related activities, the Participants have incurred and expect to incur O & M expenses related to general organization development and planning efforts (the "O & M Expenses") but, in any event, will not include costs which are being capitalized by the Participants. An estimated budget of O & M expenses is set forth on Appendix A, attached hereto and made a part hereof. Except as otherwise determined by the Participants pursuant to this MOU, total O & M Expenses shall be limited as provided in Appendix A O & M Expense Cap. Beginning in October, 2006, the Expense Coordinator (as defined below) will use its best efforts to prepare and distribute a monthly report of the O & M Expenses incurred for the previous months and the O & M Expenses expected to be incurred through December 31, 2006. Except as otherwise unanimously agreed by all Participants, each Participant agrees to pay a portion of the O & M Expenses determined as follows:

a. Pro-rata Amount. Twenty-five percent (25%) of the O & M Expenses will be paid by Participants on a pro-rata basis. Each Participant's pro-rata share of the twenty-five

percent of the O & M Expenses will be equal to one divided by the number of Participants from time to time. Initially, such amount will be 0.111.

b. Coincident Peak Load Amount. Seventy-Five Percent of the O & M Expenses will be paid by Participants on a coincident peak load ("CP Load") basis. The twelve monthly CP Loads are for the 2004 calendar year and represent the total transmission load on the Participant's system within the CapX footprint. Each Participant's share of the seventy-five percent (75%) of the O & M Expenses will be equal to the Participant's CP Load divided by the aggregate CP Load of all Participants.

c. Table. The table below sets forth each Participant's pro-rata amount, CP Load, percentage of Aggregate CP Load at the total cost sharing percentage.

Xcel Energy	.111	6,866	59.848	47.664
Southern Minnesota Municipal Power Agency	.111	421	3.669	5.530
Otter Tail Power Company	.111	592	5.160	6.648
Missouri River Energy Services	.111	125	1.090	3.595
Minnesota Power	.111	1,408	12.273	11.983
Great River Energy	.111	1,880	16.387	15.068
Midwest Municipal Transmission Group	.111	123	1.071	3.581
Wisconsin Public Power	.111	51	.442	3.109
Rochester Public Utilities	.111	7	.060	2.823

d. Payment Terms. It is anticipated that one of the Participants (the "Expense Coordinator") will coordinate the incurrence of O & M Expenses and will, in turn, distribute invoices to each of the other Participants. Such other Participants will pay to the Expense Coordinator all amounts due under the invoice within 30 days after the date of the invoice to the address designated by the Expense Coordinator.

2. Governance. Except where unanimous agreement among all Participants is provided herein, any CapX 2020 Project activity or action undertaken or carried out pursuant to this MOU shall be determined on a consensus basis including, without limitation, approval of total O & M Expenses beyond the limitation set forth as the O & M Expense Cap on Appendix A.

3. Entire Agreement. Together with the Confidentiality Agreement, this MOU constitutes the entire agreement between the Participants, and supersedes all prior oral or written agreements, understandings, representations and warranties, and courses of conduct and dealing between the parties on the subject matter hereof. Except as otherwise provided herein, this MOU may be amended or modified only by a writing executed by all of the parties hereto.

4. Governing Law. This MOU will be governed by and construed in accordance with the laws of the State of Minnesota (exclusive of conflicts of law principles).

5. Termination. This MOU will be terminated on the earlier to occur of:

- a. by mutual consent of all the Participants; or
- b. December 31, 2006.

6. Withdrawal. Any Participant may withdraw from this MOU at any time which shall be effective upon receipt of written notice of such withdrawal by each other Participant. Such withdrawal shall not affect the liability of such Participant for its obligations incurred prior to the effective date of its withdrawal. Upon compliance with the provisions of this Section 6 for withdrawal, the withdrawing participant shall have no further obligations hereunder and the percentages set forth in Section 1 hereof shall be modified to reflect a pro rata allocation among the remaining Participants of the withdrawing Participant's total cost share percentage.

7. Relationship of Participants. The covenants, obligations and liabilities of the Participants are intended to be several and not joint or collective and nothing herein contained shall ever be construed to create an association, joint venture, trust or partnership, or to impose a trust or partnership covenant, obligation or liability on or with regard to any of the Participants. Each Participant shall be individually responsible for its own covenants, obligations and liabilities as herein provided. No Participant shall be under the control of or shall be deemed to control any other Participant or the Participants as a group.

8. Assignment/Counterparts. No party hereto may assign its rights or obligations hereunder without the prior written consent of the other parties hereto, except that upon written notice to the other parties Missouri River Energy Services may assign this MOU to Western Minnesota Municipal Power Agency without consent. This MOU may be executed in one or more counterparts, each of which shall be deemed an original and all which, taken together, shall constitute one and the same instrument.



**PARTICIPANTS**

**Otter Tail Power Company**

By \_\_\_\_\_

Title: \_\_\_\_\_

**Southern Minnesota Municipal Power Agency**

By \_\_\_\_\_

Title: \_\_\_\_\_

**Great River Energy**

By \_\_\_\_\_

Title: \_\_\_\_\_

**Minnesota Power**

By \_\_\_\_\_

Title: \_\_\_\_\_

**Missouri River Energy Services**

By \_\_\_\_\_

Title: \_\_\_\_\_

**Xcel Energy**

By \_\_\_\_\_

Title: \_\_\_\_\_

**Midwest Municipal Transmission Group**

By \_\_\_\_\_

Title: \_\_\_\_\_

**Wisconsin Public Power, Inc.**

By \_\_\_\_\_

Title: \_\_\_\_\_

**Rochester Public Utilities**

By \_\_\_\_\_

Title: \_\_\_\_\_

# Appendix A

## CapX Organization

### Estimated O & M Expenses Budget

Through December 31, 2006

Terry Grove and Laura McCarten, Time and Expense	80
Miscellaneous Meeting Costs	18
Organization Development – Initial Design Phase and Implementation Phase	120
CapX Legal Counsel – Time on CapX Organization Agreement	200
Wires	25
Technical Analysis (General, Group 1 and 2 Analysis; CBED; SPG/MISO Interface	400
Public Opinion Survey	41
Himle-Horner Support of Communications Team	34
Contingency	100

**O & M Expense Cap: \$1,018,000**

**PARTICIPANTS**

Otter Tail Power Company

By



Rodney C. H. Scheel

Title: Vice President, Asset Management

Southern Minnesota Municipal Power Agency

By

\_\_\_\_\_

Title:

\_\_\_\_\_

Great River Energy

By

\_\_\_\_\_

Title:

\_\_\_\_\_

Minnesota Power

By

\_\_\_\_\_

Title:

\_\_\_\_\_

Missouri River Energy Services

By

\_\_\_\_\_

Title:

\_\_\_\_\_

Xcel Energy

By

\_\_\_\_\_

Title:

\_\_\_\_\_

Midwest Municipal Transmission Group

By

\_\_\_\_\_

Title:

\_\_\_\_\_

Wisconsin Public Power, Inc.

By

\_\_\_\_\_

Title:

\_\_\_\_\_

Rochester Public Utilities

By

\_\_\_\_\_

Title:

\_\_\_\_\_

**PARTICIPANTS**

**Otter Tail Power Company**

By \_\_\_\_\_

Title: \_\_\_\_\_

**Southern Minnesota Municipal Power Agency**

By \_\_\_\_\_

Title: \_\_\_\_\_

**Great River Energy**

By Wm. R. Kane

Title: Vice President, Transmission

**Minnesota Power**

By \_\_\_\_\_

Title: \_\_\_\_\_

**Missouri River Energy Services**

By \_\_\_\_\_

Title: \_\_\_\_\_

**Xcel Energy**

By \_\_\_\_\_

Title: \_\_\_\_\_

**Midwest Municipal Transmission Group**

By \_\_\_\_\_

Title: \_\_\_\_\_

**Wisconsin Public Power, Inc.**

By \_\_\_\_\_

Title: \_\_\_\_\_

**Rochester Public Utilities**

By \_\_\_\_\_

Title: \_\_\_\_\_

**PARTICIPANTS**

**Otter Tail Power Company**

By \_\_\_\_\_

Title: \_\_\_\_\_

**Southern Minnesota Municipal Power Agency**

By \_\_\_\_\_

Title: \_\_\_\_\_

**Great River Energy**

By \_\_\_\_\_

Title: \_\_\_\_\_

**Minnesota Power**

By \_\_\_\_\_

Title: \_\_\_\_\_

**Missouri River Energy Services**

By Raymond D. Welle

Title: Director, Power Supply & Ops

**Xcel Energy**

By \_\_\_\_\_

Title: \_\_\_\_\_

**Midwest Municipal Transmission Group**

By \_\_\_\_\_

Title: \_\_\_\_\_

**Wisconsin Public Power, Inc.**

By \_\_\_\_\_

Title: \_\_\_\_\_

**Rochester Public Utilities**

By \_\_\_\_\_

Title: \_\_\_\_\_

**PARTICIPANTS**

**Otter Tail Power Company**

By \_\_\_\_\_

Title: \_\_\_\_\_

**Southern Minnesota Municipal Power Agency**

By \_\_\_\_\_

Title: \_\_\_\_\_

**Great River Energy**

By \_\_\_\_\_

Title: \_\_\_\_\_

**Minnesota Power**

By \_\_\_\_\_

Title: \_\_\_\_\_

**Missouri River Energy Services**

By \_\_\_\_\_

Title: \_\_\_\_\_

**Xcel Energy**

By \_\_\_\_\_

Title: \_\_\_\_\_

**Midwest Municipal Utilities Association d/b/a  
Midwest Municipal Transmission Group**

By June Kueber

Title: Chair, MMTG

**Wisconsin Public Power, Inc.**

By \_\_\_\_\_

Title: \_\_\_\_\_

**Rochester Public Utilities**

By \_\_\_\_\_

Title: \_\_\_\_\_

**PARTICIPANTS**

Otter Tail Power Company

By \_\_\_\_\_

Title: \_\_\_\_\_

Southern Minnesota Municipal Power Agency

By \_\_\_\_\_

Title: \_\_\_\_\_

Great River Energy

By \_\_\_\_\_

Title: \_\_\_\_\_

Minnesota Power

By \_\_\_\_\_

Title: \_\_\_\_\_

Missouri River Energy Services

By \_\_\_\_\_

Title: \_\_\_\_\_

Xcel Energy

By \_\_\_\_\_

Title: \_\_\_\_\_

Midwest Municipal Transmission Group

By \_\_\_\_\_

Title: \_\_\_\_\_

Wisconsin Public Power, Inc.

By \_\_\_\_\_

Title: \_\_\_\_\_

Rochester Public Utilities

By Mary Woolward

Title: Engineering Manager

**PARTICIPANTS**

**Otter Tail Power Company**

By \_\_\_\_\_

Title: \_\_\_\_\_

**Southern Minnesota Municipal Power Agency**

By Raymond W. Hayward

Title: Executive Director & CEO

**Great River Energy**

By \_\_\_\_\_

Title: \_\_\_\_\_

**Minnesota Power**

By \_\_\_\_\_

Title: \_\_\_\_\_

**Missouri River Energy Services**

By \_\_\_\_\_

Title: \_\_\_\_\_

**Xcel Energy**

By \_\_\_\_\_

Title: \_\_\_\_\_

**Midwest Municipal Transmission Group**

By \_\_\_\_\_

Title: \_\_\_\_\_

**Wisconsin Public Power, Inc.**

By \_\_\_\_\_

Title: \_\_\_\_\_

**Rochester Public Utilities**

By \_\_\_\_\_

Title: \_\_\_\_\_



**PARTICIPANTS**

**Otter Tail Power Company**

By \_\_\_\_\_

Title: \_\_\_\_\_

**Southern Minnesota Municipal Power Agency**

By \_\_\_\_\_

Title: \_\_\_\_\_

**Great River Energy**

By \_\_\_\_\_

Title: \_\_\_\_\_

**Minnesota Power**

By *[Signature]*

Title: VP-POWER DELIVERY

**Missouri River Energy Services**

By \_\_\_\_\_

Title: \_\_\_\_\_

**Xcel Energy**

By \_\_\_\_\_

Title: \_\_\_\_\_

**Midwest Municipal Transmission Group**

By \_\_\_\_\_

Title: \_\_\_\_\_

**Wisconsin Public Power, Inc.**

By \_\_\_\_\_

Title: \_\_\_\_\_

**Rochester Public Utilities**

By \_\_\_\_\_

Title: \_\_\_\_\_

**PARTICIPANTS**

**Otter Tail Power Company**

By \_\_\_\_\_

Title: \_\_\_\_\_

**Southern Minnesota Municipal Power Agency**

By \_\_\_\_\_

Title: \_\_\_\_\_

**Great River Energy**

By \_\_\_\_\_

Title: \_\_\_\_\_

**Minnesota Power**

By \_\_\_\_\_

Title: \_\_\_\_\_

**Missouri River Energy Services**

By \_\_\_\_\_

Title: \_\_\_\_\_

**Xcel Energy**

By  \_\_\_\_\_

Title: *VP, Transmission*

**Midwest Municipal Transmission Group**

By \_\_\_\_\_

Title: \_\_\_\_\_

**Wisconsin Public Power, Inc.**

By \_\_\_\_\_

Title: \_\_\_\_\_

**Rochester Public Utilities**

By \_\_\_\_\_

Title: \_\_\_\_\_

**PARTICIPANTS**

**Otter Tail Power Company**

By \_\_\_\_\_

Title: \_\_\_\_\_

**Southern Minnesota Municipal Power Agency**

By \_\_\_\_\_

Title: \_\_\_\_\_

**Great River Energy**

By \_\_\_\_\_

Title: \_\_\_\_\_

**Minnesota Power**

By \_\_\_\_\_

Title: \_\_\_\_\_

**Missouri River Energy Services**

By \_\_\_\_\_

Title: \_\_\_\_\_

**Xcel Energy**

By \_\_\_\_\_

Title: \_\_\_\_\_

**Midwest Municipal Transmission Group**

By \_\_\_\_\_

Title: \_\_\_\_\_

**Wisconsin Public Power, Inc.**

By Alton Steitz

Title: Senior V.P. - Power Supply

**Rochester Public Utilities**

By \_\_\_\_\_

Title: \_\_\_\_\_

**Dated:** \_\_\_\_\_

**ROCHESTER PUBLIC UTILITIES**

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

**CITY OF ROCHESTER**

\_\_\_\_\_  
**Mayor**

**Attest:**

\_\_\_\_\_  
**City Clerk**

**Reviewed By:**

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



## Southeast Twin Cities-Rochester-La Crosse Transmission Project

### Memorandum of Understanding

This Memorandum of Understanding (the "MOU"), effective as of August 24, 2006, sets forth certain understandings and agreements of the undersigned parties hereto (each, a "Participant") regarding matters, actions or activities involving the Participants in connection with a transmission project, known as the Southeast Twin Cities-Rochester-La Crosse Transmission Project, that is anticipated to run between Southeast Twin Cities-Rochester, Minnesota, and La Crosse, Wisconsin (the "Project"). The Project is one of several proposed transmission projects (the "CapX Projects"). The Project is being undertaken to help maintain and enhance system reliability for electric customers in Minnesota and the surrounding region.

WHEREAS, the CapX Projects have three guiding investment principles:

A CapX Project participant who is a Midwest Independent Transmission System Operator ("MISO") transmission-owning member will seek generally to align its investments in a CapX Project with its customers' obligations under the MISO Tariff to pay for such CapX Project; and

A non-MISO transmission-owning member who is a CapX Project participant will seek generally to align its investments in a CapX Project consistent with a load-based benefit analysis to be developed for the benefit of each of the CapX Projects; and

In the event a CapX Project participant chooses not to fully fund its investment opportunity in a CapX Project as set forth in the two preceding guiding principles, that other participants in that CapX Project will have an opportunity to increase their investment in such CapX Project before participants in other CapX Projects or, finally, third parties are offered the opportunity to so invest; and

WHEREAS, the Participants have to date been collaborating together on the development of the CapX Projects, including the Project, the Participants now desire to establish a written understanding among the Participants regarding Project-related issues; and

WHEREAS, each of the Participants has indicated an interest in participating in the Project; and

WHEREAS, each of the Participants has previously entered into a CapX Confidentiality Agreement, dated as of July 21, 2006 (the "Confidentiality Agreement"); and

WHEREAS, the Participants view this MOU as being temporary in nature and expect this MOU to be superseded by a more definitive agreement (the "Project Development Agreement") to be executed by the Participants prior to December 31, 2006.

NOW, THEREFORE, by a Participant's execution of this MOU, the following provisions will constitute the legally binding and enforceable agreement of the Participant.

1. Costs Sharing.

a. In furtherance of Project-related activities, Participants have incurred and expect to incur development costs resulting from Project-related development activities, including but not limited to: development of agreements and technical standards; certificate of need activities; and transmission line planning activities ("Development Costs"). Each Participant shall account for Development Costs in a uniform manner that allows recoupment under applicable regulatory requirements. Except as otherwise unanimously agreed by all Participants, each Participant agrees to pay that percentage of Development Costs set forth in Appendix A, attached hereto and made a part hereof. In accordance with Appendix B, attached hereto and made a part hereof, certain CapX Projects costs will be allocated to the Project and such costs shall be deemed Development Costs hereunder. An estimated budget of Development Costs is set forth in Appendix C, attached hereto and made a part hereof. Except as otherwise determined by the Participants pursuant to this MOU, total Development Costs hereunder shall be limited as provided in Appendix C. Beginning in October 2006, Xcel Energy will use its best efforts to prepare and distribute a monthly report of the Development Costs incurred for the previous months and the Development Costs expected to be incurred through December 31, 2006.

b. Xcel Energy shall coordinate the incurrence of Development Costs and shall, in turn, distribute invoices to each Participant based upon the percentages set forth in Appendix A. Each Participant shall pay to Xcel Energy all amounts due under the invoice within 30 days after the date of the invoice to the address or account designated by Xcel Energy.

2. Governance. Except where unanimous agreement among all Participants is provided herein, any Project activity or action undertaken or carried out pursuant to this MOU shall be determined on a consensus basis.

3. Entire Agreement. Together with the Confidentiality Agreement, this MOU constitutes the entire agreement among the Participants and supersede all prior oral or written agreements, understandings, representations and warranties, and courses of conduct and dealing among the Participants on the subject matter hereof. Except as otherwise provided herein, this MOU may be amended or modified only by a writing executed by all of the Participants.

4. Governing Law. This MOU will be governed by and construed in accordance with the laws of the State of Minnesota (exclusive of conflicts of law principles).

5. Termination. This MOU will be terminated on the earlier to occur of December 31, 2006 or by mutual consent of all the Participants; provided, however, sections 1, 6(b), 6(c) and 9 hereof shall survive the termination of this MOU.

6. Withdrawal. Any Participant may withdraw from this MOU at any time subject to the provisions of this section.

a. A Participant's withdrawal shall be effective upon receipt of written notice of such withdrawal by each other Participant. As of the effective date of withdrawal, the withdrawing Participant shall have no further obligations hereunder; provided, however, such

withdrawal shall not affect the liability of such Participant for its obligations hereunder to pay Development Costs incurred prior to the effective date of its withdrawal. Subject to one or more Participants voluntarily agreeing to increase their percentages equal to the withdrawing Participant's percentage, the withdrawing Participant's percentage in Appendix A shall be allocated on a pro rata basis among the remaining Participants and Appendix A shall be modified accordingly.

b. Within 90 days of the effective date of a Project Development Agreement which meets the requirements set forth in Section 9(a), a withdrawing Participant shall be repaid, under the Development Agreement, for all Development Costs such Participant paid under this MOU.

c. Except as unanimously agreed to by all other Participants (which agreement may be withheld for any reason), a withdrawing Participant under this MOU (i) shall have no further rights in or with respect to the Project and (ii) shall not be allowed to participate in the Project in the future, including but not limited to, the Project Development Agreement.

7. Transfer of Rights/Obligations. During the term of this MOU, some or all Participants may agree to transfer their respective rights and corresponding obligations under this MOU, including their percentage of Development Costs set forth in Appendix A, between or among themselves, and Appendix A shall be modified accordingly. The new percentage of Development Costs shall apply to all Development Costs incurred after the effective date of the transfer of rights, including percentage of Development Costs, as agreed to by the affected Participants.

8. Relationship of Participants. The covenants, obligations and liabilities of the Participants are intended to be several and not joint or collective and nothing herein contained shall ever be construed to create an association, joint venture, trust or partnership, or to impose a trust or partnership covenant, obligation or liability on or with regard to any of the Participants. Each Participant shall be individually responsible for its own covenants, obligations and liabilities as herein provided. No Participant shall be under the control of or shall be deemed to control any other Participant or the Participants as a group. No Participant shall enter into any agreement or undertaking on behalf of, or act as or be an agent or representative of, or otherwise bind, any other Participant.

9. Project Development Agreement. The Participants expect this MOU to be superceded or followed by a Project Development Agreement to be executed by all Participants prior to, or shortly after, December 31, 2006; provided, however, no Participant is required to execute a Project Development Agreement. The terms and conditions set forth in sections 6(b), 6(c) and 9(a) hereof shall be included in the Project Development Agreement.

a. If at least two Participants, whose percentages set forth in Appendix A aggregate 50 percent or more, subsequently execute a Project Development Agreement, subject to the provisions of the Confidentiality Agreement, a Participant failing to execute the Project Development Agreement (i) shall have no further rights or obligations in or with respect to the Project and shall be reimbursed its Development Costs paid hereunder within 90 days of the execution of the Project Development Agreement and (ii) shall not be allowed to participate in the Project in the future except upon the unanimous agreement (which agreement may be withheld for any reason) by all parties executing the Project Development Agreement.



b. If by June 1, 2007, no Participants or less than two Participants (whose percentages set forth in Appendix A aggregate less than 50 percent) execute a Project Development Agreement, subject to the provisions of the Confidentiality Agreement, each Participant shall then have a right to use any reports, certificates, studies, drawings or other materials resulting from the incurrence of Development Costs for purposes other than a CapX Project provided the Participant has paid for Development Costs as provided herein.

10. Assignment/Counterparts No Participant may assign its rights or obligations hereunder to a non-Participant without the prior written consent of the other Participants. This MOU may be executed in any number of counterparts which, taken together, shall constitute one and the same instrument.

11. Confidential Information of Withdrawing Participant. From time to time with respect to this Project, a Participant may provide one or more other Participants with information that is confidential or proprietary to such Participant ("Participant Confidential Information"). Utilizing or integrating Participant Confidential Information for the benefit of the Project, a Participant may prepare or generate, or have prepared or generated, certain reports, surveys, studies, drawings, certificates or other related material with respect to the Project, the costs of which constitute Development Costs ("Project Material"). In the event a Participant marks Project Material as "Confidential Information" or "CONFIDENTIAL," notwithstanding any provision in this MOU or the Confidentiality Agreement to the contrary, if such Participant subsequently (i) withdraws pursuant to Section 6(a) or (ii) fails to execute a Project Development Agreement as provided in Sections 9(a) or 9(b), such Participant shall have no authority to demand that such Project Material be returned to such Participant or be destroyed at the instruction of such Participant unless such Project Material contains such Participant's Confidential Information in a discrete and clearly identifiable manner (e.g., set forth in a table or chart).

DAIRYLAND COOPERATIVE

WISCONSIN PUBLIC POWER, INC.

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

SOUTHERN MINNESOTA MUNICIPAL  
POWER AGENCY

XCEL ENERGY

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Dated: \_\_\_\_\_

**ROCHESTER PUBLIC UTILITIES**

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

**CITY OF ROCHESTER**

\_\_\_\_\_  
**Mayor**

**Attest:**

\_\_\_\_\_  
**City Clerk**

**Reviewed By:**

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

**PERCENTAGE OF DEVELOPMENT COSTS**

<b>Dairyland Cooperative</b>	<b>11%</b>
<b>Rochester Public Utilities</b>	<b>9</b>
<b>Southern Minnesota Municipal Power Agency</b>	<b>13</b>
<b>Wisconsin Public Power, Inc.</b>	<b>3</b>
<b>Xcel Energy</b>	<b>64</b>
<b>Total</b>	<b>100.0%</b>

CAPX PROJECTS COST ALLOCATION

Type of Project Costs	Brookings	Fargo	La Crosse	Bemidji	Big Stone
Technical Standards	40.405%	21.081%	17.703%	7.297%	13.514%
CON – 345 KV Projects	51.024	26.621	22.355	0	0
CON – 230 KV Projects	0	0	0	100	0
Template Project Agreements	46.719	24.375	20.469	8.438	0
General project execution activities (Terry & Laura costs)	46.719	24.375	20.469	8.438	0
General planning to refine Group 1 Projects	46.719	24.375	20.469	8.438	0

**ESTIMATED DEVELOPMENT COSTS BUDGET**

Technical Standards	\$20,000
Certificate of Need	430,000
Template Project Agreements	100,000
General Projection Execution Activities	60,000
General Planning to Refine Group 1 Projects	10,000
LaCrosse-Related Development Costs	<u>440,000</u>
<b>Total Development Costs Cap</b>	<b>\$1,060,000</b>



## RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to the following contract agreement and to authorize the Mayor and the City Clerk to execute the agreement for

1. CapX Confidentiality Agreement
2. CapX Organization Memorandum of Understanding
3. Southeast Twin Cities-Rochester-La Crosse Transmission Project Memorandum of Understanding

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 26<sup>th</sup> day of September, 2006.

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President

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Secretary