

FOR BOARD ACTION

Agenda Item # 6

Meeting Date:

5/31/11

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

PREPARED BY: Mike Heppelmann, Senior Financial Analyst

ITEM DESCRIPTION:

Minnesota Statute 216B.164 requires that each utility must file a new Power Production Tariff annually with the 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.

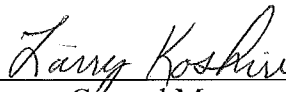
Currently RPU has five Residential customers qualifying as small power producers under the Cogeneration Rules. These customers fall under the 2010 Residential rate of \$.0990, which is the proposed rate for 2011. The 2009 rate in effect during 2010 was \$.0982. This represents an increase of .8%. RPU also has two Commercial (MGS) customers who have chosen not to install the net metering required to qualify for the SPP rate. These customers would fall under the 2010 MGS rate of \$.0955, which is the proposed rate for 2011. The 2009 rate in effect during 2010 was \$.0947, representing an increase of .8%.

FOR CAPITAL PURCHASES/BIDS/MAJOR PROJECTS:

Not Applicable

UTILITY BOARD ACTION REQUESTED:

Management requests 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

5-26-11
Date

ROCHESTER PUBLIC UTILITIES

ROCHESTER PUBLIC UTILITIES
RULES COVERING COGENERATION
AND SMALL POWER PRODUCTION

SCHEDULE C

	2010	2009	
RESIDENTIAL			
Total revenues	\$ 41,706,952.24	\$ 39,405,260.97	
Less fixed revenues (customer charge)	\$ 7,527,477.94	\$ 7,434,759.39	
Net revenues	\$ 34,179,474.30	\$ 31,970,501.58	
kWh	345,076,045	325,399,604	
Average retail energy rate	\$ 0.0990	\$ 0.0982	.8%
COMMERCIAL			
SGS			
Total revenues	\$ 15,817,286.72	\$15,517,021.08	
Less fixed revenues (customer charge)	\$ 1,450,369.20	\$1,442,938.08	
Net revenues	\$ 14,366,917.52	\$14,074,083.00	
kWh	148,120,013	145,206,351	
Average retail energy rate	\$ 0.0970	\$ 0.0969	.1%
MGS			
Total revenues	\$ 32,260,179.88	\$ 31,518,441.21	
Less fixed revenues (customer charge)	-	-	
Net revenues	\$ 32,260,179.88	\$ 31,518,441.21	
kWh	337,977,241	332,810,304	
Average retail energy rate	\$ 0.0955	\$ 0.0947	.8%
LGS			
Total revenues	\$ 13,652,963.26	\$ 13,094,921.47	
Less fixed revenues (customer charge)	-	-	
Net revenues	\$ 13,652,963.26	\$ 13,094,921.47	
kWh	157,901,138	155,683,193	
Average retail energy rate	\$ 0.0865	\$ 0.0841	2.8%
INDUSTRIAL			
Total revenues	\$ 19,389,007.02	\$ 18,984,349.42	
Less fixed revenues (customer charge)	-	-	
Net revenues	\$ 19,389,007.02	\$ 18,984,349.42	
kWh	240,438,265	246,179,581	
Average retail energy rate	\$ 0.0806	\$ 0.0771	4.6%



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 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 31st day of May, 2011.

President

Secretary