

## FOR BOARD ACTION

Agenda Item # 3.b.

Meeting Date: 5/31/11

**SUBJECT:**

Approval of Purchase Order Agreement for Fuel Purchase

**PREPARED BY:**

Jeremy Sutton, Manager of Portfolio Optimization

ITEM DESCRIPTION:

This is a test quantity of coal. It includes two hundred tons of Powder River Basin and 600 tons of Galatia plus subsequent delivery charges.

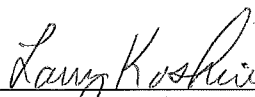
We will be performing a test burn during the first week of June to determine if we can utilize this type of blend. The goal is to open up the types of coal we can requisition; thereby lowering SLP's operating costs.

FOR CAPITAL PURCHASES/BIDS/MAJOR PROJECTS:

This is a budgeted item for 2011.

UTILITY BOARD ACTION REQUESTED:

Management recommends that the Board approve of purchase orders with Dairyland Power Cooperative and Cd Corporation Trucking for 800 tons of coal not to exceed \$72,000, and Cd Corporation Trucking delivering the coal from Alma, Wisconsin to the Silver Lake Plant

  
General Manager

5-26-11  
Date



## RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve purchase order agreements with Dairyland Power Cooperative and Cd Corporation Trucking for

800 Tons of Coal to be shipped from Alma, Wisconsin to the  
Silver Lake Plant

The total amount of the purchase order agreements not to exceed SEVENTY-TWO THOUSAND AND 00/100 DOLLARS (\$72,000.00).

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 31<sup>st</sup> day of May, 20011.

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President

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Secretary