

# FOR BOARD ACTION

Agenda Item # 6

Meeting Date: 5/26/09

**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 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 three customers qualifying as small power producers under the Cogeneration Rules. Two residential customers fall under the 2008 Residential rate of \$.0953, which is the proposed rate for 2009. The 2007 rate in effect during 2008 was \$.0932. This represents an increase of 2.3%. One commercial customer falls under the 2008 MGS rate of \$.0906 which is the proposed rate for 2009. The 2007 rate in effect during 2008 was \$.0875, representing an increase of 3.5%.

**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.

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General Manager

\_\_\_\_\_  
Date

**ROCHESTER PUBLIC UTILITIES**

**ROCHESTER PUBLIC UTILITIES  
RULES COVERING COGENERATION  
AND SMALL POWER PRODUCTION**

**SCHEDULE C**

	<b>2008</b>	<b>2007</b>	
<b>RESIDENTIAL</b>			
Total revenues	\$ 37,790,777.43	\$ 37,758,842.79	
Less fixed revenues (customer charge)	<u>\$ 6,534,846.70</u>	<u>\$ 5,835,087.35</u>	
Net revenues	<u>\$ 31,255,930.73</u>	<u>\$ 31,923,755.44</u>	
kWh	<u>328,030,122</u>	<u>342,601,325</u>	
<b>Average retail energy rate</b>	<u><b>\$ 0.0953</b></u>	<u><b>\$ 0.0932</b></u>	2.3%
<b>COMMERCIAL</b>			
<b>SGS</b>			
Total revenues	\$ 14,878,642.10	\$ 14,482,166.95	
Less fixed revenues (customer charge)	<u>\$1,274,491.53</u>	<u>\$ 1,137,188.40</u>	
Net revenues	<u>\$13,604,150.57</u>	<u>\$ 13,344,978.55</u>	
kWh	<u>144,530,953</u>	<u>145,400,360</u>	
<b>Average retail energy rate</b>	<u><b>\$ 0.0941</b></u>	<u><b>\$ 0.0918</b></u>	2.6%
<b>MGS</b>			
Total revenues	\$ 30,604,247.74	\$ 29,569,160.99	
Less fixed revenues (customer charge)	<u>-</u>	<u>-</u>	
Net revenues	<u>\$ 30,604,247.74</u>	<u>\$ 29,569,160.99</u>	
kWh	<u>337,862,550</u>	<u>337,830,596</u>	
<b>Average retail energy rate</b>	<u><b>\$ 0.0906</b></u>	<u><b>\$ 0.0875</b></u>	3.5%
<b>LGS</b>			
Total revenues	\$ 12,429,786.70	\$ 11,930,294.65	
Less fixed revenues (customer charge)	<u>-</u>	<u>-</u>	
Net revenues	<u>\$ 12,429,786.70</u>	<u>\$ 11,930,294.65</u>	
kWh	<u>158,317,730</u>	<u>157,681,625</u>	
<b>Average retail energy rate</b>	<u><b>\$ 0.0785</b></u>	<u><b>\$ 0.0757</b></u>	3.8%
<b>INDUSTRIAL</b>			
Total revenues	\$ 21,159,879.08	\$ 20,276,556.25	
Less fixed revenues (customer charge)	<u>-</u>	<u>-</u>	
Net revenues	<u>\$ 21,159,879.08</u>	<u>\$ 20,276,556.25</u>	
kWh	<u>306,828,055</u>	<u>307,952,433</u>	
<b>Average retail energy rate</b>	<u><b>\$ 0.0658</b></u>	<u><b>\$ 0.0587</b></u>	4.7%



## 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 are 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 26<sup>th</sup> day of May, 2009.

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President

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Secretary