

AGENDA  
SHAKOPEE PUBLIC UTILITIES COMMISSION  
REGULAR MEETING  
OCTOBER 15, 2018

1. **Call to Order** at 5:00pm in the SPUC Service Center, 255 Sarazin Street.
2. **Approval of Minutes**
3. **Communications**
4. **Approve the Agenda**
5. **Approval of Consent Business**
6. **Bills: Approve Warrant List**
7. **Liaison Report**
8. **Reports: Water Items**
  - 8a) Water System Operations Report – Verbal
  - 8b) Windermere Booster Station Update
    1. CUP Approval
    2. Postponement of Well #23
  - C=> 8c) Monthly Water Production Dashboard
9. **Reports: Electric Items**
  - 9a) Electric System Operations Report – Verbal
  - 9b) Electric Policy Manual – Final Draft
  - 9c) Resn. #1213 – Modifying Resolution #1100 by Establishing Wholesale Electric Rates to Shakopee Energy Park - 2017
  - 9d) Resn. #1214 – Modifying Resolution #1100 by Establishing Wholesale Electric Rates to Shakopee Energy Park – 2018
  - 9e) Resn. #1215 – Amending Resolution #1010 Adopting Utility Deposits For The Shakopee Public Utilities
10. **Reports: Human Resources**
11. **Reports: General**
  - 11a) September 2018 Financial Results
  - 11b) Appointment of Interim SPU Vice President
12. **New Business**
13. **Tentative Dates for Upcoming Meetings**

- Regular Meeting	--	November 5
- Mid Month Meeting	--	November 19
- Regular Meeting	--	December 3
- Mid Month Meeting	--	December 17
14. **Adjourn** to 11/5/18 at the SPUC Service Center, 255 Sarazin Street

MINUTES  
OF THE  
SHAKOPEE PUBLIC UTILITIES COMMISSION  
(Regular Meeting)

President Weyer called the regular session of the Shakopee Public Utilities Commission to order at the Shakopee Public Utilities meeting room at 5:00 P.M., October 1, 2018.

MEMBERS PRESENT: Commissioners Joos, Amundson, Meyer and Weyer. Also present, Utilities Manager Crooks, Finance Director Schmid, Planning & Engineering Director Adams, Electric Superintendent Drent, Water Superintendent Schemel and Marketing/Customer Relations Director Walsh.

Motion by Joos, seconded by Amundson to approve the minutes of the September 17, 2018 Commission meeting. Motion carried.

Under Communications, Utilities Manager Crooks provided the Commission with a resignation letter from Commissioner Hennen. Due to his relocation and move outside the City of Shakopee, he is no longer able to serve. His resignation is effective immediately.

President Weyer offered the agenda for approval.

Motion by Meyer, seconded by Joos to approve the agenda as presented. Motion carried.

The warrant listing for bills paid October 1, 2018 was presented.

Motion by Amundson, seconded by Joos to approve the warrant listing dated October 1, 2018 as presented. Motion carried.

There was no Liaison Report.

Water Superintendent Schemel provided a report of current water operations. An update on the hydrant flushing project was provided. Construction project updates were also provided.

The Rahr Malting Watermain Looping Project was updated by Planning and Engineering Director Adams. The City of Shakopee will not allow a final lift coat for the repair until Spring 2019. Therefore, both RJ Ryan and WSB have submitted increased costs for the project. The potential re-bidding of the entire project was discussed.

Motion by Joos, seconded by Meyer to direct Staff to further investigate the potential cost differences between the added costs to the current contract or re-bidding the project, with more detailed information brought to the Commission at the next meeting. Motion carried.

Motion by Joos, seconded by Meyer to offer Resolution #1208. A Resolution Setting the Amount Of The Trunk Water Charge, Approving Of Its Collection And Authorizing Water Service To Certain Property Described As: Stagecoach at Southbridge. Ayes: Commissioners Meyer, Joos, Amundson and Weyer. Nay: none. Motion carried. Resolution passed.

Motion by Joos, seconded by Amundson to offer Resolution #1209. A Resolution Approving Of The Estimated Cost Of Pipe Oversizing On The Watermain Project: Stagecoach at Southbridge. Ayes: Commissioners Amundson, Joos, Meyer and Weyer. Nay: none. Motion carried. Resolution passed.

Motion by Meyer, seconded by Joos to offer Resolution #1210. A Resolution Setting the Amount Of The Trunk Water Charge, Approving Of Its Collection And Authorizing Water Service To Certain Property Described As: Windermere South First Addition. Ayes: Commissioners Meyer, Weyer, Joos and Amundson. Nay: none. Motion carried. Resolution passed.

Motion by Amundson, seconded by Meyer to offer Resolution #1211. A Resolution Approving Of The Estimated Cost Of Pipe Oversizing On The Watermain Project: Windermere South First Addition. Ayes: Commissioners Amundson, Joos, Meyer and Weyer. Nay: none. Motion carried. Resolution passed.

Electric Superintendent Drent provided a report of current electric operations. Six electric outages were reviewed. One half of the city streetlights have been converted to LEDs. A weekend project at Seagate Technologies was reviewed as well as several construction projects.

Mutual aid efforts in Owatonna were reviewed by Mr. Drent. Following the severe storms of September 20, Owatonna Public Utilities requested assistance to restoring power to 5000 customers. Four SPU employees provided two trucks and assisted in the restoration of power on September 23 and 24.

Mr. Crooks read the September 2018 MMPA Board meeting public summary.

Finance Director Schmid reviewed the 2019 wage and compensation planning assumptions from the Wage and Compensation Sub-Committee.

Motion by Meyer, seconded by Amundson to approve the 2019 wage and compensation planning assumptions as presented. Motion carried

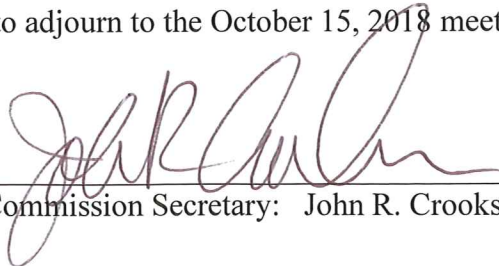
Ms. Schmid reviewed a job classification change for the Sr. Accounting Specialist position.

Motion by Amundson, seconded by Meyer to approve the revised job description for the Sr. Accounting Specialist position. Motion carried.

Motion by Joos, seconded by Amundson to offer Resolution #1212. A Resolution Regulating Wage Ranges. Ayes: Commissioners Meyer, Amundson, Joos and Weyer. Nay: none. Motion carried. Resolution passed.

The tentative commission meeting dates of October 15 and November 5 were noted.

Motion by Amundson, seconded by Joos to adjourn to the October 15, 2018 meeting.  
Motion carried.



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Commission Secretary: John R. Crooks

**SHAKOPEE PUBLIC UTILITIES  
MEMORANDUM**

TO: John R. Crooks, Utilities Manager 

FROM: Lon R. Schemel, Water Superintendent 

SUBJECT: CUP Approval

DATE: October 11, 2018

On October 4<sup>th</sup>, 2018, the Planning Commission / Board of Adjustments & Appeals for the City of Shakopee reviewed the request for a Conditional Use Permit for the Windermere Booster Station. The CUP was for an over-height Public Utility Service Structure. Discussion went to the comparison of the height of the booster station in relation to the Benedictine Health System's structure. The CUP was unanimously approved.

Board Chair Mark McQuillan made a point to compliment the recent architecture used by the Shakopee Public Utilities.

SHAKOPEE PUBLIC UTILITIES  
MEMORANDUM

TO: John R. Crooks, Utilities Manager 

FROM: Lon R. Schemel, Water Superintendent 

SUBJECT: Windermere Test Well Results

DATE: October 11, 2018

The drilling of the Windermere test well was completed on September 6, 2018, at a depth of 316'. Water samples were collected at that time and submitted to Pace Analytical for analysis of volatile organic chemicals. Only one analyte was detected, trichloroethene at .48 parts per billion. The MCL (maximum contaminant level) for trichloroethene is 10 parts per billion. Subsequent testing for minerals showed a manganese level of .448 parts per million which is 12 times the average amount of manganese found in our other wells. Manganese is 1 of 15 contaminants that are not regulated by the EPA. It falls into a Secondary Standards category and has a SMCL (secondary maximum contaminant level) of .05 parts per million. Concerns with manganese are primarily aesthetic.

Staff recommends deferring the drilling of well 23 until we can determine if these chemicals would require treatment. The wellhouse portion of the Windermere station will not be constructed at this time, only the booster station providing service to the 2<sup>nd</sup> High Elevation. The test well will be used for irrigation allowing us to continue testing to see if the levels are persistent. Another test well would be drilled approximately 3,500 feet southwest of the current test well. The second test well would be drilled in 2020 along with the construction design of an elevated tank to serve the 2<sup>nd</sup> High Elevation.

Using the data from the first and second test wells staff will make a recommendation to the Commission for one of the following:

- If contaminant levels go down at the first test well we would drill well 23 at the booster station as originally planned and add-on the wellhouse.
- If contaminant levels at the second test well are lower we would site well 23 there.
- If elevated contaminant levels are present at both sites we would consider what treatment would be necessary to operate a well in the Windermere development.

# Monthly Water Dashboard

As of: September 2018

Shakopee Public Utilities Commission

ALL VALUES IN MILLIONS OF GALLONS

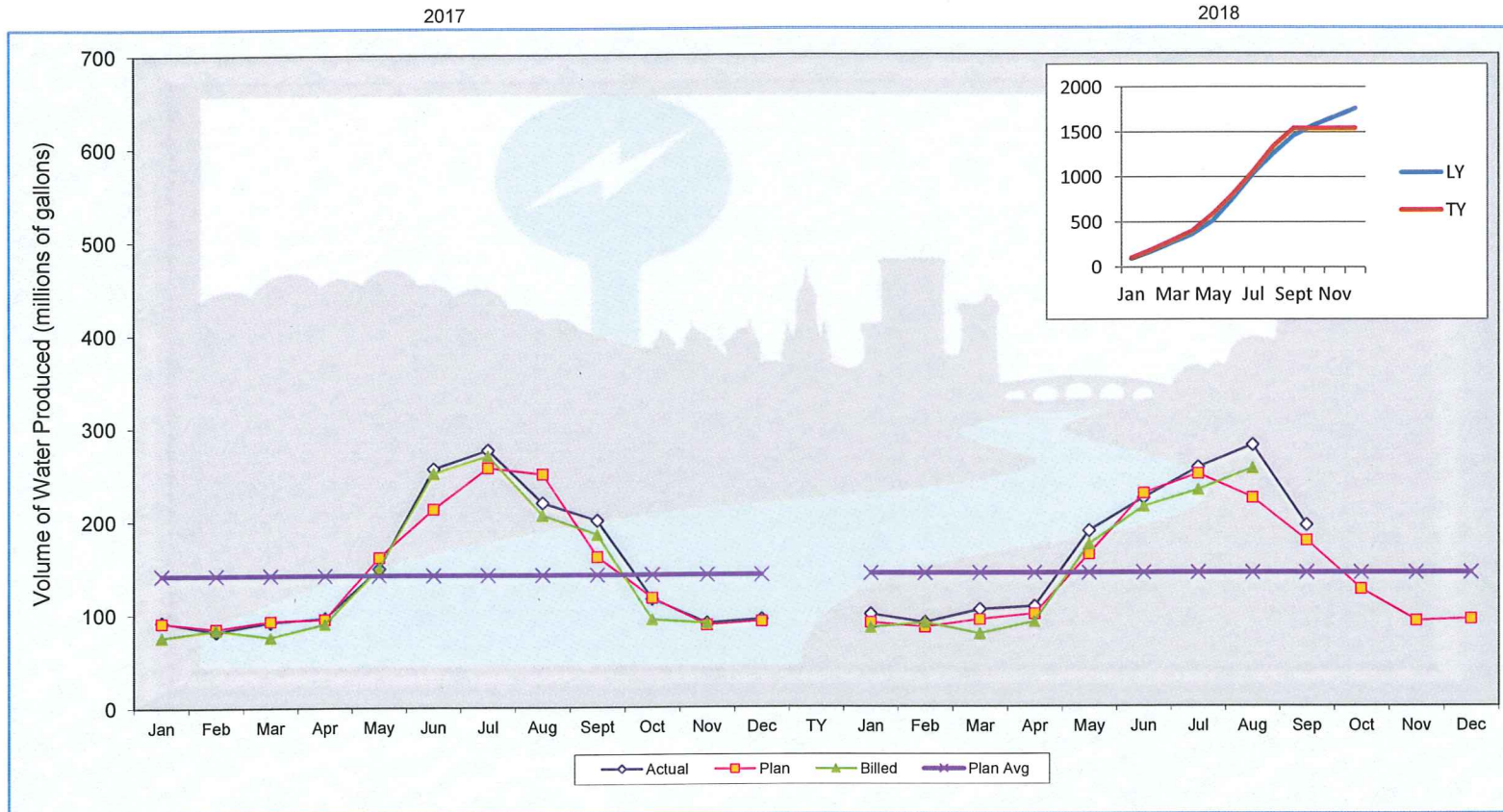
Element/Measure

Water Pumped/Metered

Averages

Last 6 months actuals	107	188	223	256	280	194
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2015	138
2016	145
2017	147



	LY	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	TY	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Actual		92	82	92	96	149	256	276	219	200	116	90	94		99	90	104	107	188	223	256	280	194			
Plan		91	85	93	95	161	213	257	250	161	117	88	92		90	85	93	99	163	228	249	223	177	125	91	93
YTD % *															110%	108%	109%	109%	111%	107%	106%	110%	110%			
Billed		76	84	76	90	150	251	270	206	185	94	90			85	90	78	91	174	214	232	255				

\* Actual gallons pumped vs. Plan

**SHAKOPEE PUBLIC UTILITIES  
MEMORANDUM**

**TO: SHAKOPEE PUBLIC UTILITIES COMMISSION**

**FROM: JOHN R. CROOKS, UTILITIES MANAGER**

**SUBJECT: SHAKOPEE ENERGY PARK – WHOLESALERATES**

**DATE: OCTOBER 12, 2018**

**ISSUE –**

As part of the yet unapproved Shakopee Energy Park (SEP) Interconnection Agreement between MMPA and SPU there is a provision to supply the facility with electricity at a wholesale rate.

**BACKGROUND –**

SPU purchases its power from MMPA for our distribution system. This power is purchased at a wholesale rate, as set by the MMPA Board.

SEP provides its own electric needs when the plant is in operation and producing power, but requires SPU power when the site is idle.

**DISCUSSION -**

The parties have developed the Interconnection Agreement with the principles:

- Provide the greatest value to MMPA member
- No cost to host member
- No windfall to host member

Increased costs to the Agency are potentially reflected within those wholesale rates. SPU has agreed to supply the electricity needs for SEP at the same wholesale rate that MMPA charges SPU.

With the principles in place the use of electric power within the SEP facility will be at the same wholesale rate for both parties.



As Staff has been working on the billing protocol, the correct metering, and circumstances for this exception to our standard rates, there has been no billing for the electric use since SEP was put in service on February 15, 2017.

The following Resolutions #1213 and #1214 adopts the rates for 2017 and 2018. By the adoption of the wholesale rates, Staff will bill MMPA for their energy use at SEP from February 15, 2017 to the present at the adopted rates. I have attached Resolution #1100 for background information regarding standard utility rates and is for information only.

Resolution #1215 addresses customer deposits to be used to guarantee utility billings and payment. Presently, accounts opened by the City of Shakopee, Shakopee Public Schools and Scott County are not required to submit a deposit.

Since SPU is in a Contract to purchase power until 2050 from MMPA, I am proposing adding MMPA to the governmental entities listed above and not require a utility deposit.

#### **ACTION REQUESTED –**

The Commission is asked to adopt Resolutions #1213 and #1214 which establishes wholesale electric rates for the Shakopee Energy Park.

The Commission is also asked to adopt Resolution #1215 which waives the requirement to collect a utility deposit for the Shakopee Energy Park.

RESOLUTION #1100

A RESOLUTION ESTABLISHING ELECTRIC RATES FOR CUSTOMERS SERVED BY SHAKOPEE PUBLIC UTILITIES

BE IT RESOLVED BY THE SHAKOPEE PUBLIC UTILITIES COMMISSION at meeting duly assembled on the 3rd day of August, 2015, that Resolution #1000 and Resolution #1008 are repealed upon this resolution taking effect, and that the following electric rates shall be and hereby are established for applicable customers of the Shakopee Public Utilities Commission, City of Shakopee.

Section I: RESIDENTIAL SERVICE:  
Availability: Residential dwellings

The sum of:

Service Charge:	\$9.00 per month
Energy Charge:	\$0.0988 per KWH
Power Cost Adjustment:	set by separate resolution
Conservation Program Charge:	set by separate resolution

Minimum bill: the Service Charge

Section II: RESIDENTIAL WATER HEATING: (CLOSED)

Availability: Existing installations only

The sum of:

Service Charge:	\$9.00 per month
Energy Charge:	\$0.0988 per KWH
Power Cost Adjustment	set by separate resolution
Conservation Program Charge:	set by separate resolution

The minimum monthly bill for water heating service is the Service Charge.

The Service Charge will be waived where the customer also takes electric service other than water heating under another standard rate.

Section III: RESIDENTIAL SERVICE WITH DUAL FUEL HEAT: (CLOSED)

Availability:

Existing installations only.  
Residential customers with separately metered electric heat and a backup heat source.  
The electric heat is subject to interruption.  
Service is through separate meter for electric heat, with approved control device.

The sum of:

All charges and terms applicable to RESIDENTIAL SERVICE, except:

Energy Charge:	\$0.0882 per KWH
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Section IV: SEPARATE METERED AIR CONDITIONING: (CLOSED)

Availability:

Existing installations only.  
Residential customers with separately metered air conditioning subject to interruption.  
Service is through separate meter for air conditioning, with approved control device.

The sum of:

All charges and terms applicable to RESIDENTIAL SERVICE, except:

Energy Charge: \$0.0882 per KWH

Section V: SERVICE FOR SENIOR CITIZENS:

Availability: Residential dwelling occupied by senior citizen(s)

The sum of:

Service Charge: \$6.00 per month  
Energy Charge: \$0.0988 per KWH  
Power Cost Adjustment: set by separate resolution  
Conservation Program Charge: set by separate resolution

Minimum bill: the Service Charge

Section VI: COMMERCIAL SERVICE:

Availability: Non-residential customers with less than 15 KW Demand

The sum of:

Service Charge: \$14.00 per month  
Energy Charge: \$0.0944 per KWH  
Power Cost Adjustment: set by separate resolution  
Conservation Program Charge: set by separate resolution

Minimum bill: the Service Charge

Section VII: LARGE GENERAL SERVICE:

Availability: Non-residential customers with demand of 15 KW but less than 150 KW. Service above 75 KW is 3 phase only, except by written exception.

The sum of:

SERVICE CHARGE: \$60.00 per month  
DEMAND CHARGE:  
All KW of billing demand \$9.00 per KW  
ENERGY CHARGE:  
All KWH per month \$0.0585 per KWH

Section VII: continued

POWER COST ADJUSTMENT set by separate resolution

CONSERVATION PROGRAM CHARGE: set by separate resolution

Minimum monthly bill: the Service Charge plus the Demand Charge

Billing Demand:

The billing demand shall be the customer's greatest 15 minute demand in kilowatts, incurred during the month for which the bill is rendered, but not less than 60% of the highest demand during the preceding 11 months or 15 KW, whichever is greater.

Section VIII: LARGE INDUSTRIAL SERVICE:

Availability: Non-Residential customer with demand of 150 KW and over.

The billing demand shall be as described in this section.

The sum of:

SERVICE CHARGE: \$100.00 per month

DEMAND CHARGE:  
All KW of billing demand \$9.00 per KW

ENERGY CHARGE:  
First KWH's up to 400 hours times  
the billing Demand \$0.0585 per KWH

All KWH's in excess of 400 hours times  
the billing Demand \$0.0523 per KWH

POWER COST ADJUSTMENT set by separate resolution

CONSERVATION PROGRAM CHARGE: set by separate resolution

Minimum monthly bill: the Service Charge plus the Demand Charge

Determination of billing Demand:

The billing demand shall be the customer's greatest 15 minute demand in kilowatts, incurred during the month for which the bill is rendered, but not less than 60% of the highest billing demand during the preceding 11 months or 15 KW, whichever is greater.

The customer agrees to maintain an average power factor at or above 90%. If the average power factor is less than 90% lagging, the billing demand shall be adjusted by multiplying the actual 15 minute demand measured during the month by the ratio of 90% to the average power factor expressed in percent.

Average Power Factor:

The average power factor is defined to be the quotient obtained by dividing the KWH used during the month by the square root of the sum of the squares of the KWH used and the lagging reactive kilovolt-ampere-hours supplied during the same period. Any leading kilovolt-ampere-hours supplied during the period will not be considered in determining the average power factor.

Section IX: LOW LOAD FACTOR CLAUSE:

A customer, whose usage characteristic is routinely below a 5 percent monthly load factor, may apply to the Utilities Commission for assignment to another non-demand rate schedule. Consideration will be given to the contribution in aid of construction made by the customer to offset capital investment by the Shakopee Utilities, and may include other factors.

Section IX: continued

Any assignment granted will continue only for the period of time specified, and billing will revert to the standard rate schedule at the end of that period, except when the assignment is cancelled before the end of that period by the Utilities Commission. The Utilities Commission reserves the right to cancel an assignment granted under this section, and such cancellation may occur without prior notice.

Section X: LIMITED OFF PEAK CLAUSE:

A customer normally billed under a demand rate schedule, who anticipates a single instance usage of energy which is not typical for their service, may apply to the Utilities Commission in advance of the occurrence for an advanced waiver of the demand charges for that single instance of usage. Consideration will be given to the estimated cost of purchased power for the period of time covered by the single instance usage, the ability of the facilities in place to accommodate the unusual load, and may include other factors.

Any advance waiver granted will apply only for the period of time specified, and billing will revert to the standard rate schedule at the end of that period, except when the waiver is cancelled before the end of that period by the Utilities Commission. The Utilities Commission reserves the right to cancel the waiver granted under this section, and such cancellation may occur without prior notice.

Section XI: THE FOLLOWING CLAUSES APPLY TO ALL RATES:

MONTHLY BILLS:

The monthly bill is the sum of the Service Charge, Energy Charge, Power Cost Adjustment, and Conservation Charge.

In addition to the forgoing, monthly bills also include the sum of the Demand Charge, and any adjustments for Power Factor and/or other adjustments referenced in this or other rate resolution of the Shakopee Public Utilities Commission.

Minimum bill provisions, late charges, penalties, and special charges, also apply.

POWER COST ADJUSTMENT:

There may be added to or deducted from the monthly bill a Power Adjustment charge, as set by Shakopee Public Utilities Commission Resolution.

CONSERVATION PROGRAM CHARGE:

A charge will be added to the monthly bill to fund a Conservation Program as mandated by the State of Minnesota and voluntary programs of similar nature by the Shakopee Public Utilities. The amount of the charge will be set by Shakopee Public Utilities Commission Resolution.

PRIMARY METERING:

At the option of the electric department, secondary voltage service hereunder may be metered at the primary voltage, in which case a 2% cash discount will be allowed on the amount of the monthly bill, with the discount applied to all charges except the power adjustment charge.

PRIMARY VOLTAGE SERVICE:

If the customer agrees to take service at the primary voltage available at his location and to pay all costs incurred in the ownership, operation and maintenance of transformers and substation equipment (except meters) with service to be metered at the primary voltage, a cash discount of 5% will be allowed on the amount of the monthly bill, with the discount applied to all charges except the power adjustment charge.

Section XI: continued

AVERAGE POWER FACTOR:

The average power factor is defined to be the quotient obtained by dividing the KWH used during the month by the square root of the sum of the squares of the KWH used and the lagging reactive kilovolt-ampere-hours supplied during the same period. Any leading kilovolt-ampere-hours supplied during the period will not be considered in determining the average power factor.

LOAD FACTOR:

Load factor is defined to be the quotient obtained by dividing the KWH used during the month, by the KW demand during the same period, and dividing the result by the number of hours in that billing period.

MINIMUM POWER FACTOR REQUIREMENT:

The customer must maintain an average power factor not less than 80% lagging, and avoid leading power factor at any time.

DEPOSIT REQUIRED:

Deposit requirements shall be consistent with terms outlined in a separate resolution of the Shakopee Public Utilities Commission.

PROMPT PAYMENT PROVISION:

A penalty of 5% shall be added to the current bill if not paid on or before the due date specified on the monthly Statement of Account following the date of billing.

Section XII: LARGE INDUSTRIAL SERVICE - with Time Of Use Option:

Availability: Non-Residential customer with demand of 1,000 KW and over, who would otherwise be subject to the requirements of Section VIII of Resolution #1100.

Limitations to Availability: Due to the exploratory basis on which Time Of Use Service is being offered, the availability of such service terms under Resolution #1100 is limited to one customer, and further subject to such practical limitations as may exist involving the availability of technology and the administrative practices to provide billing under such TOU rates.

The billing demand shall be as described in this section.

The sum of:

<u>SERVICE CHARGE:</u>	\$120.00 per month
<u>DEMAND CHARGE:</u>	
On-peak KW of billing demand	\$9.00 per KW
Off-peak KW of billing demand in excess of On-peak KW of billing demand	\$2.50 per KW
<u>ENERGY CHARGE:</u>	
On-peak KWH's	\$0.0636 per KWH
Off-peak KWH's	\$0.0512 per KWH
with a credit applied to KWH's in excess of 400 hours times the billing demand	\$0.0062 per KWH

TIME PERIODS:

On-peak period

9 a.m. - 10 p.m., M - F  
CST or CDT as applicable

Off-peak period

all other hours

OTHER TERMS APPLICABLE

Service provided and billed under Resolution #1100, Section XII are subject to all terms, factors, and adjustments applicable under Resolution #1100, including the Power Cost Adjustment and other charges not itemized here; and other terms, conditions of service and policies of the Shakopee Public Utilities Commission as generally applicable.

Shakopee Utilities will make reasonable efforts to provide reliable and prompt billings within the provisions of this resolution, however, in the event of a failure to provide reliable billing as a result of deficiency in technology or in the administrative processing of billings under TOU rates, the customer will be responsible for payment of charges determined under the standard, non-TOU rates and terms provided under Resolution #1100.

BE IT FURTHER RESOLVED that at all times Commission staff shall comply with good utility business practices and all applicable Federal laws and Minnesota Statutes when processing account activity, i.e. applications, establishing accounts, deposits, billings, payment receipts, reminders of non-payment, disconnect notices, etc.

BE IT FURTHER RESOLVED that said terms and adjustments are to become effective immediately, and applied to the January 2016 billings (which are due February 15), and all subsequent billings.

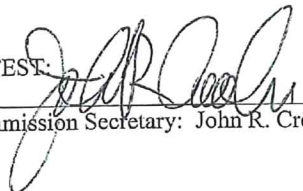
BE IT FURTHER RESOLVED that all things necessary to carry out the terms and purpose of the Resolution are hereby authorized and performed.

Passed in regular session of the Shakopee Public Utilities Commission, this 3rd day of August, 2015.



Commission President: William P. Mars

ATTEST:

  
Commission Secretary: John R. Crooks

## RESOLUTION #1213

A RESOLUTION MODIFYING RESOLUTION #1100  
BY ESTABLISHING WHOLESALE ELECTRIC  
RATES TO SHAKOPEE ENERGY PARK

BE IT RESOLVED BY THE SHAKOPEE PUBLIC UTILITIES COMMISSION at meeting duly assembled on the 15<sup>th</sup> day of October 2018, that Resolution #1100 is modified upon this resolution taking effect, by the addition of Section XIII to the existing Sections I through XII of Resolution #1100 and resulting electric rates shall be and hereby are established for all customers of the Shakopee Public Utilities Commission who meet the qualifications and requirements of Section XIII, and subject to the limitations of that Section.

Section XIII: SHAKOPEE ENERGY PARK:

Limitations to Availability: Due to the unique basis on which Wholesale Service is being offered, the availability of such service terms under Resolution #1213 is limited to one customer (MMPA), and further subject to such practical limitations as may exist involving the availability of technology and the administrative practices to provide billing under such Wholesale Rates.

The billing electric service shall be as described in this section.

The sum of:

<u>SERVICE CHARGE:</u>	\$100.00 per month
 <u>DEMAND CHARGE:</u>	
Summer Demand (June-Sept, \$ per Kw month)	\$11.62
Non-Summer Demand (\$ per Kw month)	\$8.72
 <u>ENERGY CHARGE:</u>	
On-Peak (5x16) Energy (\$ per kWh) 7am- 10pm	\$0.05101
Sat/Sun/Holiday (2x16) Energy (\$ per kWh) 7am-10pm	\$0.04351
Off-Peak (7x8) Energy (\$ per kWh) 10pm-7am	\$0.03101
Energy Adjustment Charge	varies monthly



OTHER TERMS APPLICABLE:

Service provided and billed under Resolution #1213 are subject to all terms, factors, and adjustments applicable under Resolution #1100, excluding the Power Cost Adjustment; other terms, conditions of service and policies of the Shakopee Public Utilities Commission as generally applicable.

Shakopee Utilities will make reasonable efforts to provide reliable and prompt billings within the provisions of this resolution, however, in the event of a failure to provide reliable billing as a result of deficiency in technology or in the administrative processing of billings under Wholesale rates, the customer will be responsible for payment of charges determined under the standard rates and terms provided under Resolution #1100.

BE IT FURTHER RESOLVED that said terms and adjustments are to become effective beginning January 1, 2017 or the nearest regular meter reading date following, and apply to usage after that date and to subsequent billings;

BE IT FURTHER RESOLVED that all things necessary to carry out the terms and purpose of the Resolution are hereby authorized and performed.

Passed in regular session of the Shakopee Public Utilities Commission, this 15<sup>th</sup> day of October, 2018.

\_\_\_\_\_  
Commission President: Aaron Weyer

ATTEST:

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Commission Secretary: John R. Crooks

## RESOLUTION #1214

A RESOLUTION MODIFYING RESOLUTION #1100  
BY ESTABLISHING WHOLESALE ELECTRIC  
RATES TO SHAKOPEE ENERGY PARK

BE IT RESOLVED BY THE SHAKOPEE PUBLIC UTILITIES COMMISSION at meeting duly assembled on the 15<sup>th</sup> day of October 2018, that Resolution #1100 is modified upon this resolution taking effect, by the addition of Section XIII to the existing Sections I through XII of Resolution #1100 and resulting electric rates shall be and hereby are established for all customers of the Shakopee Public Utilities Commission who meet the qualifications and requirements of Section XIII, and subject to the limitations of that Section.

Section XIII: SHAKOPEE ENERGY PARK:

Limitations to Availability: Due to the unique basis on which Wholesale Service is being offered, the availability of such service terms under Resolution #1214 is limited to one customer (MMPA), and further subject to such practical limitations as may exist involving the availability of technology and the administrative practices to provide billing under such Wholesale Rates.

The billing electric service shall be as described in this section.

The sum of:

<u>SERVICE CHARGE:</u>	\$100.00 per month
<u>DEMAND CHARGE:</u>	
Summer Demand (June-Sept, \$ per Kw month)	\$13.32
Non-Summer Demand (\$ per Kw month)	\$8.90
<u>ENERGY CHARGE:</u>	
On-Peak (5x16) Energy (\$ per kWh) 7am-10pm	\$0.05101
Sat/Sun/Holiday (2x16) Energy (\$ per kWh) 7am-10pm	\$0.04351
Off-Peak (7x8) Energy (\$ per kWh) 10pm-7am	\$0.03101
Energy Adjustment Charge	varies monthly

OTHER TERMS APPLICABLE:

Service provided and billed under Resolution #1214 are subject to all terms, factors, and adjustments applicable under Resolution #1100, excluding the Power Cost Adjustment; other terms, conditions of service and policies of the Shakopee Public Utilities Commission as generally applicable.

Shakopee Utilities will make reasonable efforts to provide reliable and prompt billings within the provisions of this resolution, however, in the event of a failure to provide reliable billing as a result of deficiency in technology or in the administrative processing of billings under Wholesale rates, the customer will be responsible for payment of charges determined under the standard rates and terms provided under Resolution #1100.

BE IT FURTHER RESOLVED that said terms and adjustments are to become effective beginning January 1, 2018 or the nearest regular meter reading date following, and apply to usage after that date and to subsequent billings;

BE IT FURTHER RESOLVED that all things necessary to carry out the terms and purpose of the Resolution are hereby authorized and performed.

Passed in regular session of the Shakopee Public Utilities Commission, this 15<sup>th</sup> day of October, 2018.

\_\_\_\_\_  
Commission President: Aaron Weyer

ATTEST:

\_\_\_\_\_  
Commission Secretary: John R. Crooks

## RESOLUTION #1215

A RESOLUTION AMENDING RESOLUTION #1010  
ADOPTING UTILITY DEPOSITS  
FOR THE  
SHAKOPEE PUBLIC UTILITIES

WHEREAS, the Shakopee Public Utilities Commission shall require deposits to be used to guarantee all Utility billings including but not limited to electric and water;

AND WHEREAS, prior to the furnishing of any service to any user, such user shall complete an application to request service and pay required deposit fee prior to connection of service and be required to comply with deposit requirements under any of the following conditions:

- a. A customer is new to the Utility's service.
- b. An existing customer changes residence, address or name within the Utility's service area or requires additional service.
- c. The service of the customer has been disconnected or has been subject to disconnection for nonpayment of a bill which is not in dispute.
- d. Customer enters into bankruptcy.

AND WHEREAS, the deposit requirements shall be as follows and subject to the conditions as outlined above:

- |                                     |                        |
|-------------------------------------|------------------------|
| • Residential Owners                | No deposit is required |
| • Residential Renters               | \$100 Utility Deposit  |
| • Residential Renters Electric Heat | \$200 Utility Deposit  |
| • Commercial Customer               | Two month Deposit      |
| • Industrial Customer               | Two month Deposit      |

Commercial and Industrial customers will pay a deposit equal to two months average

billings. If customer has not established a history to determine deposit requirements, then the former occupant property billing history shall be used with an adjustment to be made once current history is established. Large non-residential customers may in lieu of cash deposit, furnish bond for service satisfactory to the Utility.

- Accounts opened by the City of Shakopee, Shakopee Public Schools, Minnesota Municipal Power Agency and Scott County will not be required to submit a deposit. However, if an account is shut off for delinquency reasons, the Utility reserves the right to require a deposit on all accounts of said entity.

AND WHEREAS, if customer fails to pay their deposit, they are subject to termination of service until payment is received.

NOW THEREFORE BE IT RESOLVED, that said deposits, will accrue interest annually at the rate set forth by the Minnesota Department of Commerce and Minnesota State Statute 325.F.02. Deposit and interest will be returned on customer's final bill. Any remaining credit balance will be refunded to the customer. Interest will accrue from date of deposit to date of disconnection.

BE IT FURTHER RESOLVED that in the event any conflict arises due to the provisions of this Resolution the customer may appeal in writing to the Shakopee Public Utilities Commission on a case by case basis.

The new deposit requirements to be effective beginning January 1, 2012.

BE IT FURTHER RESOLVED, that all things necessary to carry out the terms and purpose of this Resolution are hereby authorized and performed.

Passed in regular session of the Shakopee Public Utilities Commission this 15<sup>th</sup> day of October, 2018.

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Commission President: Aaron Weyer

ATTEST:

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Commission Secretary: John R. Crooks

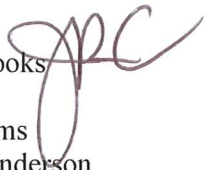



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# SHAKOPEE PUBLIC UTILITIES

“Lighting the Way – Yesterday, Today and Beyond”

October 10, 2018

TO: John Crooks 

CC: Joe Adams  
Sherrri Anderson  
Greg Drent  
Lon Schemel  
Sharon Walsh 

FROM: Renee Schmid, Director of Finance and Administration

SUBJECT: Financial Results for September, 2018

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The following Financial Statements are attached for your review and approval.

Month to Date and Year to Date Financial Results – September, 2018

- Combined Statement of Revenue & Expense and Net Assets – Electric, Water and Total Utility
- Electric Operating Revenue & Expense Detail
- Water Operating Revenue & Expense Detail

Key items to note:

Month to Date Results – September, 2018

- Total Utility Operating Revenues for the month of September totaled \$6.1 million and were favorable to budget by \$378k or 6.6%. Electric revenues were favorable to budget by \$194k or 3.8% driven by higher than plan sales volume in all revenue groups and higher than plan power cost adjustment revenue. Water revenues were favorable to budget by \$185k or 27.6% also driven by higher than plans sales volume in all revenue groups.
- Total operating expenses were \$4.2 million and were favorable to budget by \$474k or 10.2%. Total purchased power expense in September was \$3.2 million and was \$281k or 8.0% lower than budget for the month. Total Operating Expense for electric including purchased power was \$3.8 million and was favorable to budget by \$439k or 10.3% due to lower than plan purchased power costs of \$281k and timing of expenditures in conservation expense of \$48k, lower than plan administrative and general expense of \$62k and operation and maintenance expenses of \$40k. Total Operating Expense for Water was \$354k and was favorable to budget by \$36k or 9.1% due to lower than plan administrative and general expenses of \$47k and was partially offset by higher than plan operation and maintenance expenses of \$12k.



# SHAKOPEE PUBLIC UTILITIES

“Lighting the Way – Yesterday, Today and Beyond”

- Total Utility Operating Income was \$1.9 million and was \$0.9 million favorable to budget due to higher than plan operating revenues of \$0.4 million and lower than plan operating expenses of \$0.5 million.
- Total Utility Non-Operating Revenue was \$15k and was unfavorable to budget by \$31k due to lower than plan rental and miscellaneous income, investment income, and higher than plan interest expense.
- Capital Contributions for the month of September were \$471k and were favorable to budget by \$304k due to developer paid capital contributions of \$99k, water connection fees of \$147k, trunk water fees of \$54k, and meter fees of \$4k.
- Municipal contributions to the City of Shakopee totaled \$202k and were higher than plan by \$8.3k or 3.9%.
- Change in Net Position was an increase of \$2.2 million and was favorable to budget by \$1.1 million due to higher than plan operating income of \$0.8 million and higher than plan and capital contributions of \$0.3 million.
- Electric usage billed to customers in September was 45,121,925 kWh, a 3.5% increase from August usage billed at 43,595,271 kWh.
- Water usage billed to customers in September was 255.2 million gallons, a 10.0% increase from August usage billed at 231.9 million gallons.

## Year to Date Financial Results – September, 2018

- Total Utility Operating Revenue year to date September was \$42.9 million and was favorable to budget by \$2.4 million or 6.0%. Electric revenues totaled \$38.6 million and were favorable to budget by \$2.3 million or 6.3% driven by higher than plan energy sales in all revenue groups and higher power cost adjustment revenues. Water revenues totaled \$4.4 million and were also favorable to budget by \$156k or 3.7% driven by higher than plan sales volumes in all revenue groups.
- Total Utility Operating Expenses year to date September were \$37.0 million and were slightly favorable to budget by \$0.2 million or 0.6% primarily due to timing of expenditures in energy conservation of \$0.5 million, and administrative and other general expense of \$0.9 million due to timing of employee benefits and outside services expense, and were partially offset by higher than plan purchased power costs of \$1.2 million driven by higher sales and cost of purchased power per kwh. Total Operating Expense for electric including purchased power was \$33.7 million and was favorable to budget by \$41k or 0.1%. Total Operating Expense for Water was \$3.4 million and was favorable to budget by \$197k or 5.5%.
- Total Utility Operating Income was \$6.0 million and was favorable to budget by \$2.6 million driven by higher than planned operating revenues of \$2.4 million and partially offset by lower than plan operating expenses of \$0.2 million.



# SHAKOPEE PUBLIC UTILITIES

“Lighting the Way – Yesterday, Today and Beyond”

- Total Utility Non-Operating expense was \$612k and was favorable to budget by \$299k due to higher than planned investment income of \$183k due to rising interest rates, higher than plan rental and miscellaneous income of \$81k, and a \$48k net gain on the sale of electric equipment, and was partially offset by higher than plan interest expense of \$13k due to an increase in interest rates paid customers for utility deposits. Year to date non-operating expense includes the write down of \$217k in amortization of debt issuance and loss on refunding costs reflecting the redemption of the final outstanding debt issue.
- YTD Capital Contributions were \$3.9 million and are favorable to budget by \$2.4 million due to higher than planned collection of water connection fees of \$2.4 million driven by new development including one large project for \$1.7 million that was planned for in 2019, higher than plan capital contributions of \$0.2 million, and partially offset by lower than plan trunk water fees of \$0.2 million.
- Municipal contributions to the City of Shakopee totaled \$1.8 million year to date and are lower than plan by \$75k or 4.0%. The actual estimated payment throughout the year is based on prior year results and will be trued up at the end of the year.
- YTD Change in Net Position is \$8.7 million and is favorable to budget by \$5.5 million reflecting higher than plan operating income of \$2.7 million, higher than plan non-operating revenues of \$0.3 million, and higher than plan capital contributions of \$2.4 million.



**SHAKOPEE PUBLIC UTILITIES**  
**MONTH TO DATE FINANCIAL RESULTS**  
**SEPTEMBER 2018**



**SHAKOPEE PUBLIC UTILITIES**  
"Lighting the Way – Yesterday, Today and Beyond"

**SHAKOPEE PUBLIC UTILITIES**  
**COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**

	Month to Date Actual - September 2018			Month to Date Budget - September 2018			Electric		Water		Total Utility	
	Electric	Water	Total Utility	Electric	Water	Total Utility	MTD Actual v. Budget B/(W) \$ %	MTD Actual v. Budget B/(W) \$ %	MTD Actual v. Budget B/(W) \$ %			
<b>OPERATING REVENUES</b>	\$ 5,264,584	852,842	6,117,426	5,071,039	668,207	5,739,247	193,545	3.8%	184,635	27.6%	378,179	6.6%
<b>OPERATING EXPENSES</b>												
Operation, Customer and Administrative	3,620,575	225,290	3,845,865	4,055,859	261,294	4,317,153	435,284	10.7%	36,004	13.8%	471,288	10.9%
Depreciation	196,268	129,257	325,525	199,558	128,912	328,470	3,290	1.6%	(344)	-0.3%	2,945	0.9%
Amortization of Plant Acquisition	-	-	-	-	-	-	-	0.0%	-	-	-	0.0%
Total Operating Expenses	3,816,844	354,546	4,171,390	4,255,417	390,206	4,645,623	438,574	10.3%	35,660	9.1%	474,234	10.2%
Operating Income	1,447,740	498,296	1,946,036	815,622	278,001	1,093,623	632,118	77.5%	220,295	79.2%	852,413	77.9%
<b>NON-OPERATING REVENUE (EXPENSE)</b>												
Rental and Miscellaneous	7,447	1,167	8,614	15,783	1,390	17,173	(8,336)	-52.8%	(223)	-16.0%	(8,559)	-49.8%
Interdepartment Rent from Water	7,500	-	7,500	7,500	-	7,500	-	0.0%	-	-	-	0.0%
Investment Income	(406)	2,095	1,689	16,940	5,511	22,451	(17,346)	-102.4%	(3,416)	-62.0%	(20,762)	-92.5%
Interest Expense	(3,099)	(90)	(3,189)	(1,805)	(29)	(1,834)	(1,294)	-71.7%	(61)	-213.8%	(1,355)	-73.9%
Amortization of Debt Issuance Costs and Loss on Refunding	-	-	-	-	-	-	-	0.0%	-	-	-	0.0%
Gain/(Loss) on the Disposition of Property	-	-	-	-	-	-	-	-	-	-	-	0.0%
Total Non-Operating Revenue (Expense)	11,442	3,172	14,614	38,418	6,872	45,290	(26,976)	-70.2%	(3,700)	-53.8%	(30,676)	-67.7%
Income Before Contributions and Transfers	1,459,182	501,468	1,960,650	854,040	284,874	1,138,914	605,142	70.9%	216,595	76.0%	821,737	72.2%
<b>CAPITAL CONTRIBUTIONS</b>	98,780	371,948	470,728	-	166,373	166,373	98,780	-	205,574	123.6%	304,354	182.9%
<b>TRANSFER TO MUNICIPALITY</b>	(118,003)	(83,500)	(201,503)	(122,048)	(87,715)	(209,763)	4,045	3.3%	4,215	4.8%	8,260	3.9%
<b>CHANGE IN NET POSITION</b>	\$ 1,439,959	789,916	2,229,875	731,992	363,532	1,095,524	707,966	96.7%	426,384	117.3%	1,134,350	103.5%

**SHAKOPEE PUBLIC UTILITIES**  
**ELECTRIC OPERATING REVENUE AND EXPENSE**

	MTD Actual		MTD Budget		MTD Actual v. Budget	
	September 2018		September 2018		Better/(Worse)	
					\$	%
<b>OPERATING REVENUES</b>						
Sales of Electricity						
Residential	\$	1,945,758		1,750,961	194,797	11.1%
Commercial and Industrial		3,207,678		3,215,551	(7,873)	-0.2%
Uncollectible accounts		-		-	-	-
Total Sales of Electricity		<u>5,153,436</u>		<u>4,966,512</u>	<u>186,925</u>	<u>3.8%</u>
Forfeited Discounts		20,154		20,453	(299)	-1.5%
Free service to the City of Shakopee		14,003		13,853	150	1.1%
Conservation program		76,990		70,221	6,770	9.6%
Total Operating Revenues		<u>5,264,584</u>		<u>5,071,039</u>	<u>193,545</u>	<u>3.8%</u>
<b>OPERATING EXPENSES</b>						
Operations and Maintenance						
Purchased power		3,210,048		3,490,610	280,563	8.0%
Distribution operation expenses		36,893		37,222	329	0.9%
Distribution system maintenance		35,142		69,157	34,015	49.2%
Maintenance of general plant		15,009		21,340	6,332	29.7%
Total Operation and Maintenance		<u>3,297,091</u>		<u>3,618,330</u>	<u>321,239</u>	<u>8.9%</u>
Customer Accounts						
Meter Reading		8,359		9,133	774	8.5%
Customer records and collection		48,383		50,754	2,371	4.7%
Energy conservation		10,041		59,003	48,961	83.0%
Total Customer Accounts		<u>66,783</u>		<u>118,890</u>	<u>52,107</u>	<u>43.8%</u>
Administrative and General						
Administrative and general salaries		45,575		51,183	5,608	11.0%
Office supplies and expense		18,208		15,839	(2,368)	-15.0%
Outside services employed		28,541		26,316	(2,226)	-8.5%
Insurance		10,602		12,164	1,563	12.8%
Employee Benefits		128,083		175,315	47,233	26.9%
Miscellaneous general		25,693		37,822	12,129	32.1%
Total Administrative and General		<u>256,702</u>		<u>318,640</u>	<u>61,938</u>	<u>19.4%</u>
Total Operation, Customer, & Admin Expenses		<u>3,620,575</u>		<u>4,055,859</u>	<u>435,284</u>	<u>10.7%</u>
Depreciation		196,268		199,558	3,290	1.6%
Amortization of plant acquisition		-		-	-	0.0%
Total Operating Expenses	\$	<u>3,816,844</u>		<u>4,255,417</u>	<u>438,574</u>	<u>10.3%</u>
OPERATING INCOME	\$	<u>1,447,740</u>		<u>815,622</u>	<u>632,118</u>	<u>77.5%</u>

**SHAKOPEE PUBLIC UTILITIES**  
**WATER OPERATING REVENUE AND EXPENSE**

	MTD Actual		MTD Budget		MTD Actual v. Budget	
	September 2018		September 2018		Better/(Worse)	
					\$	%
<b>OPERATING REVENUES</b>						
Sales of Water	\$	850,184		666,343	183,842	27.6%
Forfeited Discounts		2,658		1,865	793	42.5%
Uncollectible accounts		-		-	-	-
Total Operating Revenues		<u>852,842</u>		<u>668,207</u>	<u>184,635</u>	<u>27.6%</u>
<b>OPERATING EXPENSES</b>						
Operations and Maintenance						
Pumping and distribution operation		34,662		42,942	8,280	19.3%
Pumping and distribution maintenance		50,764		28,572	(22,193)	-77.7%
Power for pumping		24,562		23,949	(613)	-2.6%
Maintenance of general plant		2,940		5,221	2,282	43.7%
Total Operation and Maintenance		<u>112,928</u>		<u>100,684</u>	<u>(12,244)</u>	<u>-12.2%</u>
Customer Accounts						
Meter Reading		4,481		5,160	679	13.2%
Customer records and collection		12,591		13,203	612	4.6%
Energy conservation		-		-	-	-
Total Customer Accounts		<u>17,072</u>		<u>18,363</u>	<u>1,291</u>	<u>7.0%</u>
Administrative and General						
Administrative and general salaries		29,806		32,157	2,351	7.3%
Office supplies and expense		3,368		7,174	3,806	53.1%
Outside services employed		-		13,483	13,483	100.0%
Insurance		3,534		4,055	521	12.8%
Employee Benefits		48,752		63,870	15,119	23.7%
Miscellaneous general		9,830		21,508	11,678	54.3%
Total Administrative and General		<u>95,289</u>		<u>142,247</u>	<u>46,958</u>	<u>33.0%</u>
Total Operation, Customer, & Admin Expenses		<u>225,290</u>		<u>261,294</u>	<u>36,004</u>	<u>13.8%</u>
Depreciation		129,257		128,912	(344)	-0.3%
Amortization of plant acquisition		-		-	-	-
Total Operating Expenses		<u>354,546</u>		<u>390,206</u>	<u>35,660</u>	<u>9.1%</u>
OPERATING INCOME	\$	<u>498,296</u>		<u>278,001</u>	<u>220,295</u>	<u>79.2%</u>

**SHAKOPEE PUBLIC UTILITIES**  
**YEAR TO DATE FINANCIAL RESULTS**  
**SEPTEMBER 2018**



**SHAKOPEE PUBLIC UTILITIES**  
"Lighting the Way – Yesterday, Today and Beyond"

**SHAKOPEE PUBLIC UTILITIES**  
**COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**

	Year to Date Actual - September 2018			Year to Date Budget - September 2018			Electric		Water		Total Utility	
	Electric	Water	Total Utility	Electric	Water	Total Utility	YTD Actual v. Budget B/(W) \$ %	YTD Actual v. Budget B/(W) \$ %	YTD Actual v. Budget B/(W) \$ %			
<b>OPERATING REVENUES</b>	\$ 38,597,595	4,397,839	42,995,433	36,316,426	4,241,490	40,557,916	2,281,169	6.3%	156,349	3.7%	2,437,518	6.0%
<b>OPERATING EXPENSES</b>												
Operation, Customer and Administrative	31,883,378	2,189,274	34,072,652	31,894,051	2,389,309	34,283,360	10,673	0.0%	200,035	8.4%	210,708	0.6%
Depreciation	1,766,414	1,163,309	2,929,722	1,796,019	1,160,212	2,956,231	29,606	1.6%	(3,097)	-0.3%	26,509	0.9%
Amortization of Plant Acquisition	-	-	-	-	-	-	-	0.0%	-	-	-	0.0%
Total Operating Expenses	33,649,792	3,352,583	37,002,375	33,690,071	3,549,521	37,239,591	40,279	0.1%	196,938	5.5%	237,217	0.6%
Operating Income	4,947,803	1,045,256	5,993,059	2,626,355	691,969	3,318,324	2,321,448	88.4%	353,287	51.1%	2,674,735	80.6%
<b>NON-OPERATING REVENUE (EXPENSE)</b>												
Rental and Miscellaneous	208,774	176,103	384,877	142,050	161,471	303,521	66,724	47.0%	14,632	9.1%	81,356	26.8%
Interdepartment Rent from Water	67,500	-	67,500	67,500	-	67,500	-	0.0%	-	-	-	0.0%
Investment Income	222,153	162,872	385,025	152,457	49,599	202,057	69,696	45.7%	113,272	228.4%	182,968	90.6%
Interest Expense	(56,029)	(701)	(56,730)	(43,609)	(258)	(43,867)	(12,420)	-28.5%	(443)	-171.6%	(12,863)	-29.3%
Amortization of Debt Issuance Costs and Loss on Refunding	(216,694)	-	(216,694)	(216,694)	-	(216,694)	-	0.0%	-	0.0%	-	0.0%
Gain/(Loss) on the Disposition of Property	48,019	-	48,019	-	-	-	48,019	0.0%	-	-	48,019	-
Total Non-Operating Revenue (Expense)	273,723	338,274	611,997	101,704	210,812	312,516	172,019	169.1%	127,462	60.5%	299,481	95.8%
Income Before Contributions and Transfers	5,221,526	1,383,530	6,605,056	2,728,059	902,781	3,630,840	2,493,467	91.4%	480,749	53.3%	2,974,216	81.9%
<b>CAPITAL CONTRIBUTIONS</b>	249,963	3,674,013	3,923,975	-	1,497,360	1,497,360	249,963	-	2,176,652	145.4%	2,426,615	162.1%
<b>MUNICIPAL CONTRIBUTION</b>	(1,061,717)	(751,487)	(1,813,203)	(1,098,430)	(789,435)	(1,887,865)	36,713	3.3%	37,949	4.8%	74,661	4.0%
<b>CHANGE IN NET POSITION</b>	\$ 4,409,772	4,306,056	8,715,828	1,629,629	1,610,706	3,240,336	2,780,143	170.6%	2,695,350	167.3%	5,475,492	169.0%

**SHAKOPEE PUBLIC UTILITIES  
ELECTRIC OPERATING REVENUE AND EXPENSE**

	YTD Actual September 2018	YTD Budget September 2018	YTD Actual v. Budget Better/(Worse)	
			\$	%
<b>OPERATING REVENUES</b>				
Sales of Electricity				
Residential	\$ 13,934,298	12,691,841	1,242,458	9.8%
Commercial and Industrial	23,783,643	22,782,763	1,000,880	4.4%
Uncollectible accounts	-	-	-	-
Total Sales of Electricity	<u>37,717,941</u>	<u>35,474,603</u>	<u>2,243,338</u>	<u>6.3%</u>
Forfeited Discounts	190,980	184,076	6,904	3.8%
Free service to the City of Shakopee	126,028	124,681	1,347	1.1%
Conservation program	562,645	533,065	29,580	5.5%
Total Operating Revenues	<u>\$ 38,597,595</u>	<u>\$ 36,316,426</u>	<u>\$ 2,281,169</u>	<u>6.3%</u>
<b>OPERATING EXPENSES</b>				
Operations and Maintenance				
Purchased power	27,845,314	26,693,815	(1,151,498)	-4.3%
Distribution operation expenses	325,229	335,001	9,772	2.9%
Distribution system maintenance	541,395	622,409	81,014	13.0%
Maintenance of general plant	196,748	192,063	(4,684)	-2.4%
Total Operation and Maintenance	<u>28,908,686</u>	<u>27,843,289</u>	<u>(1,065,397)</u>	<u>-3.8%</u>
Customer Accounts				
Meter Reading	87,951	82,196	(5,756)	-7.0%
Customer records and collection	408,219	456,787	48,567	10.6%
Energy conservation	46,427	531,025	484,598	91.3%
Total Customer Accounts	<u>542,597</u>	<u>1,070,007</u>	<u>527,410</u>	<u>49.3%</u>
Administrative and General				
Administrative and general salaries	465,587	460,650	(4,937)	-1.1%
Office supplies and expense	109,326	142,552	33,226	23.3%
Outside services employed	142,931	236,842	93,911	39.7%
Insurance	95,418	109,480	14,063	12.8%
Employee Benefits	1,378,243	1,690,834	312,591	18.5%
Miscellaneous general	240,589	340,396	99,807	29.3%
Total Administrative and General	<u>2,432,095</u>	<u>2,980,755</u>	<u>548,660</u>	<u>18.4%</u>
Total Operation, Customer, & Admin Expenses	<u>31,883,378</u>	<u>31,894,051</u>	<u>10,673</u>	<u>0.0%</u>
Depreciation	1,766,414	1,796,019	29,606	1.6%
Amortization of plant acquisition	-	-	-	0.0%
Total Operating Expenses	<u>\$ 33,649,792</u>	<u>\$ 33,690,071</u>	<u>\$ 40,279</u>	<u>0.1%</u>
<b>OPERATING INCOME</b>	<u>\$ 4,947,803</u>	<u>2,626,355</u>	<u>2,321,448</u>	<u>88.4%</u>

**SHAKOPEE PUBLIC UTILITIES**  
**WATER OPERATING REVENUE AND EXPENSE**

	YTD Actual	YTD Budget	YTD Actual v. Budget	
	September 2018	September 2018	Better/(Worse)	
			\$	%
<b>OPERATING REVENUES</b>				
Sales of Water	\$ 4,382,187	4,224,707	157,479	3.7%
Forfeited Discounts	15,652	16,783	(1,131)	-6.7%
Uncollectible accounts	1	-	1	-
Total Operating Revenues	<u>4,397,839</u>	<u>4,241,490</u>	<u>156,349</u>	<u>3.7%</u>
<b>OPERATING EXPENSES</b>				
Operations and Maintenance				
Pumping and distribution operation	361,835	386,475	24,639	6.4%
Pumping and distribution maintenance	373,320	257,146	(116,174)	-45.2%
Power for pumping	219,803	215,541	(4,262)	-2.0%
Maintenance of general plant	29,869	46,992	17,123	36.4%
Total Operation and Maintenance	<u>984,828</u>	<u>906,154</u>	<u>(78,674)</u>	<u>-8.7%</u>
Customer Accounts				
Meter Reading	46,982	46,439	(543)	-1.2%
Customer records and collection	113,332	118,828	5,496	4.6%
Energy conservation	-	-	-	-
Total Customer Accounts	<u>160,314</u>	<u>165,267</u>	<u>4,953</u>	<u>3.0%</u>
Administrative and General				
Administrative and general salaries	303,264	289,409	(13,856)	-4.8%
Office supplies and expense	37,462	64,568	27,106	42.0%
Outside services employed	30,966	121,349	90,382	74.5%
Insurance	31,806	36,493	4,687	12.8%
Employee Benefits	489,447	612,499	123,052	20.1%
Miscellaneous general	151,186	193,571	42,384	21.9%
Total Administrative and General	<u>1,044,132</u>	<u>1,317,888</u>	<u>273,756</u>	<u>20.8%</u>
Total Operation, Customer, & Admin Expenses	<u>2,189,274</u>	<u>2,389,309</u>	<u>200,035</u>	<u>8.4%</u>
Depreciation	1,163,309	1,160,212	(3,097)	-0.3%
Amortization of plant acquisition	-	-	-	-
Total Operating Expenses	<u>\$ 3,352,583</u>	<u>3,549,521</u>	<u>196,938</u>	<u>5.5%</u>
<b>OPERATING INCOME</b>	<u>\$ 1,045,256</u>	<u>691,969</u>	<u>353,287</u>	<u>51.1%</u>



**SHAKOPEE PUBLIC UTILITIES  
MEMORANDUM**

**TO: SHAKOPEE PUBLIC UTILITIES COMMISSION**  
**FROM: JOHN R. CROOKS, UTILITIES MANAGER**  
**SUBJECT: ELECTION OF VICE PRESIDENT**  
**DATE: OCTOBER 12, 2018**



With the resignation of Dan Hennen, there is an opening for the position of Vice President with the Commission. I have attached the description from the SPU Governance Handbook regarding the duties and responsibilities for the Vice President.

Per Robert's Rules, an election is required as opposed to an appointment. The position would be interim, until Officer Elections take place the first meeting in April.

As of October 12, I have not been provided an update on the open seat on our Commission, as well as a new Council Liaison representative.

## **ROLE OF THE SPUC VICE PRESIDENT**

1. Fulfill any delegable roles and responsibilities of the President as requested by the President.
2. Act as President in the absence of the President.
3. Assume the office of President if the President leaves office prior to the expiration of the President's term of office.
4. Commit significant effort to becoming familiar with SPUC programs, services, and activities in preparation for fulfilling the duties of SPUC President if required.
5. Fulfill all roles and responsibilities established for individual Commissioners in an exemplary manner.
6. Be willing to serve in a leadership role in SPUC and serve as a spokesperson for the organization.