

SAINT PAUL PORT AUTHORITY

MEMORANDUM

TO: BOARD OF COMMISSIONERS
(November 27, 2012 Regular Meeting)

DATE: Nov. 21, 2012

FROM: Laurie J. Hansen 

**SUBJECT: ENERGY PARK UTILITY COMPANY FRANCHISE
APPROVAL OF RATE
RESOLUTION NO. 4447**

Action Requested: Approval of Schedule A Energy Park Utility Company (EPUC) Rates effective January 2, 2013.

Background:

The EPUC Franchise Ordinance Section 6(e) requires the Port Board to approve any changes in the schedule of rates and charges. The rates typically change each year based on the budgeted costs of operating EPUC. The customers of EPUC acknowledge the franchise Agreement and the periodic change in rates in the First Amendment to the Hot & Chilled Water Service Agreement. The rates effective January 2, 2013 reflect the budgeted costs for 2013.

Proposal:

Attached please find the Schedule A which includes a complete list and the methodology for establishing the new rates effective January 2, 2013. In summary, new rates will be:

	<u>Current Charges</u>	<u>Proposed Charges 1/2/2013</u>	<u>% Change</u>
Demand Charge (\$/MMBtuh/Mo):			
Heating Demand Charge	\$1,336.00	\$1,369.00	2.5%
Chilled Water Demand Charge	\$1,400.00	\$1,435.00	2.5%
Hot Water Commodity Charge Base (\$/MMBtu)	\$ 3.80	\$ 3.80	0.0%
Chilled Water Commodity Charge Base (\$/MMBtu)	\$ 3.73	\$ 3.73	0.0%
Fuel Adjustment Charge – Difference Between Actual Variable Cost and Base Variable Cost (\$/MMBtu)		Varies	

Recommendation:

We recommend approval of the Schedule A Rates and Charges.

LJH:ca

Attach.