



DISTRICT COOLING
ST. PAUL™

District Cooling St. Paul, Inc.
Hans O. Nyman Energy Center
76 Kellogg Boulevard West
St. Paul, MN 55102-1611

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June 7, 2013

FRANCHISE TERM EXTENSION APPLICATION

Honorable Christopher B. Coleman
Mayor, City of Saint Paul
390 City Hall
15 West Kellogg Boulevard
Saint Paul, MN 55102

Re: Franchise Term Extension for District Cooling St. Paul, Inc.
Appendix K

Dear Mayor Coleman:

This letter will serve as a formal application to the City of Saint Paul consistent with the provisions of the Saint Paul Charter to extend the existing Franchise of District Cooling St. Paul, Inc. (hereinafter "District Cooling"). The current District Cooling Franchise is located in Appendix K and is set to expire on December 12, 2027. We request a seven year extension to June 26, 2034.

The extension request is a result of a consolidation of our debt financing that is a part of an effort to secure a favorable credit rating for District Cooling from one or more nationally recognized rating agencies. The consolidated debt financing includes all outstanding bond obligations and related financings.

We respectfully request a timely and efficient Franchise Term Extension adoption process designed to recognize the long, successful relationship between the City of Saint Paul and District Cooling. The numerous and extensive financial information periodically provided to the City concerning the operation of this company also serves to facilitate this process. In addition, the City annually receives a certified independent audit of the expenditures of this company.

The City and District Cooling have worked together successfully for 22 years under the existing and prior Franchises. That mutual experience and other City interconnections strongly indicate that an expedited process for consideration of a Franchise Term Extension is in the best interest of the City and District Cooling.

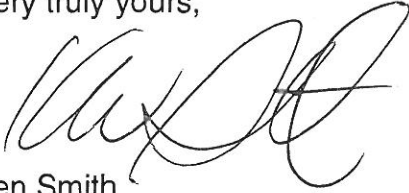
Honorable Christopher B. Coleman

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We are very hopeful the City will adopt a schedule that will identify any concerns from the administration and timely and efficiently address and resolve these concerns.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Ken Smith', with a large, stylized 'K' and 'S'.

Ken Smith
President & CEO

cc: City Clerk
Members of the City Council
Honorable Dan Bostrom
Honorable Amy Brendmoen
Honorable Melvin Carter, III
Honorable President Kathy Lantry
Honorable Chris Tolbert
Honorable Dave Thune
Honorable Russ Stark
Sara Grewing, City Attorney
Lisa Veith, Assistant City Attorney
Todd P. Hurley, Director, Office of Financial Services
William M. Mahlum, Executive Vice President and General Counsel