

**RESOLUTION OF THE
PORT AUTHORITY OF THE CITY OF SAINT PAUL**

WHEREAS, the City of Saint Paul granted the Port Authority of the City of Saint Paul, doing business as Energy Park Utility Company, a franchise for providing hot and chilled water in the Energy Park Industrial District in 1982; and

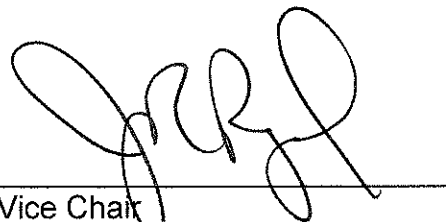
WHEREAS, the Energy Park Utility Company franchise ordinance was recently amended (City Ordinance No. 10-59) to extend the term of the franchise and, in part, due to the proposed conversion to a four-pipe system; and

WHEREAS, Port Authority staff has proposed a new rate structure as set forth in Exhibit A attached hereto.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE PORT AUTHORITY OF THE CITY OF SAINT PAUL, that the rates for the Energy Park Utility Company as set forth in Exhibit A are hereby adopted effective April 1, 2011; and

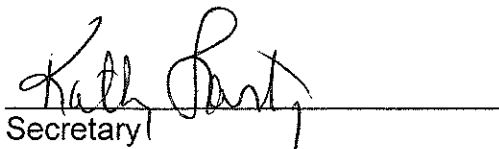
BE IT FURTHER RESOLVED, that the President on behalf of the Port Authority is hereby authorized and directed to file the proposed rate schedule with supporting information with the City Clerk of the City of Saint Paul for approval of the rates pursuant to the Energy Park Utility Company franchise ordinance.

Adopted: February 22, 2011.



Vice Chair
Port Authority of the City of Saint Paul

Attest:



Secretary

SCHEDULE A (AMENDED)
to
ENERGY PARK UTILITY COMPANY FRANCHISE
granted to the
SAINT PAUL PORT AUTHORITY
by the
CITY OF SAINT PAUL
(Ordinance No. 10-59, adopted January 12, 2011)

COMPANY CHARGES: Pursuant to Section 16.A. of the Energy Park Utility Company Franchise, the following rates shall be effective beginning April 1, 2011 and shall remain in effect until superseded:

FIXED CUSTOMER CHARGE: Customer Charge \$100.00 per month per Customer.

DEMAND CHARGE: Beginning on April 1, 2011, the Demand Charge portion of the Hot Water and Chilled Water rate schedules shall be as follows:

i)	Budgeted Operating Expenses (4/1/11 to 12/31/11)	\$577,246
ii)	All Debt Service Costs and Requirements	0
iii)	Fixed Reimbursement (9 Months)	<u>202,500</u>
	Subtotal	\$779,746
	Multiplied By	1
iv)	Budgeted demand revenues before 10% Reserve for Repairs, Replacements, Modifications, and Expansions	\$779,746
	Divided By	90%
	Budgeted Total Demand Revenues	\$866,384
	Divided by	
	Budgeted Energy Demand (MMBtuh – 4/1/11 to 12/31/11)	<u>956</u>
	Hot and Chilled Water Demand Charge (\$ per MMBtuh per Month)	\$906.45

COMMODITY CHARGE: The Hot Water Commodity Charge is \$3.80 per MMBtu, and the Chilled Water Commodity Charge is \$3.73 per MMBtu.

FUEL ADJUSTMENT CHARGE: The commodity portion of the Hot Water and Chilled Water rate schedules will be adjusted upward or downward each month based on the difference between actual variable costs and base variable costs. (The base variable costs built are \$3.80 per MMBtu for Hot Water and \$3.73 per MMBtu for Chilled Water.) Actual variable costs will be computed each month by dividing the cost of fuel (electricity, gas, oil, propane and any other fuel) plus water treatment expenses to operate the central energy plant by sales made during the corresponding month. The fuel adjustment charge applied to each customer's bill will be the difference between actual variable costs and base variable costs (expressed dollars per MMBtu) multiplied by that customer's heating or cooling energy use during the corresponding month. Actual variable costs for the current month will not be known at the time of billing; and, therefore, for the purpose of computing the fuel adjustment charge, actual variable costs shall be deemed to be the average monthly actual variable costs over the preceding twelve (12) months.

ADMINISTRATIVE SERVICES CHARGE: The Administrative Services Charge shall be established pursuant to the Energy Park Utility Company Franchise.

LATE FEE: According to the Franchise Ordinance, the Company may charge a late payment penalty of five (5) percent of the total amount due which may be added to bills which are not paid within twenty-one (21) days of the billing date.

SURCHARGE: All rates for providing Chilled Water and Hot Water services will be subject to the City of Saint Paul franchise fee and other appropriate state and local taxes. Residential, commercial and industrial bills shall be subject to separate charges.