



Legislation Text

File #: RES 11-613, **Version:** 1

Approving Energy Park Utility Company rates.

WHEREAS, the City of Saint Paul granted the Port Authority of the City of Saint Paul, doing business as Energy Park Utility Company (hereinafter the 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

WHEREAS, on February 22, 2011, the Companys governing body via Resolution No. 4379, approved amended rates, rules and regulations, referred to and attached hereto as Schedule A; and

WHEREAS, the Company has now submitted to the City of Saint Paul for its approval by City Council resolution pursuant to Section 6(e) of the Energy Park Utility Company franchise Ordinance the amended rates set forth in Schedule A, and

WHEREAS, prior to City Council approval of the new rates a public hearing must be held.

NOW, THEREFORE, BE IT RESOLVED that the City Council approves the rates for the Energy Park Utility Company as set forth in Schedule A.

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Company Franchise, the following rates shall be effective beginning April 1, 2011 and shall remain in effect until superseded: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) 202,500

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) 956

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: 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.