Elk River, Connexus sign Minnesota’s largest service territory transfer deal
by Steve Downer

Municipal and cooperative utilities have been filing service territory transfer agreements with the Minnesota Public Utilities Commission since 1986. Few have proven truly significant.

Surely falling into that category is the recent agreement reached by Elk River Municipal Utilities (ERMU) and Connexus, the state’s largest electric cooperative.

The agreement covers all areas of the city served by ERMU: approximately 12 square miles (7,680 acres). There are approximately 2,000 existing customers involved, including 1,000 downstream customers along U.S. Highway 10.

The acreage involved appears to be the largest ever involved in a Minnesota service territory case, as is the number of existing customers.

Agreement: see next page please

For more on the Brainerd Public Utilities hydropower facility, go to the ‘News’ section at www.mmua.org

the RESOURCE

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Brainerd joins ranks of municipal hydropower operators
Local paper mill closes its doors but Brainerd Public Utilities snaps up dam and powerhouse
by Steve Downer

Brainerd Public Utilities (BPU) is proud owner of a new renewable energy resource, one which has churned out power since the turn of the 20th century.

The municipal utility recently completed the purchase of a dam and hydropower facility located on the Mississippi River, on the north end of the city of Brainerd.

The facility was formerly operated by Wausau Paper, which purchased it in 2003. Wausau ceased production at the adjacent Brainerd paper mill in early 2013 and sold both the plant and the dam. The plant was purchased by a private party and remains idle. BPU purchased the dam, powerhouse and 37 acres of surrounding property.

The city annexed some of the property to bring it entirely into the city (federal regulations require a certain amount of buffer).

Prior to Wausau ownership, the properties were owned for nearly 100 years by Northwest Paper/Potlatch. The original dam at the site was built in 1888 by the Mississippi Water Power and Boom Company.

The original dam was used to sort logs for downstream milling operations. In 1903 the dam is used for recreational purposes. Some of the people associated with the Brainerd Public Utilities purchase of the former Wausau Paper hydro facility paused for a picture. They are, from left to right: BPU Finance Director Todd Wicklund, Superintendent Scott Magnuson, Commission President Bill Wroolie, Lead Hydro Operator Mark Levig and Electric Supervisor Trent Hawkinson.

MMUA Executive Director Jack Regel is chair of the Local Arrangements Committee and is working closely with APPA staff on a variety of details, including suggesting speakers for sessions, assembling the gift bag, and coordinating volunteers to work at the welcome desk.

Bob Jagusch, MMUA’s director of engineering and policy analysis, will participate in a Sunday, June 7, half-day pre-conference panel discussion on Preparing for EPA’s CO2 Regulation for Existing Power Plants. Jagusch will reprise that performance on Tuesday, June 9, with a discussion meeting.

Agreement: see back page please

National convention comes to Minnesota, will have local flavor
A once in a lifetime opportunity is coming up for Minnesota municipal utility people, as the American Public Power Association (APPA) holds its annual meeting Tuesday, June 5-10, at the Minneapolis Convention Center.

The National Conference helps utility leaders connect with partners and peers while learning about the complex issues facing public power utilities. The program features leading political, economic, business and public policy thinkers addressing the critical issues shaping our industry’s future.

MMUA members and staff will be well represented, and not just in the audience.

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The processor

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With the Mississippi River as a backdrop, some of the people associated with the Brainerd Public Utilities purchase of the former Wausau Paper hydro facility paused for a picture. They are, from left to right: BPU Finance Director Todd Wicklund, Superintendent Scott Magnuson, Commission President Bill Wroolie, Lead Hydro Operator Mark Levig and Electric Supervisor Trent Hawkinson.

Agreement: see back page please

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Northwest Paper Company expanded its operations from Cloquet to Brainerd when it acquired the Northern Water Power Company. The paper company made a number of improvements and construction of a new mill began in 1915. This project included a new hydroelectric system and rebuilt dam. The powerhouse was constructed in 1916. Spring flood waters in 1950 destroyed the original wood, rock and steel dam. The concrete dam, which exists today, was built to replace it. The dam is 32 feet high with a normal hydraulic head (water fall) of 20 feet. The powerhouse is designed to handle 1000 cubic feet per second (cfs) of water. The powerhouse feed water comes from a 1,500 foot deep well. The powerhouse was designed for a 2,000 gallon per minute (gpm) flow of water.

Agreement: see back page please

For more on the Brainerd Public Utilities hydropower facility, go to the ‘News’ section at www.mmua.org

MMUA Opines on Standby Service Tariffs
page 6

Generation, Meter Schools Held
page 5

Around the State
page 7

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For more on the Brainerd Public Utilities hydropower facility, go to the ‘News’ section at www.mmua.org
ty planning for the transition, and divided the total poten-
tial territory involved into eight transfer areas. Transfer dates for the areas vary and may be modified by mutual agreement. To coordinate the transfer and address broader issues of mutual interest, the utilities will meet at least once a year.

Settlement payments generally cover facilities costs, integration study that analyzes the affected area for the period of 10 years commencing on the first full year ending December 31, "each kilowatt-hour of electric energy supplied to the municipal by each third party to whom the municipal provides retail service in the affected area.

ERMU will also make no loss of revenue payments for service to facilities such as street lights, lift stations, and other municipal infrastructure. For one of the areas, ERMU agreed to pay 22 mills per kilowatt-hour (kwh), for a period of 10 years. This payment is contingent upon the deferral of the municipal constructing a tie-line and the parties entering into a separate interconnection agreement. The parties will annually establish an indexed mill rate for the loss-of-revenue component. The index will be established using the Gross Domestic Product – Implicit Price Deflator prepared by the Bureau of Economic Analysis of the United States Department of Commerce. The indexed mill rate will apply to any area transferred during that year. If the index produces an increase or a decrease in the rate of compensation greater than two percent for any year, the amount of the increase will be capped at two percent.

For each area transferred, the indexed loss of revenue rate will be recalculated for each year throughout the 10-year compensation period.

Any area ERMU or the city owns or acquires at its cost or risk and develops, without requiring a property owner to pay the costs of trunk utility facilities or streets, the loss of revenue rate will be one cent ($0.01) times each kwh sold, provided that the municipal’s payments shall not exceed 250,000 kwh of usage over the 10-year period. This rate shall also be indexed.

Sales will be determined based upon actual meter readings.

The parties agreed to separately negotiate in good faith and enter into an interconnection agreement, to address the cooperative’s interconnection with the municipal’s system due to the deferral of a tie-line. The interconnection will serve as backup service to a certain area until the transfer date, and will also serve as an emergency interconnection.

It is anticipated the interconnection agreement will address metering, SCADA, coordination with power suppliers, mutual operating guidelines, and related issues.

The parties have a long history. The new territory agreement replaces a 20-year agreement signed in 1991. For areas it acquired under that agreement, the municipal paid 3.5 mills per kwh sold for a 10-year period. The 1991 deal included a franchise agreement allowing Anoka Electric Cooperative (forerunner to Connexus) to serve certain areas of the city. The agreement included a “demarcation line,” to establish the areas within the city served by the cooperative which would remain with the cooperative. Finally, it also included a power sales agreement, whereby ERMU purchases power from Great River Energy (which was formerly headquartered in Elk River) through a contract with Connexus.

In 2008, ERMU began re-searching power supply options after Connexus gave it a 10-year termination notice on the power contract. In June 2014, ERMU became a member of the Minnesota Municipal Power Agency (MMPA).

Rule intends to improve gas-electric coordination

The Federal Energy Regulatory Commission (FERC) on April 16 signed off on a final rule that is intended to improve coordination of wholesale natural gas and electricity market scheduling. The move comes as the country increasingly relies on natural gas for electric generation. FERC declined to adopt a proposal that would have changed the start of the “gas day” from 9 a.m. Central Clock Time (CCT) from the current 9 a.m. CCT start.
APGA urges lawmakers to act on findings that pipelines overcharged consumers

On March 27, the American Public Gas Association (APGA) and the Process Gas Consumers Group (PGC) urged the chairman and ranking members of the Senate Committee on Energy and Natural Resources and the House Committee on Energy and Commerce to review the recently released Natural Gas Supply Assessment (NGSA) study, which found that interstate natural gas pipelines overcharged consumers by $3 billion from 2006 to 2013, and to address this urgent problem by passing legislation to amend Section 5 of the Natural Gas Act (NGA). APGA and PGC’s letter argues that the 2015 NGSA study shows that this $3 billion of over-recovery is an increase of $300 million over last year’s study, contradicting the pipeline-proffered notion that over-recovery is an issue being solved by the market. Moreover, the letter also points out that pipelines never argue that they are not over-recovering; only that if caught, they should not have to refund the overcharges. The letter concludes that the only way to resolve this persistent problem of unjust and unreasonable rates is for Congress to pass legislation to amend Section 5 of the NGA to provide the Federal Energy Regulatory Commission (FERC) with refund authority. Only then will natural gas customers have the assurance that the pipeline monopolies’ rates will be in compliance with the just and reasonable mandate of the NGA.

Also on March 27, the Department of Energy (DOE) held a meeting on the Notice of Proposed Rulemaking (NOPR) proposing a national-wide 92 percent efficiency standard for natural gas furnaces. Under this NOPR, non-condensing natural gas furnaces would be eliminated from the marketplace after a five-year time period since condensing natural gas furnaces are the only furnaces that can achieve at least 90 percent efficiency. APGA is extremely concerned that this NOPR will have an adverse impact on millions of Americans who currently use natural gas to heat their homes. APGA maintains that the costs incurred as a result of the additional venting requirements associated with replacing a non-condensing natural gas furnace with a condensing furnace will push many residential customers—particularly those in warmer climates—to purchase and install less efficient home heating alternatives with potentially higher greenhouse gas emissions.

In its opening statement, APGA reiterated many of the concerns we have communicated in the past regarding DOE’s efforts to set natural gas furnace efficiency standards: lack of transparency; failure to recognize non-condensing furnaces as a separate product class; failure to account properly for fuel switching; reliance on proprietary data; data averaging; etc. The comments also express concerns that the NOPR, by eliminating non-condensing furnaces from the marketplace is, among other things, taking away customer choice, discriminating against low-income persons, and precipitating fuel switching to less efficient energy alternatives—all to the detriment of the American public.

Earlier in the week, on March 25, APGA joined a Natural Gas Council comment letter to the Council on Environmental Quality (CEQ) in response to a CEQ revised draft guidance regarding the consideration of greenhouse gas (GHG) emissions and the effects of climate change in federal departmental and agency reviews under the National Environmental Policy Act (NEPA). Under the proposed CEQ draft guidance, over 80 federal agencies and departments would be required to consider GHG and climate impacts analysis as part of any NEPA review required for federal proposed projects. The CEQ guidance would be applicable to all land and resource management decisions. A number of gas infrastructure projects requiring inter-state natural gas pipeline projects, must undergo NEPA review and the concern is that this guidance, if adopted, would have serious impacts on the development of natural gas infrastructure. The letter urges the CEQ to “withdraw this draft guidance because it is inconsistent with NEPA, the implementing regulations and established legal requirements if allowed to stand, could have serious impacts on the development of our nation’s critical natural gas infrastructure.” The letter also communicates that the guidance “would create unnecessary litigation delays, costs and inefficiencies in the permitting of natural gas infrastructure projects while providing only speculative environmental benefits.”

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April 2015 The Resource/3
Minnesota Municipal Utilities Association and its partners—Minnesota Rural Electric Association and American Public Power Association—recently announced the program for the 2015 Underground School.

The school was planned by the MMUA Job Training & Safety Committee. The committee believes there is a class at the school for everybody, from the apprentice to experienced journeyman.

The program begins the afternoon of Tuesday, May 5, with three general sessions. MMUA Regional Safety Coordinator Joe Schmidt, CSP, opens the school with a presentation titled Safety Rules & Regulations: Do We Really Need Them? This session will focus on Personal Protective Equipment and a personal decision making process for PPE use.


Jim Stephens of 3M and Bill Bumgarner, Austin Public Utilities, will present on Table Top Splicing and Terminations. This session will focus on an alternative to compression connections, and will be ongoing, rotating students so each has an opportunity to participate.

Of course, this school is known for hands-on training on the line field, and this year’s program promises to deliver.

Hands-on training sessions include: Proper Cable Identification, Testing and Grounding Methods. Instructors will be Martin Meixell, Fairmont Public Utilities; Nick Hall and Sean McDowell, Rochester Public Utilities.

Directional Boring with Conduit into Substation Application will be taught by instructors Kevin Kollos of Ditch Witch and Wade Williams of Fairmont Public Utilities, along with John Egan, Sauk Centre Public Utilities, and a representative from Marshall Municipal Utilities. Underground System Maintenance and Repair will be led by instructors James Monroe of New Ulm Public Utilities, Brian Remme of Missouri River Energy Services/LaVerne and representatives from the Pierre and Watertown (South Dakota) Municipal Utilities.

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MMUA, partners hold annual Meter School at Training Center

MMUA held its annual Meter School March 10-13 at the MMUA Training Center in Marshall.

The school was offered in conjunction with the American Public Power Association and the Minnesota Rural Electric Association. Students were able to select either basic or advanced training.

Instructors were Larry Chapman of Chapman Metering, along with his staff to partner with the instruction. Chapman has worked in the metering business his entire career, and has been instructing at the MMUA Meter School for a number of years.

John Pollard of Southeastern Electric Cooperative was also on hand to partner with the instruction. Pollard spent 25 years at May Engineering and is now Metering Coordinator for Southeastern Electric Cooperative.

A Basic Meter pre-conference was held March 10-11. That instruction segued into the Basic Meter School March 11-13 and an Advanced Meter School was held concurrently on March 11-13. Both tracks used a combination of self-corrected meter exam, interactive classroom and hands-on training to present and reinforce the instruction.

MMUA, partners hold annual Meter School for MMUA Generation School

MMUA teamed with the American Public Power Association and the Fairmont and Madelia municipal utilities to offer its Generation School April 14-16.

The school opened the afternoon of Tuesday, April 14 at the Fairmont Energy Station. After welcoming remarks from MMUA Director of Job Training and Safety Mike Willetts, there was a presentation on Arc Flash and Why We Do Infrared Inspection of Critical Electrical Systems by Greg Wollan of American Training & Inspection. The late afternoon was taken up with a tour of the impressive Fairmont Energy Station, conducted by South-ern Minnesota Municipal Power Agency staff.

That evening, a generation product show and reception was held at the Fairmont Holiday Inn.

Students dispersed to either the Fairmont or Madelia power plants on Wednesday, for hands-on training. The Fairmont facility retains a Fairbanks Morse opposed-piston unit used solely for training purposes. Students practiced vertical drive removal, reinstallation and maintenance on this engine, overseen by Chris Farabee for Farabee Mechanical.

Rex Stormer, of EXLINE, led his charges through the basics of the Cooper-Bessemer ET-18 turbo, from an LSV engine turbocharger.

At the Madelia plant, Steve Lang of Fairbanks Morse led a session on blower inspection/maintenance.

Everybody gathered together again Thursday at the Fairmont Energy Station. The session started with a look at Station Power Batteries/Chargers, including maintenance the safe way, when to equalize and how to get the most life out of batteries. Willetts spoke on Arc Protection and Flame-Resistant Clothing and MMUA’s Bob Jagusch informed attendees on the federal regulations including the RICE Rule NES-HAPS and EPA Clean Power Plan.

Fairmont, Madelia act as hosts for MMUA Generation School

Steve Lang of Fairbanks Morse, standing at left, led the session on blower inspection/maintenance at the Madelia power plant. The students were soon tearing into the engine at right.

At Fairmont, students pulled a crankshaft as part of their training on vertical drives.

MMUA Training Center has extensive hands-on meter training facilities. Students here work along a wall dedicated to metering.

Movable metering work stations are also used extensively during the school.

MMUA’s Bob Jagusch informed attendees on the federal regulations including the RICE Rule NES-HAPS and EPA Clean Power Plan.

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MMUA’s Bob Jagusch informed attendees on the federal regulations including the RICE Rule NES-HAPS and EPA Clean Power Plan.

Mark Parsens from Chapman Electric talked with Ron Melson, left, superintendent of Mountain Lake Municipal Utilities.

John Pollard, formerly of May Engineering and now Metering Coordinator for Southeastern Electric Cooperative, led a classroom session.

Steve Lang of Fairbanks Morse, standing at left, led the session on blower inspection/maintenance at the Madelia power plant. The students were soon tearing into the engine at right.
MMUA files comments in MPUC docket on electric standby service tariffs

Minnesota Municipal Utilities Association (MMUA) April 15 submitted comments in a Minnesota Public Utilities Commission inquiry into standby service tariffs.

This docket is of particular note, in part, due to the proliferation of renewable energy resources, particularly solar, on utility systems.

While noting that municipal utility tariffs are not and should not be the subject of this proceeding, MMUA noted it had a duty to its members to warn the Commission about possible effects this docket could have on the consumer-owned electric utility sector and urged the Commission to limit the scope of its proceedings.

The proper scope of the proceeding, said MMUA, should be fair compensation to the utilities concerned for providing standby electric service with “standby service” being that service which is required under the Public Utility Regulatory Policies Act (PURPA). Diversions from this purpose into subjects that could be categorized as anti-regulatory or as legislative policy should be avoided as not relevant.

When state agencies over-emphasize public policy considerations relating to state-regulated utility rates, effects are felt in the consumer-owned sector as well, said MMUA. Of particular concern would be overt or indirect indications that Minnesota would be open to allowing non-utilities to sell electricity to non-utilities or to purchase electricity at wholesale in our state.

MMUA expressed other concerns as well, including the Department of Commerce (DOC) comments regarding “accurate accounting of all relevant value streams, including both costs and benefits...”

The idea of somehow including the benefits of distributed generation as part of calculating the appropriately recoverable costs may seem tempting, said MMUA. However, as shown in the recent efforts to determine a usable “value of solar” formula, trying to incorporate non-quantifiable public policy considerations into already complex calculations result in disappointing outcomes. At best, such public policy discussions belong at the Legislature.

Some of the design elements contained in the DOC report go so far as to assume that Minnesota is a retail competition state, said MMUA, and may serve to invite piecemeal de-regulation.

The DOC is not a legislative body, noted MMUA, and should not promote regulatory action counter to state statutes. At the very least, such a substantive public policy issue as overturning our decades-old electric service regulatory structure should be recognized as beyond the scope of this proceeding.

Unrelated issues that have been raised around the periphery of the subject at hand during events and in documents leading up to this proceeding must not be allowed to be slipped in. MMUA warned against threats to Minnesota’s regulatory framework that are casually referred to as “growing trends” or “common practices.” Such outside distractions ought not to redirect the Commission’s deliberations away from the concrete issues at hand.

MMUA’s comments were written by Bill Black, Government Relations Director. The MPUC docket number is 15-115.
April 24 will be the last day for Nate Mathews as Stewart Public administrator. He will start his new role as the Bemidji city manager on May 4.

The Minnesota Municipal Power Agency has gone to local authorities for permission to build a 150-kilowatt solar demonstration project just north of the wind turbine at its Fairbault Energy Park site. The 30-acre site also includes a 350-megawatt combined-cycle generating plant. The solar panels have been planned for the site from the beginning, as part of its educational emphasis.

Each year in May, nearly 1,400 fourth graders attended a tour event. Eventually, MMPA said it plans to install 13 solar demonstration projects, one in each of its member cities.

When faced with options in regards to expanding its electric substation, the Coldenon city council voted to buy two larger transformers. Reliability was the key consideration. If one transformer fails, the other will be able to carry the city’s load.

When complete, the project will mark a near complete overhaul of the city’s electrical system.

The Grey Eagle city council held a public hearing on bringing natural gas to the city on March 10.

The Princeton Public Utilities Commission and city of Princeton have agreed to pay 60 percent (up from an original 50 percent) of the estimated $1.25 million costs of a water, sewer and street improvement project. The rest of the costs will be borne by assessments on property owners. The commission provides water service. The project will result in improved water reliability and pressure for fire fighting.

Wadena Light and Water recently presented a customer a $37,371 rebate check for energy efficiency improvements.

Business owners in Lanesboro have voiced concerns over the city’s water rate usage resident equivalent unit (REU) system, being used in compliance with financing for a new water treatment plant. The goal of the system is to shift the burden of water use payments on to those using the most water.

A local golf course has requested the city council detach a small parcel of land from the city. The course is discussing drilling its own well.

Meanwhile, Lanesboro is projected to need a new wastewater treatment plant in approximately four years.

Lakefield Public Utilities staff has undertaken a project to replace all of the utility’s 2,000 water and electric meters. The new meters are radio controlled. The project will cost approximately $200,000. The utility has also moved to replace its postcard bills with statements stuffed in an envelope.

Brainerd Public Utilities has been investigating its power supply options. The utility met with a handful of interested companies in March.

Hutchinson Utilities Commission is offering eligible employees a retirement incentive program designed to trim costs and streamline the organization. Employees who meet age and service requirements are eligible. The incentive package offers one week of pay for each year employed by the utility up to a maximum of $20,000. Among the other incentives, employees will also receive the equivalent dollar value of one week of the employer’s contribution to the employee’s health and dental insurance for each year employed if they are currently enrolled in the insurance plan.

The utility has already eliminated an estimated $500,000 in employee expenses by not filling positions opened by recent retirements.

Preston Public Utilities is participating in a local economic development incentive program, by waiving hookup charges and offering certain rebates and credits, for a total incentive of $2,550.

The New Ulm Public Utilities Commission has authorized a project that will allow local artists to paint 10 fire hydrants in the downtown business district. The artists will submit drawings to the local Chamber of Commerce, and a committee will select the winners.

Nashwauk Public Utilities Commission has approved collaborating with the city of Keewatin on a wastewater treatment pond study. A study has been conducted on Keewatin’s current facility, and an upgrade would cost $5 million.

The city of Biwabik Public Utility Commission has begun to install 208 light emitting diode (LED) street lights. The new lights will replace high pressure sodium and mercury vapor lights. The new lights are projected to last up to 15 years and will save Biwabik $4,400 per year in energy costs. The PUC has also been encouraging customers to buy and use LED lights in their homes and offers a rebate of $5 per bulb, up to six bulbs per year. This summer, all fluorescent lights in city hall will be changed to LED.

Clarence Kadrmas, 69

Clarence Lee Kadrmas, 69, of Eden Prairie, passed away Friday, April 3, one year after his cancer diagnosis. Clarence was a 1963 graduate of Dickinson High School and a 1970 graduate of North Dakota State University. He was an electrical engineer until his retirement. He resided in Willmar from 1972-1988. During that time, he was employed at Willmar Electric Service and then Willmar Municipal Utilities. He resided in Hutchinson from 1988-2003 and was general manager of Hutchinson Municipal Utilities.
Eleven more municipal employees graduate from Firstline Supervision leadership course

Eleven more individuals recently completed the Minnesota Municipal Utilities Association Firstline Supervision/Leadership course through Central Lakes College. Nearly 300 municipal employees have completed the leadership series which is offered at CLC’s Brainerd campus and MMUA headquarters in Plymouth.

Recent graduates include:
Nick Bleess, Cole Richard-
son and Mike White of Blue Earth, Sam Arnnzen, Trent Hawkinson and Julie McCullough of Brainerd, Nate Zimmerman of Janesville, Wes Anway of Cannon Falls, Brian Johnson of East Grand Forks, Mike Grabow of Litchfield and Robert Heine of New Prague.

The utility management program was developed in 1988 and has graduates in MMUA member cities all over Minnesota. The program is a cooperative effort between MMUA and the CLC Business and Industry Center, designed to provide the leadership skills needed in challenging times.

The 68-hour course is offered in four three-day sessions over two years. Participants work with and learn from each other, trained facilitators and instructors, internationally recognized Achieve Global leadership materials and specially created units with a utility focus.

Public works directors, finance and office managers, customer service personnel, utility superintendents, crew supervisors, parks directors, and other municipal employees from municipal power and water/wastewater departments have benefited from this highly interactive program that emphasizes core leadership skills, performance management, communication, and handling challenging situations.

MMUA staffers to play significant roles at upcoming APPA Engineering and Operations Conference

MMUA staff will be among the presenters at the APPA Engineering and Operations Conference, May 17-20, in Sacramento, Calif.

Mike Willetts, MMUA Director of Training and Safety, will present a full day Sunday, May 17, pre-conference seminar on New OSHA Regulations for Public Power Utilities.

The Occupational Safety and Health Administration (OSHA) in April updated the §1926 Subpart V (Construction) and §1910.269 (General Industry) standards to ensure greater alignment and consistency between electric power generation transmission and distribution. The final rule includes requirements for electrical protective equipment and revised utility workplace safety standards.

Willetts will present an in-depth look at arc flash, including how to determine training requirements based on risk potential and hazards and how to train workers to recognize, control, and avoid electrical hazards at the worksite.

On Tuesday at the meet-

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Recent graduates include, from left to right: Robert Heine, New Prague; Wes Anway, Cannon Falls; Brian Johnson, East Grand Forks; not pictured, Mike Grabow, Litchfield.

More recent grads include, from left to right: Nate Zimmerman, Janesville; Julie McCullough, Brainerd; Nick Bleess, Blue Earth; Sam Arnnzen, Brainerd; Trent Hawkinson, Brainerd; Mike White, Blue Earth; and Cole Richardson, Blue Earth.

World Forward

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People at HM Cragg know power and support our exceptional products with integrity and expertise to provide sustainable power solutions for your business.

Marc Machacek, MMUA Regional Safety Coordinator, will present a Monday, May 18, Accident Investigation Workshop. Those attending will participate in a series of facilitated, interactive accident investigations based on real-life scenarios.

The next day, Robert Jagusch, MMUA Director of Engineering and Policy Analysis, will join a Washington attorney and Joe Nipper, APA’s Senior Vice President of Regulatory Affairs & Communications, for a look at New EPA Rules: Impact on Public Power. EPA’s attempt to regulate carbon dioxide emissions by power plants through the proposed New Source Performance Standards (NSPS) for existing power plants is attempting to define not just an environmental policy but a new energy policy, notes the conference brochure. There are many questions for utilities on what the future will bring and how to be prepared.
Big Lake Township board of supervisors March 25 voted to submit a letter to the Minnesota Public Utilities Commission opposing a proposed 240-acre solar farm in the township. The project developer, according to published reports, proved unpopular when he told the supervisors all permits for the installation would be through state offices.

Representatives of NextEra Energy Resources met with the Lyon County Board March 17. The company has proposed a 62.25 megawatt solar generating installation on 474 acres. A group of five area families has objected to the project in filings with the Minnesota Public Utilities Commission. They argue that the proposed project violates the prime farmland provision by the MPUC as part of Xcel Energy’s 2014 Solar Resource Solicitation.

One homeowner has asked the company to buy his home, which will be surrounded on three sides by solar panels. The company said it is not obligated to buy him out.

Xcel Energy said March 30 that it expects to raise its Minnesota electric rates by 6.1 percent under a two-year rate hike approved by state regulators. It is the fifth straight annual rate hike for Minnesota Xcel customers. Regulators approved a plan to disconnect company profits from the amount of electricity it sells. That plan, called decoupling, seeks to promote energy efficiency and goes into effect in 2016. The company was granted a 9.72 percent return on equity, lower than the 10.4 percent requested by the company.

Residential electricity customers in most areas of the country experienced large increases in retail electricity prices during 2014, with the average U.S. residential price increasing 3.1 percent over the previous year, according to a report from the federal Energy Information Administration. The increase represents the highest annual growth rate since 2008.

According to another EIA analysis, federal energy subsidies fell by more than $8.7 billion between fiscal 2010 and fiscal 2013, but financial backing for renewable sources of electricity jumped by $4.4 billion during the same period. In fiscal 2013, renewable electricity, mostly solar and wind, pulled in 72 percent of all electricity subsidies, according to the EIA report released March 12.

EIA said expiring tax credits for ethanol and biofuels were partly responsible for a 25 percent drop to $29.3 billion in federal subsidies to the energy industry in fiscal 2013. However, subsidies related solely to electricity increased 18 percent between fiscal 2010 and fiscal 2013. Total subsidies to wind energy increased from $5.5 billion to $5.9 billion between FY 2010 and FY 2013. Subsidies for traditional fuels showed little growth or declined during the three-year period.

U.S. crude oil production during 2014 showed its largest volume increase since recordkeeping began in 1900, reported the EIA in March. On a percentage basis, output in 2014 increased by 16.2 percent, the highest growth rate since 1940. Most of the increase during 2014 came from North Dakota, Texas, and New Mexico where hydraulic fracturing and horizontal drilling were used to produce oil from shale formations.

In percentage terms, the 2014 increase is the largest in more than six decades.

Philip Moeller is a commissioner at the Federal Energy Regulatory Commission (FERC) and has talked with the U.S. Environmental Protection Agency (EPA) about the EPA’s proposed plan to reduce carbon dioxide emissions from existing power plants. In these interactions, Moeller said at an April 9 forum, that he tries to emphasize that with gas needing to go to 70 percent dispatch as a compliance mechanism, and with a great expansion of renewables envisioned, “that we’re going to need the pipes and wires that aren’t there now.”

Moeller said that “you’ve seen a couple of studies – particularly on the gas side, that say, ‘We have enough capacity.’ But those have very poignantly not focused on peak demand, which is when we need it.”

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April 2015 The Resource/9
service Room, City Hall - Room W215, 600 Demers Ave., East Grand Forks, MN 56721 or found at www.esf.mn. All applications must be received by the Civil Service by 5:00 PM on May 1, 2015.

Assistant Public Works Supervisor

The city of Breezy Point is accepting applications for a full-time Assistant Public Works Supervisor. This position is second in charge and performs maintenance of roads, parks, cemetery, and other facilities. Maintenance and construction activities may include manual labor or the use of heavy equipment. The position requires a minimum of a high school diploma, heavy equipment school or equivalent experience, and a Class A CDL. The job description, application for employment, and supplemental questionnaire are available at Breezy Point City Hall, 8319 Co. Rd. 11, Breezy Point, MN 56472 or on the website at www.cityofbreezypointmn.us. Completed application and supplemental questionnaire must be submitted by 4:30, May 1, 2015. Salary range is $16.77 to $23.49.

Superintendent

The Sauk Centre Public Utilities Commission is accepting applications for the position of Superintendent. This position will be responsible for the operations of the Electric, Water and Wastewater Departments. The Utility has 2,270 Electric customers, and 1,670 Water-Wastewater customers. There are 13 full-time employees. The population of Sauk Centre is 4,317. A new water treatment plant was built in 2000 and a new wastewater treatment plant in 2010. The requirements for this position are: Must have at least 5 years of Superintendent-General Manager or other supervisory experience in the Utility Field of Electric, Water or Wastewater or has an accounting degree and has a strong background in supervising and communication. Applications and cjob description are available at our office at 101 Main Street/ P.O. Box 128 Sauk Centre MN 56378. Applications are due by April 30, 2015.

Supervisor, Customer Service

The Owatonna Public Utilities (OPU) has an opening for a Supervisor in our Customer Service Department. This position is responsible for the overall direction and supervision of the Customer Service Staff which includes resolving customer issues, scheduling and assigning work, performance management, process development and resource allocation. Qualifications for this position are the following:

- High School Graduate or GED is required. Two-years related college level training.
- 2 years utility company experience or an equivalent combination of experience and education that provides the knowledge and skills needed to direct the operation of a Customer Service Department is required.
- 2 or more years of Customer Service experience is desired.
- Supervisory experience desired.
- Good working knowledge of Microsoft Suite (Outlook, Excel, Word) is required.

- Must possess proficient planning/organization skills prioritizing all work activities of the department. Adapts to varying work situations, develops improved work processes, and completes goals and objectives on time.
- Responds promptly to customers’ needs. Ability to resolve complex/difficult customer issues. Maintains confidentiality.
- Develops workable implementation plans for the Department and communicates changes effectively.

If interested, an OPU Employment Application can be picked up at the OPU main office, 208 S. Walnut Avenue or obtained from our website at www.owatonnautilities.com. Completed applications must be received in our office by April 30, 2015. Equal Opportunity Employer EO-E/M/F/H/V

WANTED

The City of White Bear Lake is looking for a late model Digger Derrick truck, with a lifting capacity of 10,000-12,000 lbs. at the 10-foot reach. If you have one for sale, call Superintendent Ron Melson at 507-427-2999, ext. 6, or 507-822-0212

For a complete and up-to-date list, see the ‘Classifieds’ section at www.mmua.org/news

April 2015 The Resource/11
Brainerd: continued from front page

years, were installed in 1919. They continue to churn out power. Controls are manual. Generating capacity is approximately 3.3 megawatts (MW). BPU had an approximately 30 MW peak in 2012, but lost approximately 12 MW of load when the paper mill was shut down. Before buying the dam, BPU owned the line from the powerhouse to a substation, approximately 3.7 miles away.

The hydro plant is the first generation owned by BPU. Increasing the generating capacity of the facility is under study. Five people work at the facility, which is staffed around the clock. Since the acquisition, BPU has reworked the electrical system from the generators to its distribution system. The utility is in the process of planning a number of improvements to the facility and surrounding property, which includes a trail on the west side of the river.

The dam, according to a 2013 report by a consultant as part of a federally-mandated inspection, is in fair condition, with no significant safety concerns. A 2014 underwater dive inspection investigated the condition of the gates and tailrace area. The concrete spillway apron is under repair, with one side being completed this past fall and winter.

To finance the purchase and certain improvements, BPU issued $5.3 million in electric revenue bonds. The dam is classified as a high-hazard dam because failure of the dam during a flood event may result in the loss of life and significant property damage downstream.

The existing FERC license expires in 2023. FERC regulations require hydropower relicensing activities begin five years in advance of relicensing, so activities will begin in approximately 2018. As part of future relicensing, environmental mitigation recommendations and requirements may be more

BPU Superintendent Scott Magnuson surveys a portion of the powerhouse from a catwalk.

Public hydropower in Minnesota

<table>
<thead>
<tr>
<th>Owner</th>
<th>River</th>
<th>Capacity (MW)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brainerd</td>
<td>Mississippi</td>
<td>3.3</td>
</tr>
<tr>
<td>Granite Falls</td>
<td>Minnesota</td>
<td>1.2</td>
</tr>
<tr>
<td>Hastings</td>
<td>Mississippi</td>
<td>4.5</td>
</tr>
<tr>
<td>Lanesboro</td>
<td>Root</td>
<td>0.1</td>
</tr>
<tr>
<td>Redwood Falls</td>
<td>Redwood</td>
<td>0.5</td>
</tr>
<tr>
<td>Rochester</td>
<td>Zumbro</td>
<td>2.3</td>
</tr>
<tr>
<td>St. Cloud</td>
<td>Mississippi</td>
<td>8.8</td>
</tr>
<tr>
<td>Thief River Falls</td>
<td>Red Lake</td>
<td>0.6</td>
</tr>
<tr>
<td>Blue Earth County</td>
<td>Blue Earth</td>
<td>4.9</td>
</tr>
<tr>
<td>Dakota County</td>
<td>Cannon</td>
<td>2.6</td>
</tr>
</tbody>
</table>

Meeting: MMUA staff and members serve as speakers

on EPA’s Clean Power Plan, or Section 111(d) Proposal: The Big Picture. The session will explore what to expect in EPA’s final rule for carbon dioxide emissions from existing power plants.

Breakout sessions Tues-

The coffee ‘can’ might be moder-

and may result in the loss of

stringent than occurred when

the FERC hydropower license

was first issued and could in-

clude elements such as control

plans for zebra mussels and

other invasive species, modi-

fications to the dam to allow

for fish passage, and provid-

ing recreational enhancement

and opportunities.

The entire process result-

ed in a lot of extra work for

BPU staff and commission,

but they have found much of

it very interesting and

appear quite satisfied with

the steady electrical output from their hydro facility.

This view of the dam and spillway shows the two large bascule gates.

This view of the powerhouse obscures the dam, which is to the left.