Planning ramps up in preparation for Lineworker Rodeo

If you’re going to host an event with 2,000 people attending, followed by a banquet with 1,000 sitting down to eat, you had best start planning early. That’s the kind of crowd expected April 2, 2016 at the 2016 American Public Power Association (APPA) Lineworkers Rodeo, to be held at Canterbury Park in Shakopee.

A key date in planning for the event occurred Sept. 30, as Shako- peo Public Utilities (SPU) hosted a meeting, called by MMUA, of selected municipal utilities. The meeting included a tour of the site and its main purpose was to identify accountable leadership for specific aspects of the event.

“Because the scope of the event and numbers attending could swamp either MMUA or any one of its members, working together promised to be available, and the members (and associate members) responded with 16 bucket trucks and a digger derrick. Three of the trucks were provided by MMUA associate members.

When the MMUA Job Training and Safety Committee picked the topics and programs for the school, some expressed concern that there would not be enough trucks to teach the classes that were selected.

Overhead School: see page 6 please

Boom town

Fast pace, dedication keep work interesting for Thief River's Narlock

by Steve Downer

Dale Narlock has worked for Thief River Falls Municipal Utilities for 37 years, and it has never been boring—least of all now.

For one thing, Thief River Falls is booming, and that is contributing to changes at the utility.

The city has 8,600 residents, but surveys show employers in the city provide more than 10,000 jobs. Digi-Key, an electronics component distributor, employs more than 2,600 people and is reportedly growing by more than 10 percent annually.

Business is also good at Arctic Cat, located adjacent to Digi-Key (and the utility headquarters) and with other manufacturers in the region, including Marvin Windows in Warroad, Polaris in Roseau and others. In addition, Grand Forks, North Dakota is 50 miles to the west, and the booming Bakken oil field a handful of hours farther west.

A recent housing study cites a need for 90 new housing units annually in the Thief River Falls area. Over the last decade, 131 new single-family homes have been built in the city. Seventy-five apartment units were built in the last two years, with another 84 being built this year.

Sanford Health recently opened a $57 million hospital on the south side of the city, bringing more jobs and related development.

Growth is good for a utility, but it also imposes costs.

Narlock, the electric superintendent, urged the city to adopt a facilities extension policy, which shares the cost of extending service between the utility and developers. Currently, the utility pays 60 percent of the upfront costs of extending service, and the customer 40 percent. On service upgrades, the percentages are reversed, with the customer paying 60 percent.

The municipal has also steadily expanded its electric service area, growing along with the city it serves.

To increase efficiencies, the utility is rolling out a $1.6 million Advanced Metering Infrastructure (AMI) project, with two-way communication from the utility to the meter and back. Staff started work on the project in the spring of 2013. Signals will be carried via a radio-frequency mesh system, passing through one of four gateways, which are in place. Meter installation is underway. If there is an issue on signal strength from the basement-located water meters, raising the level of the meter’s transmitter “lead” appears to solve the problem. A contractor is doing installations.

Narlock is excited about the prospect of being able to easily obtain

Thief River Falls: see back page please

MMUA Overhead School: Members drive success

Members provided an unprecedented level of support for the annual MMUA Overhead School, held Sept. 9-12 at the MMUA Training Center, in Marshall. The school was held in partnership with the American Public Power Association and the Minnesota Rural Electric Association.

The school was well attended, with 67 students, 16 instructors and eight MMUA staff members. The training required a record number of bucket trucks to be available, and the members (and associate members) responded with 16 bucket trucks and a digger derrick. Three of the trucks were provided by MMUA associate members.

Members providing trucks included Fairmont, Rochester (two), Austin, Sleepy Eye (digger derrick), Brainerd, Marshall, Elk River, Blooming Prairie, Lake Crystal, Detroit Lakes, New Ulm, plus trucks from associate members ABM, Altec and Duco.

When the MMUA Job Training and Safety Committee picked the topics and programs for the school, some expressed concern that there would not be enough trucks to teach the classes that were selected.

Overhead School: see page 6 please

MMUA's Jagusch in the trenches on ‘Clean Power Plan’

On June 2, 2014, the Environmental Protection Agency (EPA) released its proposed performance standards for reducing carbon dioxide (CO2) emissions from existing power plants under the Clean Air Act Section 111(d).

EPA’s so-called ‘Clean Power Plan,’ aims to cut carbon dioxide emissions from existing power plants—the single largest source of carbon dioxide emissions in the U.S.—by 30 percent from 2005 levels. By 2030 the rule, part of President Obama’s Climate Action Plan, is also projected to reduce the emissions that contribute to soot and smog by over 25 percent.

MMUA’s early focus on the proposal was making its views known to EPA. This included in-person testimony given by MMUA’s Jack Kegel and Bill Black July 30 in Denver and Bob Jagusch, July 30 in Washington, D.C.

The focus now has shifted to action in St. Paul, where Jagusch, MMUA’s Director of Engineering and Policy Analysis, has represented MMUA at ‘stakeholder’ meetings held at the Minnesota Pollution Control Agency (MPCA).

Jagusch: see back page please

MMUA Calls for Contested Case in IPL-SMEC Deal

The American Public Power Association provided official comments opposing Minnesota Power’s proposal to sell its interest in the Indian Point-Loring site, located near Shoreham, Vermont, for $76 million.

In its comments where released July 28, MMUA called on MMUA to "provide a full and fair analysis of the proposal" and "engage in a contested case hearing process to ensure that the best interests of the public are served."
MMUA calls for contested case in proposed IPL-SMEC territory transaction

Attorney General’s Office says ‘Whoa’ on IPL-SMEC transaction

Interstate Power and Light (IPL) and the Southern Minnesota Energy Cooperative (SMEC) have requested MPUC approval of an asset purchase and sale agreement that would transfer IPL’s Minnesota service territory and associated electric distribution system with current rights to serve more than 42,000 customers in southern Minnesota to 12 separate electric cooperatives, which formed SMEC. They have requested MPUC approval by the end of the year.

Not so fast, said the Minnesota Office of the Attorney General (OAG) in comments sent Oct 6 to the MPUC. The sale price is estimated at $121 million, subject to adjustments at the time of closing, which represents the book value of IPL’s Minnesota electric assets plus a gain on sale of approximately $35 million in project and transaction costs. State law requires a utility to seek approval from the MPUC to sell assets.

OAG see page 4 please

Since 1931

To unify, support and serve as a common voice for municipal utilities

Officers and Directors

President
Bill Wroolie, Brainerd
President-Elect
Troy Adams, Elk River
Secretary/Treasurer
Bob Elston, Sleepy Eye

Directors
Kevin Berg, Hawley
John Crooks, Shakopee
Mark Erickson, Winthrop
Greg French, Virginia
Chuck Heins, Redwood Falls
Chris Olson, Alexandria
 Vernell Roberts, Detroit Lakes
Jerry Williams, Rochester

Staff
Executive Director
Jack Kegel, jkegel@mmua.org
Associate Executive Director
Steve Downer, sdowner@mmua.org
Director of Engineering & Policy Analysis
Bob Iagusch, rigusch@mmua.org
Government Relations Director
Bill Black, blackb@mmua.org
Senior Government Relations Representative
Greg Oxley, goxley@mmua.org

Director of Finance
Larry Pederson, lp@mmua.org
Director of Administration
Rita Kelly, rkkelly@mmua.org

Accounting Assistant
Karen Enger, kenger@mmua.org
Administrative Assistant
Susan Coe, scoe@mmua.org
Director of Job Training and Safety
Mike Willetts, mwilletts@mmua.org
Job Training and Safety Instructor
Gary Greenwald, ggrenwald@mmua.org
Natural Gas Circuit Rider
Troy Dalhin, tdalhin@mmua.org
Safety Assistance Program Leader/Regional Safety Coordinator
Bob Sewell, bsowell@mmua.org
Bruce Westergaard, bwestergaard@mmua.org
Training Center Coordinator
Pete Wyffels, pwyffels@mmua.org
Regional Safety Coordinator
Bruce Bousu, bbousu@mmua.org
Al Czezock, aczezock@mmua.org
Don Grant, dgrant@mmua.org
Mark Hottel, mhottel@mmua.org
Julie Jelen, jelen@mmua.org
Dave Lundberg, dlundberg@mmua.org
Marc Machacek, mmachacek@mmua.org
Ryan Mihalka, rymihalka@mmua.org
Scott Murfield, smurfield@mmua.org
Joseph Schmidt, jschmidt@mmua.org
Kevin Thompson, kthompson@mmua.org
Chris Trembley, ccrembley@mmua.org

OAG: see page 4 please

Annual subscription rates: $12 per subscription (included in dues), associate members, $12 (included in dues).

An attorney general’s office says ‘whoa’ on a proposed transaction that will transfer the assets of Intersect Power and Light, LLC, to a group of cooperatives. The deal has been opposed by the Minnesota Municipal Utilities Association (MMUA).

The Minnesota Office of the Attorney General (OAG) on Thursday called for a contested case hearing in the proposed IPL-Southern Minnesota Energy Cooperative (SMEC) transaction.

The transaction includes a pre-approving the transaction. From further information and as Commission.

MMUA, and would benefit questions. But fundamental ques-

solutions, said MPUC on July 17-18, served in-

ommunications held at the

and as 12 separate electric coop-

tions remain unanswered, said

munications held at the

ommunications held at the

ommunications held at the

ommunications held at the

ommunications held at the

ommunications held at the

ommunications held at the
Debate over the merits of the Environmental Protection Agency’s proposed rule to reduce carbon dioxide emissions from existing power plants continues to dominate the electric utility landscape.

In Washington, big news came Sept. 16 when EPA announced that it was extending the comment deadline for the proposed rule to Dec. 1, 2014. The comment deadline was originally October 16, but the agency had been urged to extend the date by a number of parties. For example, more than 50 senators on Sept. 11 argued in a letter to EPA Administrator Gina McCarthy that the agency should extend by 60 days the existing comment period for the proposed rule. They said, among other things, that the extension “is critical to ensure that state regulatory agencies and other stakeholders have adequate time to fully analyze and comment on the proposal.”

Meanwhile, questions are being raised about whether the reliability impacts of the plan have been fully vetted, whether the EPA has the legal authority to act under section 111(d) of the Clean Air Act and whether the process is moving too quickly.

A number of state utility regulators offered their thoughts on the EPA plan at a hearing in the House of Representatives in September. Registrars from Arizona, Indiana, Maryland, Montana, Texas and Washington appeared before the House Committee on Energy and Commerce’s Subcommittee on Energy and Power. It was the subcommittee’s third hearing on the proposal.

Travis Kavulla, a member of the Montana Public Service Commission, used his testimony at the Sept. 9 hearing to point out that no grid reliability analysis has been conducted in his part of the country. “No one is in a position to reach conclusions about the regulation’s reliability implications for the Western grid,” Kavulla said in his prepared testimony, adding that such a study would not be completed by the original October comment deadline.

Kenneth Anderson, a member of the Texas Public Utility Commission, said that the proposed rule raises “substantial questions” around fairness, cost, implementation alternatives, system reliability “and whether compliance is even physically possible, at least within the timelines proposed by the EPA.”

Governors are also weighing in on the debate. On Sept. 9, 15 Republican governors sent a letter to President Obama in which they voiced concerns. The governors said that the “unambiguous language” of the Clean Air Act “expressly prohibits EPA from using Section 111(d) to regulate power plants because EPA already regulates these sources under another section of the Act.”

Moreover, even if EPA “did have legal authority to regulate power plants under 111(d), it overstepped this hypothetical authority when it acted to coerce states to adopt compliance measures that do not reduce emissions at the entities EPA has set out to regulate,” the governors wrote. Under federal law, EPA has the authority to regulate emissions from specific sources, “but that authority does not extend outside the physical boundaries of state lines,” the governors wrote.

Prior to EPA’s Sept. 16 action, a total of 31 state officials, including officials from state environmental agencies, energy offices and governors, offered a wide variety of opinions on the proposed rule in anticipation of filing comments. Some sought additional time to comment, while others asked for both additional time to comment as well as flexibility to meet the requirements of the final rule.

The American Public Power Association questions the feasibility of reaching EPA’s proposed interim emission performance level by 2020 and the final performance level in 2030. EPA suggests that fuel switching to natural gas would be a great interim step toward the long-term deadline but APPA points out that not all the natural gas pipeline and storage infrastructure is permitted or financed to meet the 2020 interim performance level. For some states, the reductions are so steep they will have no choice but to shut down coal plants as early as 2020. APPA believes that the EPA has not adequately considered the transition process.

The proposed rule would require existing fossil-fueled power plants to reduce CO2 emissions by a national average of 30 percent by 2030 through state-specific plans to achieve state-specific goals. Some states argue that these would result in retaining their CO2 emissions on an adjusted rate basis by as much as 80 percent and would not get full credit for the energy efficiency or renewable energy projects they are doing.

Another problem is that the “building blocks” that supposedly give flexibility act as impediments to states (or electric utilities) taking cost-effective regulatory steps to reduce CO2 in a timely manner. A final rule is expected in June 2015.

With Congress in re-election mode, APGA active on regulatory front

Congress returned for a few weeks after a month-long August recess, but has now departed for the November elections. Congress will return for a lame duck session in mid-November at which time they will work to pass legislation that continues funding of the federal government. There is also a possibility that they will try to move legislation to extend expiring tax credits. The outcome of the November elections is anticipated to be an important factor in determining congressional action during the lame duck session. While there has been much productivity in terms of congressional efforts to try and move legislation, APGA continues to try to be very active on the regulatory front.

On Sept.18, Commissioner Moeller of the Federal Energy Regulatory Commission (FERC) convened a meeting to discuss ideas to facilitate and improve the way in which natural gas resources are utilized, and to explore the concept of establishing a centralized trading platform for natural gas.

The meeting was very well attended by representatives from APGA, investor-owned gas sys- tems, pipelines, regional transmission organizations, generation marketers, producers, and other interested stakeholders. It appears that one of the primary drivers for the meeting was concern within the electric industry regarding the lack of liquidity for natural gas trading during weekends, holidays, etc. Com- missioner Moeller presided over the meeting and was the only Commissioner in attendance. It is important to note that while this meeting and issue were given a FERC docket number for purposes of accepting comments, this is not an official FERC proceeding.

The meeting began with Commissioner Moeller communicating that the purpose of the meeting was to serve as a forum for discussion. A consistent point made throughout the meeting was the need for short term gas as a bridge and long term gas as a “secure energy future.” The ability to integrate and fully recognize the benefits of a smart energy future is an important and complex process. The concept of smart natural gas meters and demand side programs can be a very important aspect in how a utility can help a customer control cost as well as predict demand. As the gas-electric relationship continues to evolve, the need to incorporate both smart electric and smart natural gas meters will become even more critical to ensure our infrastructure’s reliability.
OAG: continued from page 2

worth more than $100,000. The OAG said that a contested case proceeding would provide valuable information to the MPUC regarding the public interest aspects of the proposed transaction. Specifically, it said, “While the OAG has identified several potential detriments in the agreement for ratepayers, some of the benefits purported by petitioners remain unclear.”

If the MPUC did not order a contested case, the OAG said, it recommended approval of the proposed transaction “only if IPL agrees to forego its gain on sale, that IPL pay for other transaction costs of the agreement, and that the transaction be adjusted to compensate ratepayers for increased power costs.”

OAG noted several concerns with the proposed agreement as structured. Its analysis is that the agreement “could significantly harm IPL’s current ratepayers by increasing the costs of providing their utility service without providing equivalent offsetting benefits.”

In addition to increasing the rate base for IPL’s distribution assets without providing any additional capital assets, various SMEC cooperatives will need to spend millions of dollars to interconnect IPL’s current customers with their respective cooperatives, noted OAG. A preliminary list of projects indicates the cooperatives anticipate needing to pay nearly $1.6 million just to interconnect approximately 5,000 customers. This list could presumably grow.

The transaction will lead to compounding rate increases of 5.7 percent in 2015, 4.5 percent in 2016 and 5.2 percent in 2017. The OAG said claims that the transaction will reduce costs for ratepayers overall due to a combination of factors “appears to rely on speculative, exaggerated, and seemingly contradictory evidence.”

Assertions that the three years of rate increases are lower than the rate increases that could be justified by IPL are “not reasonable,” said the OAG.

In addition, the OAG, its analysis “reveals what appears to be inconsistencies with how they calculate the purported ratepayer benefits of the agreement . . . The OAG has significant concerns that petitioner’s benefit analysis does not provide accurate comparisons of the applicable costs of providing utility service to IPL’s customers with or without the proposed transaction.”

In addition, the benefit analysis “incorporates several questionable assumptions,” including a questionable estimated rate of return, which appears far too low.

“After considering the increased costs of generation and the costs of interconnecting IPL’s customers, the transaction is likely a detriment to ratepayers,” stated the OAG.

In conclusion, the OAG said the purported benefits to ratepayers remain unclear, although some detriments are clear. Petitioners admit that rates for IPL customers will increase immediately following the transaction but have failed to provide credible analysis to substantiate their claim that ratepayers would receive an overall benefit . . . Therefore, the OAG recommends, that at a minimum, the Commission establish a procedure that allows parties to make additional recommendations/conditions.”

MMUA sets Legal Seminar for Nov. 6

Attorneys serving cities with municipal utilities should mark Nov. 6 on their calendars for the 2014 Municipal Utilities Legal Seminar.

Our state takes regulation seriously. And things can get complicated.

To aid the legal professionals serving the industry, MMUA is offering a full-day legal seminar focused on recent developments affecting electric, water, wastewater, telecom utilities and stormwater. Earn six CLE credits while getting the latest information you need for the cities that rely on your guidance in order to provide essential services. The meeting, hosted by Minnesota Municipal Utilities Association, will be held at the Crowne Plaza, Plymouth.

Attorney-speakers will address the following topics:

• City Sales Tax Exemption & Utilities
• New Stormwater Permit Requirements
• Well Sebark Enforcement
• Exclusive Electric Service Rights
• Developments in Government Data Practices
• Telecom Lines & Devices on Utility Poles
• 2014 Women’s Economic Security Act
• Permits for Utility Work

For more information call Bill Black at MMUA. For registration information, call Rita Kelly.

Renewables, gas pace generation additions

New generation capacity added in the first six months of 2014 came exclusively from natural gas and renewable energy sources, according to the federal Department of Energy, Energy Information Administration.

The agency said the electric grid added 4,250 megawatts of utility-scale generation through the first six months of the year, with natural gas plants accounting for 2,179 MW, or about 50 percent. Solar panels contributed 1,146 MW, or about 26 percent, with wind checking in at 675 MW, or 16 percent.
Shakopee Public Utilities Electric Superintendent Marv Athmann, standing at right, discussed aspects of the upcoming 2016 American Public Power Association Lineworkers’ Rodeo. Standing at left is MMUA Job Training and Safety Director Mike Willetts.

The group took a short drive from the Shakopee Public Utilities Commission headquarters to Canterbury Park, site of the upcoming rodeo. Among those listening to Athmann describe the site is MMUA Executive Director Jack Kegel, right foreground.

continued from page 1

is necessary to pull off a successful event,” said MMUA Executive Director Jack Kegel. “Together, we can make Minnesota’s municipal utilities shine and put together the best rodeo ever.”

The national rodeo is billed as the ultimate venue for public power lineworkers to demonstrate their skill and knowledge. Journeyman and apprentice lineworkers can compete for professional recognition, attend training courses and practice essential skills in a safe environment.

Since its inception in 2001, the event has attracted public power lineworkers from all over the United States and some U.S. territories, to demonstrate their skill and knowledge in the craft of linework.

The Sept. 30 meeting focused largely on a discussion of logistics and construction of the rodeo site, which will be on an expansive gravel, overflow parking area adjacent of Canterbury Park in Shakopee. The site is familiar to many as site of a recent MEGA Utility Expo and hard parking is adjacent to the rodeo site.

The Rodeo is divided into journeyman and apprentice classes, with five events in each class. The journeyman class will be held on pole lines built to three-phase specifications. That means materials will have to be purchased (or donated) and labor supplied to build five, 18-pole ‘pole lines’ for the journeyman class, and four more for the apprentices.

“Materials can all go back into a utility’s stock or inventory,” said MMUA Job Training and Safety Director Mike Willetts, who is spearheading the effort along with SPU Electric Superintendent Marv Athmann. “What we are really talking about is labor costs. We are looking for volunteer labor.”

Teams are being formed to coordinate construction of the necessary lines for each event. The overall Site Plan Development Team is led by SPU Planning/Engineering Director Joe Adams. Under that umbrella, Construction and Leadership Teams are formed. The leadership track includes a written test, which will be administered by SPU.

Construction Coordinator volunteers include:

• Lead Apprentice
  Event #2 - Hurtman Rescue: Jeff Bechthold, MRB/Barry Meixell, Fairmont/Trent Hawkins, Brainerd
  Event #3 - Dick Thyne, Willmar/John Egan, Sank Centre
  Event #4 - Toby Saxon, Chaska/Dave Meyer, Glencoe
  Event #5 - Roger Warehime, Owatonna/Bob Elston, Sleepy Eye

• Lead Journeyman
  Event #1 - Hurtman Rescue: Jeff Bechthold, MRB/Marty Meixell, Fairmont/Trent Hawkins, Brainerd
  Event #2 - Roger Moltzan, Detroit Lakes/Mark Fuchs, Elk River
  Event #3 - Marv Athmann, Shakopee/Brace Reimers, New Prague
  Event #4 - Larry Lamote, Marshall/Dave Hunstad, Hutchinson/Larry Birge, New Ulm
  Event #5 - Russ Nelson, Austin/Minnetonka

“These utilities are just the leadership for each event,” Willetts said. “If somebody else wants to get involved, please call me or any of the utilities listed.”

Plans call for the lines to be built next year, to be used for the spring 2016 event. To ease logistics, plans call for all materials be purchased by SPU and come out of the SPUC inventory, with the individual contributing utilities settling up individually.

While action on the pole lines is the event’s focal point, with 2,000 people at the field many other activities and services need to be provided, from porta-potties to medical facilities and children’s events, right down to who is going to bring the pens, clipboards and stopwatches. For example, SPU is handling concurrency said it believes the two (a through a partnership with Scott County) and trailer drop-off coordination.

For pre-registration alone, 25 volunteers are needed.

“Various utilities have expressed an interest in helping,” Willetts said. “Anybody can get involved.”

At the Sept. 30 meeting, many of the list of approximately 65 duties had a person assigned as responsible for its completion. Some remain unclaimed, and many of the duties will take a squad of people to handle. If you are interested in finding out more and/or getting on a list of rodeo volunteers, please call Rita Kelly at MMUA.

The APPA Lineworkers Rodeo will be held in conjunction with the APPA Engineering and Operations Technical Conference, which will be held April 3-6 at the Hyatt Regency Minneapolis.

From APPA

A federal appeals court has ruled that the U.S. Environmental Protection Agency (EPA) cannot force three Wyoming power plants, including the Laramie River Station near Wheatland, Wyo., to install expensive pollution-control equipment until a legal challenge to the EPA rules is settled in court.

The EPA order would require the Laramie River Station, a large coal-fired power plant, to install selective catalytic reduction (SCR) equipment by 2019 to reduce regional haze in order to continue full operations, said Missouri River Energy Services of Sioux Falls, S.D., a participant in the plant. The plant’s co-owners estimate that SCR equipment for the 1,710-MW plant would cost about $750 million. MRES said its share of that would amount to about $125 million.

The state of Wyoming had sued its own regional haze reduction plan under the Clean Air Act. The Wyoming plan “would have required power plant owners to install additional pollution control equipment that is much less expensive than SCR equipment,” MRES said in a Sept. 12 news release. Several electric utilities, including the Laramie River Station participants, joined with the state of Wyoming to challenge the EPA rule in federal court.

The 10th U.S. Circuit Court of Appeals in Denver ruled on Sept. 9 that the EPA could not impose its rule while the Wyoming challenge is pending.

“We are pleased that the Circuit Court came to this conclusion,” said MRES CEO Tom Heller. “At the same time, we are hopeful that the courts in the pending case will come down on the side of the state of Wyoming and electricity consumers throughout the region, whose rates will rise dramatically if the EPA rule is allowed to stand.”

The state “has come up with a reasonable plan that fits within the objectives of the Clean Air Act,” Heller said. “The Wyoming plan will be effective against regional haze without forcing utilities to choose between installing very costly equipment or prematurely shutting down efficient, reliable, low-cost power plants and replacing those plants with more expensive alternatives. Either of those choices would mean large rate increases for electricity consumers.”

Wyoming Gov. Matt Mead applauded the decision by a two-judge panel of the 10th Circuit, saying that Wyoming “has a solid and effective plan.” He said that the rejection of Wyoming’s plan “by the EPA was wrong.”

The other two coal-fired power plants affected by this ruling are the 817-MW Dave Johnson plant near Glencrook, Wyo., and the 362-MW Wyodak plant near Gillette, Wyo. Both plants are owned by MidAmerican Energy.

SBA pans proposed Waters of the U.S. rule

The Environmental Protection Agency (EPA) and the U.S. Army Corps of Engineers (Corps) announced in an email to reporters Oct. 6 that it is extending the comment period deadline for the proposed Waters of the United States (WOTUS) rule to November 14, 2014.

The Small Business Administration’s Office of Advocacy had asked the two federal agencies to withdraw their proposed rule under the Clean Water Act, saying the rule “would have a direct and potentially costly impact” on smaller utilities and other small businesses. The Office of Advocacy, an independent office within the Small Business Administration, said that it, along with small U.S. businesses, “are extremely concerned about the rule as proposed,” and offered a specific example of how the rule could affect small utilities.
Overhead School: MMUA members provide unprecedented level of support

continued from front page

Even though there had never been that many trucks at the school before, MMUA Training Center Coordinator Pete Wyffels and Job Training and Safety Instructor Gary Greenwald said they would work with the members to get the equipment there.

“We had a big challenge on our hands,” Greenwald said. “I knew Pete could get some, and he knew I could get some, but that many was going to be tough. The week before the school started we made our goal and then some. It was great how all of the utilities came through. We can’t thank them enough.”

In some cases, providing a truck involved an extraordinary effort.

Greenwald asked one member for a bucket truck, knowing it had only one, and if that truck went to the school there would be no other truck left in town. The utility said “no,” but offered to put a bucket on the digger truck and make that available. The training in that class simulated a situation where the utility needed two buckets but only had one.

“You work with what you have,” said Greenwald, “so you put the bucket on the digger truck in a pinch! It was great.”

Being exposed to different techniques and sampling various equipment is part of the school. Blooming Prairie Public Utilities brought a “green” bucket truck, where the engine is shut off and the truck works off of battery power, until such time the batteries discharge to a certain rate and the engine starts to replenish the charge.

That was a piece of equipment many had not seen before.

“We had a lot of support from the members, and a really good school,” Wyffels said. “I still am amazed how everything comes together the week of the school.

You try to prepare for all the things that could go wrong and then it just comes together. Pretty cool.”

This year’s school featured a line worker rodeo, including an obstacle course. The lineworker had to climb up a 40-foot pole to a crossarm (that is made in Minnesota Called the Puppy Arm). There they had to move a cutout from one end of the arm over to the other side and mount it on the other bracket. Once they were done with that, they would transition over the arm and climb to the second arm at the top of the pole and move a suspension insulator from one end of the arm to the

You don’t see much of the bucket trucks in this picture (except the buckets), but they were a vital part of making this year’s Overhead School a success. MMUA thanks all the members and associate members who brought trucks and other equipment to the school.

Working together is a big part of the school. Students learn from the instructors, but also pick up tips and techniques from each other.

A student worked on climbing technique and was trained on fall protection devices, under the watchful eye of an instructor.

The training field was a busy place.

The necessity for equipment to make this year’s school a success is evident in this photo.
There was a lot of action around the pole climbing area during the entire school. In the picture above, a lineman geared up for a training session. In the photo at right, contestants in the rodeo event climbed the poles and students and instructors posed on the ground for this group shot, taken by MMUA Regional Safety Coordinator Chris Trembley. Photos were taken on Patriot Day, Sept. 11.

other and then descend the pole for the fastest time without any two-point infractions.

Todd Gipson from Buckingham was judge for this fall restraint event.

“I think the guys enjoyed this,” Wyffels said.

The results of the rodeo were:

First place: Clark Backstrum, Rochester Public Utilities. Time 3 minutes, 22 seconds

Second place: Clark Backstrum, Brainard Water and Light, 3:54.

Third place: Steve Ties, Austin Utilities, 3:56.

Fourth place: Marshal Madery, Owatonna Public Utilities, 4:15.

MMUA Regional Safety Coordinator Marc Machacek worked with a student.
The Montgomery City Council adopted a frozen water line policy in September, with hope that residents and the city will be better equipped to deal with these situations in the future. For those residents that follow the outlined procedure, city staff will adjust the monthly billing based on a three-month average. Costs involved in the thawing process will be split between the customer and city, with the city picking up 40 percent.

A special joint meeting of the Lake Crystal city council and utilities commission was held in Lake Crystal Sept. 18 to discuss a spike in electric rates. High demand was partly to blame for larger bills (including sewer and water) in July and August. Representatives from Heartland Consumers Power District (HCPD), the city’s power supplier, also attended the meeting, along with about 140 residents.

Positive steps came out of the meeting, including basic education for customers. An evaluation of demand and demand rates will be undertaken, with the assistance of HCPD, which also had an opportunity to promote a number of incentive and conservation programs.

A group called Conservation Minnesota mailed a seven-question survey to 10,000 Rochester Public Utilities customers, and asked others to take the survey on-line. A group spokesperson said it seemed like a good time to look at the city’s energy policies. It did not contact the utility before contacting its customers. RPU has announced the hiring of Steve Hogan as the new Director of Corporate Services. Hogan will be responsible for operations in accounting, information technology, business services, and purchasing.

Most recently, Hogan served as a Contract Controller/CFO with Clifton,ArrowAllen LLP in Rochester. Hogan has a Bachelor of Science degree in Accounting, Summa cum Laude along with additional studies in computer science from Winona State University. He is also a Certified Public Accountant.

The official start date for Hogan was September 15.

Fairmont Public Utilities bestowed 17 other competitors and won the 2014 Greater Minnesota Tap Water Taste Test at the Minnesota State Fair. Other finalists were September 15.

The Worthington Public Utilities Commission recently discussed the results of a water and electric rate survey. “I think it’s important for our customers to know where we stand and how we compare to other cities,” Commission President Randy Thompson was quoted as saying in the local paper.

For the record, local rates were below average.

The Albert Lea city council adopted a resolution supporting the transfer of Alliant Energy service territory to Freedom-Mower Electric Cooperative, which is headquartered in Albert Lea. If the deal goes through Albert Lea would comprise 40 percent of the cooperative’s load.

Meanwhile in Eyota, the council declined to endorse the IPL-SMEC transaction, after asking a cooperative representative about reliability and rates.

The New Ulm Public Utilities Commission has approved a $5.3 million project to increase the capacity of a transmission line serving the city, from 30 to 100 megawatts. In addition, a substation will be built on a different transmission line. When the work is complete, supply from either of the transmissions lines/substations serving the city would be sufficient to maintain service should service on the other line/substation be disrupted.

The long-awaited $1.8 billion taconite plant in Nashwauk appears to be back on again, as Essar Steel announced Oct. 1 that it had lined up financing necessary to move the project forward. The company said it expects the plant to be completed in the second half of 2015. Ground was broken for the project in 2008. The company said it has invested approximately $900 million so far. The state of Minnesota has lent Essar $6 million and helped secure bonds worth $60 million.

The Farmers Elevator Company of Alvarado is adding storage capacity at its main facility. (The crane and new grain bin are visible to the right in the photo.) The expansion is good news for the City of Alvarado and its municipal electric utility, as the elevator is its largest customer. The cooperative was formed in 1920. The municipal electric utility, which lists 189 customers, has been in business since 1911.
MMUA has hired Robin Klug as a Regional Safety Coordinator. Klug was most recently Environment, Health and Safety Manager at Integrated Recycling Technologies of Monticello.

Prior to that he was an instructor at the Xcel Energy Monticello Nuclear Generating Plant, where he instructed in confined space, fall protection, clearance holder/ tagging and safety and human performance practices and procedures.

Klug also worked 10 years as a Technical Training Specialist for CenterPoint Energy. He performed a variety of duties, including training emergency response and first responders; designed, developed and delivered training to field employees; assisted with ‘operator qualification’ programs; administered apprentice programs; conducted Gasfitter Exam training; provided technical support and managed follow-up with employees.

At CenterPoint, he also supervised field operations of the Home Service Plus program and is an HVAC technician. In addition, Klug worked for at time as corporate safety manager at TELCOM Construction, where he ensured compliance with local, state and federal rules, including OSHA and DOT.

Klug, of Becker, earned a B.A. in Organizational Management and Communication from Concordia College in St. Paul.

Klug replaces Don Grant, who has retired but will continue to work for MMUA on a contract basis.

Associate members Externarr, Exline announce partnership

SALINA, Kan. (Sept. 23, 2014) – Exline, Inc., a family owned gas compression service and equipment provider headquartered in Salina, Kan., has announced a new partnership with Externarr, a global leader in the natural gas industry based in Houston. Both companies are MMUA associate members.

“The members of Exline are excited about the opportunity to work with Externarr,” said Rob Exline, the President and CEO of Exline, Inc. “Much of our success through the years can be attributed to the partnerships we have developed, and the quality of work that we provide. This opportunity allows us to do what we do best, and work with a great team at Externarr.”

Exline has partnered with Externarr in an effort to better serve organizations in the municipal power generation and oil and gas industries. Both partners offer parts and services to keep turbocarriers and turbocarrier-equipped engines up and running.

Yet, their newly combined efforts will offer customers the benefit of a full-service experience for all turbocarrier models. Operationally, Exline, Inc. has announced that they are providing expertise regarding on-site turbocarrier removal and installation services, as well as transportation. While Externarr is managing remanufacturing processes and testing at their facility in Mercer, Kan. In fact, turbocarrier repair projects are already well underway.

Mitch Opat, General Manager for Externarr’s Turbo Group, stated, “I’m extremely delighted about the opportunity to work with Exline, Inc.” Opat continued, “This arrangement allows both companies to build on our long standing relationship while leveraging each other’s strengths and core competencies. I couldn’t be more excited about the future.”

MMUA unveils plan to offer association to members

Along with a new website (coming soon!), MMUA is dipping its toe into associate member sponsorship packages. The annual cost to become an annual MMUA sponsor is $1,500.

The lengthy list of member benefits includes:

• Recognition as an MMUA Annual Sponsor on the new website;
• Recognition as an MMUA Annual Sponsor on banners at MMUA events;
• Recognition as an MMUA Annual Sponsor in MMUA publications;
• One 2 column by 5 inch Re

...
of employment. If interested, an employment application can be picked up at our office or obtained from our website at www.owatonnautilities.com. Completed applications must be received in our office by October 17, 2014. Return applications to: Human Resource Manager, Owatonna Public Utilities, 208 S. Walnut Avenue, P.O. Box 800, Owatonna, MN 55060. 307-446-5414 or 446-5488. Equal Opportunity Employer. EOE.

Water Treatment Plant Foreman

Watertown Municipal Utilities has a full-time opening for a Water Treatment Plant Foreman. Reporting to the Water Superintendent, this position is responsible for the technical and supervisory work in the direction of the municipal water treatment plant and related facilities. South Dakota Water Treatment Class III Certification and two years supervisory experience required. Wage range of $26.94 - $30.72. Salary commensurate with experience and qualifications. Excellent benefits package, including pension, health insurance, life insurance, 457 plan, paid sick leave and vacation. A completed application and resume, including salary history, references and a cover letter are required. Job description and application are available at: Watertown Municipal Utilities, Attn: Human Resources, 901 – 4th Avenue SW, Watertown, SD 57201. E-mail: hr@watertownmu.com Application and job description are also available online at: www.watertownmu.com Deadline to apply: Until Position is Filled

Line Worker

Virginia Public Utilities is accepting applications for future full-time Line Worker positions. This position is responsible for Installation, maintenance and repair of underground distribution and service lines, repair, maintenance and installation of power lines, street lighting, service connections, etc.; Installation of new transformers, air switches and reclosures. The LineWorker will need to climb power poles to make inspections, installations and repairs, assist in the construction of substations, answer trouble calls and perform other duties as assigned. Qualified candidates will have successfully completed an approved Electrical Line Worker program and have four (4) years Journeyman experience or have successfully completed and approved 4-year apprenticeship course and two years’ experience as a Journeyman Line Worker. Candidates must have a Class B Driver’s license; subject to random drug and alcohol testing, ability to drive all equipment, must have skills in locating and correcting defects in electrical systems, transformers, appliances, etc.; should be able to get along with individuals at all levels, both inside and outside the department; must be able to deal with customers with unfailing courtesy and tact. Interested candidate may apply by submitting their application and resume to: Virginia Department of Public Utilities, Attn: Nancee Sigrar, HR/Safety Director, 618 South 2nd Street, Virginia, MN 55792 or send via fax: 218-748-7544 or via e-mail: nancees@vpub.com. Applications are available on our website: www.vpub.com.

Professional Services

Energy Services

Paul Teite (763) 872-0557 pteite@delanomm.us

QIP / CIP Program Development & Management
Residential and Low Income Assessments
Industrial Energy Assessments / Green financing solutions
Customer Engagement
Technical and Predictive Maintenance Services:
  - Vibration Analysis
  - Power Quality Testing
  - Energy Logging, Measurement and Verification

Power Plant/Substation Maintenance Engineering


Truck Repair and Testing

Anthony T. Ward General Manager Public Utilities Commission P. O. Box 658 Grand Rapids, MN 55744 218-326-7188 Jeremy Goodell Electric Department Manager 500 SE 4th Street Grand Rapids Public Utilities Grand Rapids, MN 55744 218-326-7182 jgigode@grprr.org

Utility Management

Jeffrey M. Jansen - President
841 Daniel Drive - Belle Plaine, MN 56011 Phone: 952-873-5612 - Cell: 952-249-0072

Public Finance

Debt Issuance Rate Studies Strategic Planning

Capital Improvements Planning Economic Development Alternative Energy Financing

45 South 7th Street, Suite 2000 Minneapolis, Minnesota 55402 (612) 851-5990 / (800) 851-2503 www.northlandsecurities.com/public_finance

October 2014 The Resource/11
Thief River Falls
continued from page 1

information and control various aspects of the system, including switching substations, from a remote computer. If there is an outage at a lift station, an employee will receive an alert on their phone and they can respond immediately.

“It’s going to help so much,” he said.

The process, once the initial list of 10 AMI vendors was whittled down to two, included an impromptu after-hours meeting (held during the MMUA Technical and Operations Conference) with the two vendor finalists. What started as a quiz of the initially-circumvented vendors turned into a cooperative brainstorming session.

The AMI software also appears to work well with the utility’s software and various equipment of its wholesale power supplier.

The AMI project is a joint effort. Narlock pointed out, between the city water, electric, billing and administration.

“Everybody has their part in it,” he said, with input and credit shared around the department.

Substation upgrades are underway, with the addition of an updated Supervisory Control and Data Acquisition system.

Narlock expects those upgrades to “save a lot of time and money.”

To pay for the system, the city increased the monthly meter charge for wastewater customers, $1.40 on residential electric customers and $3.50 on commercial/industrial electric customers. That will cover approximately 50 percent of the cost.

Cost savings come from the elimination of one meter reader position and freeing up other employees from reading meters, typically in the office. And it is expected that more accurate metering will lead to increased revenues.

The winter-peaking utility already sheds approximately two megawatts of load at certain times, and parts were not available for the old load management system. The early electric demand has jumped by more than 1,000 kilowatts in winter, leading to increased demand charges for the customers. One way to come to improvements is fleeing up the load management system. Installing a new system would cost $600,000. That was another consideration in moving to AMI.

The new load control relays double as the receiver for the utility’s approximately 775 dual heat customers. The utility also controls (shuts off) mid-block street lights after midnight, dropping a quarter megawatt of load. “It makes a difference,” Narlock said.

Physically, the Thief River system is in good condition, with everything under ground. It is still comparable to other area utilities.

Narlock hails from nearby Alvarado. He graduated from the Wadena-Deer Creek line worker program in 1977. In 1978, he started as an apprentice line man in Thief River. He figured he would work there five years and move on. John T. Anderson was superintendent at the time and promoted Narlock to lead line man in 1992. Narlock thought that was as far as he’d go. Then Arlo Rude, who succeeded Anderson as superintendent, promoted him to line superintendent in 1995.

When Rude retired, Narlock assumed the superintendent’s role, in 2011. Narlock, who readily credits a number of people for good influence on his life and career, said Rude left a vision for where the utility should go, including the AMI project. The retirement of Rude, a professional engineer, “left a deep void” at the utility, said Narlock. Now, as he considers retirement and staffing plans emerge, they include the need for a couple more lineworkers, another IT person, and a staff person with an engineering background.

Narlock wants to see the installation of the AMI system through. After that, his work at the utility may finally be done.

“If I leave with the system sound,” he said, “then I’ve done what I needed to do.”

League of Minnesota Cities and allied question proposed phosphorus discharge rule, sue MPCA

The League of Minnesota Cities, the Coalition of Greater Minnesota Cities and the Minnesota Environmental Science and Economic Review Board (MESERB) announced Oct. 2 that they will sue the Pollution Control Agency of Minnesota (MPCA) to overturn or modify new water-quality rules meant to reduce phosphorus pollution in rivers and streams.

The new rules are meant to reduce phosphorus discharges. Phosphorus contributes to plant growth, including algae, in waterways.

The cities believe that the new clean-water standards are excessive and will increase their communities’ millions of dollars to upgrade wastewater treatment plants. The cities have made their case to the Minnesota Pollution Control Agency for months, that the rule exceeds federal limits, lacks a basis in sound science and deserves more peer review.

Before spending millions to upgrade wastewater treatment plants, the cities want to make sure the money will fix the nutrient problem. And they point to other ‘non-point’ sources of pollution, such as runoff from fields, that should also be considered.

A contested case was held in regards to the nutrient standards for rivers and streams rule, which was adopted by the agency in June. The administrative law judge (in a refrain familiar to MMUA members) deferred to MPCA’s expertise, and recommended that the standards be adopted with minor modifications.

MESERB, the lead organization in the appeal, is a joint powers board dedicated to the research, study and analysis of environmental issues, including wastewater treatment, important to Minnesota. Members include more than 40 Minnesota municipalities.

Minnesota has had phosphorus standards for lakes since 2008.

Jagusch continued from page 1

The EPA’s proposed rule sets state-specific carbon dioxide emission targets and requires states to submit plans detailing each state’s strategy for meeting the targets. States have some flexibility in developing their plans and can consider conventional control strategies as well as renewable energy and energy-efficiency approaches, to make the necessary reductions.

The MPCA is currently reviewing state plans to determine whether Minnesota’s targets are achievable and quantifiable, and assessing potential ways to correct any unintended problems. The MPCA will also need to consider current and new electricity production and pollution control policies “in order to achieve necessary carbon pollution reductions while supporting reliable and affordable power for all Minnesotans.”

State plans are expected by June 2016.

To date, five ‘stakeholder’ meetings have been held, two in January, Aug. 11 and Sept. 28 and another on Sept. 22. MPCA announced at the last meeting that it is not planning another stakeholder meeting until “if/when” EPA releases certain data, at which point it might quickly schedule another meeting.

Not surprisingly, there have been lots of questions so far, particularly regarding early meetings.

Utilities weren’t the only ones expressing reservations, sometimes about the same issues, but due to different reasons. At the July 25 meeting, for example, the Sierra Club representatives expressed a hope that the goal is not that Minnesota actually adopt a program where we rely on running natural gas units at the estimated 70 percent capacity.

The Sierra Club would rather the state move forward with renewable resources; utilities consider the 70 percent capacity factor for a natural gas unit as not technically feasible.

In the meantime, MPCA officials have been communicating with EPA staff. At the Aug. 11 meeting MPCA Assistant Commissioner David Thornton provided a brief overview of some meetings and discussions he and Commissioner John Linc Stine have had with EPA. Immediate takeaways, they said, are that EPA has heard a lot of discontent regarding treatment of early actions in the proposed Clean Power Plan, among other points.

Thornton and state Department of Commerce Deputy Commissioner of Energy and Telecommunications Bill Grant discussed the two agencies’ efforts to analyze where Minnesota currently stands with respect to EPA’s proposal. On several issues, they noted, EPA’s intent with the rule is not entirely clear.

Neither agency presented compliance strategies, said Jagusch. Rather, both looked at future projections based on current operations/plans in order to assess the “gap” Minnesota will need to address in order to comply with the proposed rule.

The general consensus in the stakeholder meetings, said Jagusch, is that Minnesota is unhappy about having done so much already in terms of energy efficiency and renewable energy standards and getting no credit.

“The State has shifted their position from acceptance (of the EPA proposal) to complaining, which is more in line with our wishes,” he said. Xcel has fuel-switched several power plants from coal to gas and so has Minnesota Power. The State realizes that there is no credit for those moves.”

Jagusch notes that MMUA has approximately 35 issues in regards to the proposed plan and how Minnesota will attempt to achieve it. General issues include the stringency of proposal, methodologies and goals, maintaining state flexibility and the compliance period.

Municipal power agency representatives have also attended various of the meetings. While all the municipal representatives generally agree on major points, there are some issues that will be harder to achieve a consensus on, including the treatment of renewable resources built out-of-state to serve Minnesota customers.

The Clean Power Plan issue remains very multi-faceted, not only due to the number of particular issues it involves but also the federal-state nature of developing specifics to meet the plan. The American Public Power Association has been setting up regular meetings with its members and EPA staff.

While public power is working the process to try and make the best of the situation, APPA, ably assisted by Jagusch and a number of its members, has met with and told EPA that the proposed rule “goes well beyond what is permissible” under law. The issue of climate change, said EPA, should be addressed by Congress, not EPA under the Clean Air Act.