

The Owatonna Public Utilities Commission met in regular session in the Commission Room. Present were Commissioners Truelson, Schreiner, Noyce and Emanuelson. Commissioner Mayhew was absent. Also present were General Manager Shurts, Finance Manager Bruno, Gas Marketing Manager Green, Marketing/Energy Conservation Analyst Roger Warehime, Accountant Teresa Hottman and Executive/HR Assistant Tammy Schmoll. Also one high school student attended the meeting.

The high school student led the Pledge of Allegiance.

Minutes

The Minutes from the regular meeting of January 25, 2005 were presented. Commissioner Schreiner moved to accept the Minutes as presented. Commissioner Noyce seconded the motion. All Commissioners voting Aye, the motion passed.

Committee Reports

Finance Committee – Commissioner Noyce reported the Finance Committee met, reviewed and approved four work orders, vouchers, financial statements and investments. Three of the work orders were additions to existing work orders that ran over budget. The fourth was for a floor sweeper for the North Storage Facility.

Personnel Committee – The Personnel Committee did not meet.

Enfinity Energy

General Manager Shurts distributed brochures on Enfinity Energy and a sample news release and discussed each item. He noted Enfinity Energy is a co-branding effort to promote the benefits of public power. Commissioner Truelson inquired how MMUA feels about this co-branding effort. General Manager Shurts replied, MMUA is an operations and lobbyist organization, not a branding organization. They are in favor of the effort, but are not interested in getting involved at this point. Discussion ensued.

Contributed Services

The Contributed Services report as of January 31, 2005 was presented to the Commission. The Commission signed the report. General Manager Shurts also provided charges on Contributed Services from 1997 to 2004.

General Manager/Staff Report

General Manager Shurts reported, for the Virchow Krause training we are looking at April 6th from 3:30 – 5:30 p.m. A light snack will be served and an agenda will be sent prior to the training.

General Manager Shurts reported at the last SMMPA Board meeting the Board decided to continue working with Ottertail Power to become an equity owner of the 600 MW Big Stone II power plant in South Dakota. If they go ahead with the project, SMMPA would purchase 50 megawatts for \$100 million, to be on-line in 2011. This should not have a big impact on the rates and the unit will have the most state-of-the-art environmental controls.

Another item discussed at the SMMPA Board meeting included the renewable energy objective. Currently, utilities are encouraged to get 1% of their power from renewables, such as wind power. However, by 2015 10% is recommended. SMMPA is taking an intermediate approach to renewables to see what other technologies may become available due to the current cost of installing wind turbines.

Executive/HR Assistant Tammy Schmoll gave an updated on the Building Accessibility Project. She noted the contractors have begun some work, however, we are waiting on a building permit to proceed any further.

Marketing/Energy Conservation Analyst Roger Warehime presented the Commission with a rate comparison study through December, 2004. He noted, an annual bill from OPU is 7% lower than the annual average of the utilities surveyed. He further noted, in electricity Worthington and Fairmont are lowest in their rates due to receiving some of their power from the Western Area Power Administration (WAPA) which consists of hydro power units run by the US government. In water, there hasn't been much change. The utilities with the higher water rates treat their water. They are not pumping it from the ground, but instead from lakes and rivers. Commissioner Noyce inquired how will our position on the charts change with the water rate increase implemented January 1, 2005. Mr. Warehime noted, the change should not affect our position. In the natural gas rates, even though the gas prices have gone up, the average overall bill is actually only \$1 more than the last report. That is due to a decrease in consumption. In the commercial classification, OPU has moved to the lowest in natural gas prices.

Mr. Warehime directed the Commission's attention to a handout regarding an overview of the 2005 Conservation Investment Program Plan. He discussed changes in the plan, three new programs that will be introduced in 2005, and programs that will expire in 2005. He further noted, better education and promotion will also be a focus in this year's plan.

Commission Roundtable

Commissioner Schreiner – Nothing

Commissioner Noyce – Nothing

Commissioner Truelson – Nothing

Adjournment

There being no further business to come before the Commission, Commissioner Schreiner moved to adjourn the meeting. Commissioner Noyce seconded the motion. All Commissioners voting Aye, the meeting adjourned at 5:36 p.m.

Respectfully submitted

Tammy Schmoll
Executive/HR Assistant