



Public Utility Board Agenda
Rochester Boards & Commissions - Public Utility Board
October 28, 2025
4:00 p.m.

Attending and Viewing the Meeting

Attend the Meeting in Person: Rochester Public Utilities - Community Room, 4000 E River Rd NE

View Meeting via YouTube: <https://www.youtube.com/@RPUTV>

Watch & Listen via Teams: [Teams Link](#) Meeting ID: 280 437 045 383 Passcode: zLfkLz

Telephone in and Listen via Teams: Call: 347-352-4853 Conference ID: 647 797 927#

A recording is made available after the meeting at the [City's website](#).

Call to Order/Roll Call

- 1. Approval of Agenda**
- 2. Safety Moment**
- 3. Consent Agenda**

3.A. Minutes of the Rochester Public Utility Board Meeting of September 30, 2025.

Approve the minutes and video of the September 30, 2025, meeting of the Rochester Public Utility (RPU) Board.

3.B. Review of Accounts Payable

Review the list of consolidated and summarized transactions for 09/10/2025 to 10/09/2025 in the total amount of \$24,342,244.79.

Open Public Comment Period

This agenda section is for the purpose of allowing citizens to address the Utility Board. People wishing to provide public comment may appear in person or provide written commentary in advance by email to publiccomment@rpu.org. Virtual participation is currently not available. Comments are limited to 2 minutes, total comment period limited to 20 minutes. Any speakers not having the opportunity to be heard will be the first to present at the next Board meeting.

4. Regular Agenda

4.A. 2026 - 2027 Electric and Water Utilities Rate Tariff

Approve and recommend City Council approval of the rates and fees to take effect on or about January 1, 2026, and January 1, 2027, according to the attached rate tariffs.

4.B. 2026 - 2027 Electric Utility Budget

Approve the 2026 and 2027 Electric Utility capital, including multi-year projects and operating budgets as submitted, and request that the Rochester City Council approve the Electric Utility capital, including multi-year projects and operating budgets.

4.C. 2026 - 2027 Water Utility Budget

Approve the 2026 and 2027 Water Utility capital, including multi-year projects and operating budgets as submitted, and request that the Rochester City Council approve the Water Utility capital, including multi-year projects and operating budgets.

4.D. 2025 - 2026 Insurance Renewals

Approve the 2025 - 2026 annual insurance renewals with North Risk Partners and the League of MN Cities Trust in the amount of \$1,744,611.46.

5. Informational

5.A. Grid North Partners Project Update

Informational only. No action required.

5.B. Battery Energy Storage System Opportunity

No action required. Informational only.

6. Board Policy Review

6.A. Board Policy 20: Rates

Informational item for Board discussion.

6.B. RPU Index of Board Policies

Review the Index of Board Policies to summarize progress on policy updates and determine future policy review items.

7. General Managers Report

7.A. General Managers Report

Informational only. No action required.

8. Division Reports & Metrics

8.A. Division Reports and Metrics for October 2025

Review the reports from each of RPU's divisions: Safety, Water Division, Power Delivery, Power Resources, Customer Relations, Information Technology, and Corporate Services.

9. Other Business

10. Adjournment

10.A. Executive Session - Closed Pursuant to Minn. Statutes 13D.05 Subd. 3(c).

For the Rochester Public Utilities Board to consider the valuation of real property, in the context of the needs of the utility, identified as PINs

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REQUEST FOR ACTION

Minutes of the Rochester Public Utility Board Meeting
of September 30, 2025.

MEETING DATE:

October 28, 2025

ORIGINATING DEPT:

Rochester Public Utilities

AGENDA SECTION:

Consent Agenda

PRESENTER:

Tim McCollough, General
Manager

Action Requested:

Approve the minutes and video of the September 30, 2025, meeting of the Rochester Public Utility (RPU) Board.

Report Narrative:

Official minutes of the RPU Board are published in accordance with Open Meeting Law, capturing the official record of the RPU Board.

Policy Considerations & DEI Impact:

Minutes and video of the appointed boards of the City provide access and transparency to RPU systems, processes, and decision making.

Prior Legislative Actions & Community Engagement:

Minutes of the previous RPU Board meeting are generated monthly.

Fiscal & Resource Impact:

No fiscal impact of publishing minutes.

Prepared By:

Erin Henry-Loftus

Attachments:

[Exhibit - Public Utility Board Minutes from September 30, 2025](#)



**CITY OF ROCHESTER, MINNESOTA
Public Utility Board MINUTES**

Attending and Viewing the Meeting

Call to Order/Roll Call

Meeting Started at 4:00 p.m.

Board President Malachi McNeilus was not in attendance at the meeting. Board Vice President Wendy Turri presided over the meeting.

Video and audio recording did not start until Agenda Item 2 - Safety Moment.

Attendee Name	Status
Melissa Graner Johnson	Present
Brett Gorden	Present
Patrick Keane	Present
Wendy L Turri	Present
Malachi McNeilus	Absent

1) *Approval of Agenda*

Motion to approve the agenda.

MOVER: Brett Gorden

SECONDER: Patrick Keane

AYES: Melissa Graner Johnson, Brett Gorden, Patrick Keane,
Wendy L Turri

RESULT: **APPROVED [UNANIMOUS]**

2) [Safety Moment](#)

Bob Cooke, Safety Manager, presented to the Board.

3) [Consent Agenda](#)

3.A) Minutes of the Rochester Public Utility Board Meeting of August 26, 2025.

Official Act: Approve the minutes and video of the August 26, 2025, meeting of the Rochester Public Utility (RPU) Board.

[Cover Page](#) 

[Exhibit - Public Utility Board Minutes from August 26, 2025](#) 

3.B) Review of Accounts Payable

Official Act: Review the list of consolidated and summarized transactions for 08/11/2025 to 09/09/2025 in the total amount of \$15,465,668.28.

[Cover Page](#) 

[Exhibit - Current Month Accounts Payable Board List](#) 

3.C) Board Policy 30. Life Support Designation

Official Act: Approve the revised Life Support Designation policy (formerly titled Life Support Equipment and Disconnects).

[Cover Page](#) 

[Exhibit - Final Draft of Board Policy 30 Life Support Designation](#) 

[20250930 - Resolution - Board Policy 30 Life Support Designation](#) 

3.D) Proposed 2026 Board Meeting Dates

Official Act: Approve the proposed 2026 Board meeting dates.

[Cover Page](#) 

[Exhibit - 2026 Utility Board Meeting Dates](#) 

[20250930 - Resolution - 2026 Board Meeting Dates](#) 

Motion to approve the consent items in block (3.A - 3.D).

MOVER: Patrick Keane
SECONDER: Melissa Graner Johnson
AYES: Melissa Graner Johnson, Brett Gorden, Patrick Keane, Wendy L Turri
RESULT: **APPROVED [UNANIMOUS]**

Open Public Comment Period

[Public Comment Sign Up Sheet](#) 

[Kristoffer Acuña addressed the Board.](#)

The microphone was not turned on during open comment, so there is no audio of this. Kristoffer Acuña provided what he shared at the meeting, which is attached to the Minutes.

[Kristoffer Acuña's Public Comments](#) 

4) Consideration of Bids

4.A) Award of Bid for the 2025 Lead Service Line Replacement Project, Project #2025-12.

Official Act: Adopt a resolution to accept the bid from Carl Bolander & Sons, LLC in the amount of \$1,171,590 for the 2025 Lead Service Line Replacement Project, plus a five percent project contingency, for a total of \$1,230,170, and authorize the Director of Water to execute the project.

Todd Blomstrom, Director of Water, presented to the Board.

[Cover Page](#) 

[Exhibit - Attachment A - Location Map](#) 

[20250930 - Resolution - Awarding 2025 Lead Service Line Replacement Contract](#) 

Todd Blomstrom, Director of Water, presented to the Board.

Motion to adopt a resolution to accept the bid from Carl Bolander & Sons, LLC in the amount of \$1,171,590 for the 2025 Lead Service Line Replacement Project, plus a five percent project contingency, for a total of \$1,230,170, and authorize the Director of Water to execute the project.

MOVER: Patrick Keane
SECONDER: Melissa Graner Johnson
AYES: Melissa Graner Johnson, Brett Gorden, Patrick Keane, Wendy L Turri
RESULT: **APPROVED [UNANIMOUS]**

5) [***Informational***](#)

5.A) [Legislative Priorities](#)

Official Act: Informational only. No action required.

Timothy McCollough, General Manager, presented to the Board.

[Cover Page](#) 

[Exhibit - 2026 Draft Legislative Priorities](#) 

5.B) [2025 Customer Research Study](#)

Official Act: Informational only. No action required.

[Timothy McCollough, General Manager, introduced Michael Vigeant, the CEO of Great Blue Research.](#)

[Michael Vigeant, CEO of Great Blue Research, presented to the Board.](#)

The microphone was not on at the start of Michael Vigeant's presentation. He recapped his introduction once the microphone was activated.

[Beginning of Michael Vigeant's audio for his presentation.](#)

[Cover Page](#) 

6) [***Regular Agenda***](#)

6.A) [Renewable Energy Goals and Rate Recommendation](#)

Official Act: Provide guidance to staff on future power supply resource planning decisions, including balancing system reliability, sustainable rates, and environmental responsibility, and consider the attached resolution reaffirming the 100% net renewable electricity by 2030 goal.

Timothy McCollough, General Manager, presented to the Board.

[Cover Page](#) 

[20250930 - Resolution - 100 Percent Net Renewable Energy Goal](#)

Approve the resolution affirming the 100% net renewable electricity by 2030 resource planning goal and directing staff to balance system reliability, sustainable rates, and environmental responsibility in future resource decisions.

MOVER: Patrick Keane
SECONDER: Brett Gorden
AYES: Melissa Graner Johnson, Brett Gorden, Patrick Keane, Wendy L Turri
RESULT: **APPROVED [UNANIMOUS]**

6.B) [2026 - 2027 Water and Electric Utility Rate Adjustments](#)

Official Act: Approve the public notification of the proposed rate changes for the Water and Electric Utilities.

Timothy McCollough, General Manager, addressed the Board.

[Cover Page](#) 

[Exhibit - Recommended Rate Change Notification Summary \(6% Electric and 9% Water Scenario\)](#) 

[Exhibit - Recommended Electric and Water Rate Tariff Redline \(6% Electric and 9% Water Scenario\)](#) 

[20250930 - Resolution - 2026 2027 Recommended Water Rate Publication Approval \(9% Water Scenario\)](#) 

[20250930 - Resolution - 2026 2027 Recommended Electric Rate Publication Approval \(6% Electric Scenario\)](#) 

[Exhibit - Alternative Rate Change Notification Summary \(4% Electric and 9% Water Scenario\)](#) 

[Exhibit - Alternative Electric and Water Rate Tariff Redline \(4% Electric and 9% Water Scenario\)](#) 

Approve public notification of the proposed 2026-2027 rate changes for the Water Utility based on a 9.0% general rate adjustment.

MOVER: Patrick Keane
SECONDER: Brett Gorden
AYES: Melissa Graner Johnson, Brett Gorden, Patrick Keane, Wendy L Turri
RESULT: **APPROVED [UNANIMOUS]**

Approve public notification of the proposed 2026-2027 rate changes for the Electric Utility based on a 6.0% general rate adjustment.

MOVER: Patrick Keane
SECONDER: Melissa Graner Johnson
AYES: Melissa Graner Johnson, Brett Gorden, Patrick Keane, Wendy L Turri
RESULT: **APPROVED [UNANIMOUS]**

6.C) [Secondary Firm Natural Gas Supply Agreement for Westside Energy Station](#)

Official Act: Approve the Transaction Confirmation for Secondary Firm Natural Gas Supply and recommend that the Rochester City Council authorize the contract amendment to be entered into by the City of Rochester, acting through and by Rochester Public Utilities, with Constellation NewEnergy – Gas Division, LLC.

[Bill Bullock, Director of Power Resources, presented to the Board.](#)

[Cover Page](#) 

[Exhibit - CNE Secondary Firm Transaction Confirmation](#) 

[20250930](#) -
[Resolution_Secondary_Firm_Natural_Gas_Supply_Constellation_New_Energy](#) 

Approve the Transaction Confirmation for Secondary Firm Natural Gas Supply and recommend that the Rochester City Council authorize the contract amendment to be entered into by the City of Rochester, acting through and by Rochester Public Utilities, with Constellation NewEnergy – Gas Division, LLC.

MOVER: Melissa Graner Johnson
SECONDER: Patrick Keane
AYES: Melissa Graner Johnson, Brett Gorden, Patrick Keane, Wendy L Turri
RESULT: **APPROVED [UNANIMOUS]**

7) [**Board Policy Review**](#)

7.A) RPU Index of Board Policies

Official Act: Review the Index of Board Policies to summarize progress on policy updates and determine future policy review items.

[Cover Page](#) 

[Exhibit - Rochester Public Utilities Index of Board Policies](#) 

8) [**General Managers Report**](#)

Timothy McCollough, General Manager, presented to the Board.

8.A) General Manager's Report

Official Act: Informational only. No action required.

[Cover Page](#) 

[Exhibit - Powerpoint - September 2025 General Manager's Report](#) 

[Exhibit - Powerpoint - September 2025 General Manager's Major Projects Update](#) 

9) [**Division Reports & Metrics**](#)

9.A) Division Reports and Metrics for September 2025

Official Act: Review the reports from each of RPU's divisions: Safety, Water Division, Power Delivery, Power Resources, Customer Relations, Information Technology, and Corporate Services.

[Scott Nickels, Director of Power Delivery, answered questions for the Board.](#)

10) [Other Business](#)

None.

11) [Adjournment](#)

Motion to adjourn.

MOVER: Patrick Keane
SECONDER: Brett Gorden
AYES: None
RESULT: **APPROVED [UNANIMOUS]**

Meeting adjourned at 5:53 p.m.

Board President

Secretary

Date



REQUEST FOR ACTION

Review of Accounts Payable

MEETING DATE:

October 28, 2025

ORIGINATING DEPT:

Rochester Public Utilities

AGENDA SECTION:

Consent Agenda

PRESENTER:

Tim McCollough, General
Manager

Action Requested:

Review the list of consolidated and summarized transactions for 09/10/2025 to 10/09/2025 in the total amount of \$24,342,244.79.

Report Narrative:

Reference the detailed Rochester Public Utilities A/P Board Listing by Dollar Range Report (attached).

Policy Considerations & DEI Impact:

This item is in compliance with Minnesota statute 412.271 requiring all claims to be reviewed by boards and councils.

Fiscal & Resource Impact:

This is for payment of previously approved amounts, through budget or other Board action.

Prepared By:

Erin Henry-Loftus

Attachments:

[Exhibit - Current Month Accounts Payable Board List](#)

ROCHESTER PUBLIC UTILITIES
A/P Board Listing By Dollar Range
For 09/10/2025 To 10/09/2025
Consolidated & Summarized Below 1,000

Greater than 50,000 :

1	SOUTHERN MN MUNICIPAL POWER A	September SMMPA Bill	8,408,415.43
2	SOLAR TURBINES, INC.	Mt.SimonTurbine,Milestone Pymt #1,10% Down	3,672,845.30
3	ITRON INC	24760EA-Meter, Gen 5, 2S, CL200, 240V	1,773,421.65
4	VEIT & CO INC (CONSTRUCTION)	August Srvs-Marion Rd Duct Bank Parks	1,464,611.76
5	MN DEPT OF REVENUE	August Sales & Use Tax	1,199,943.72
6	ITRON INC	11400EA-Meter, Gen 5, 12S, CL200, 120V	928,835.80
7	ITRON INC	4800EA-Meter, Diehl-Hydrus, V2, 3/4"(57)	582,560.11
8	ITRON INC	2728EA-Meter, Gen 5, 9S, CL20, MRV	409,255.75
9	ITRON INC	2536EA-Meter, Gen 5, 16S, CL200, MRV	380,451.83
10	N HARRIS COMPUTER CORP	2025-26 SmartWorks Annual Subscription	352,274.00
11	ITRON INC	4320EA-Itron, 500W, Gen5 Pit Ert Mod 3-P	332,640.00
12	CONSTELLATION NEWENERGY-GAS D	August Gas Services - CC	309,192.27
13	CONSTELLATION NEWENERGY-GAS D	August Gas Services - WES	267,718.14
14	ITRON INC	1920EA-Meter, Diehl-Hydrus, V2, Ultra, 1	250,675.20
15	UTIL-ASSIST INC	AMI Systems Integrator	232,337.33
16	IRBY UTILITIES dba	54906FT-Wire, AL, 15kV, 1/0 Solid, 1/C,	227,753.67
17	ePLUS GROUP INC.	CISCO Enhanced Maintenance Services	207,348.42
18	CONSTELLATION NEWENERGY-GAS D	August Gas - SLP	192,157.42
19	CLEAN HARBORS ENVIRONMENTAL S	GT1:Enclosure Cleaning & Excavation	189,056.15
20	ePLUS GROUP INC.	EMS Smartnet Cisco Hardware and Software	163,944.83
21	USIC HOLDINGS INC	May, June, July & August 2025 Locating Services	157,843.52
22	A & A ELECT & UNDERGROUND CON	2025 Directional Boring	115,432.83
23	THE ENERGY AUTHORITY INC	September Transmission	105,719.71
24	DOBLE ENGINEERING COMPANY (P)	4EA-DGA,Monitor,Calisto;8EA-Hoses/Connectors	104,003.54
25	N HARRIS COMPUTER CORP	SmartWorks AMI Integration	90,123.00
26	ePLUS GROUP INC.	CISCO Success Tracks Standard	85,033.30
27	MAYO FOUNDATION	Customer Refunds 32104	84,185.91
28	MAYO FOUNDATION	Customer Refunds 32103	78,952.56
29	PAYMENTUS CORPORATION	August 2025 Electronic Bill Payment Services	65,765.20
30	ITRON INC	AMI Professional Services	61,679.00
31	MAYO FOUNDATION	Customer Refunds 32105	52,459.32
32			
33		Price Range Total:	22,546,636.67

5,000 to 50,000 :

37	ITRON INC	520EA-Meter, Gen 5, 2S, CL320, 240V	41,570.10
38	CITY OF ROCHESTER	Street Opening Repairs,Main Breaks	41,332.66
39	MINNESOTA ENERGY RESOURCES CO	August Gas Services - WES	40,512.05
40	N HARRIS COMPUTER CORP	Cayenta AMI Integration SOW - Phase 2	39,159.00
41	DOXIM UTILITEC LLC	September 2025 Bill Print/Mail Services	37,229.94
42	ITRON INC	232EA-Meter, Gen 5, 16S, CL320, MRV	34,804.74
43	SHORT ELLIOTT HENDRICKSON INC	Lead Service Line Replacement - Phase 1	34,520.00
44	MN DEPT OF COMMERCE	Q2 2026 Indirect Assessment	33,033.66
45	ASPLUNDH TREE EXPERT LLC (P)	2025 Hourly Tree Trimming	32,459.46
46	STANTEC CONSULTING SERVICES I	Mt Simon-Air Qual Permitting/Environmental Rev	31,360.80
47	VAN METER INC dba	4EA-Power Flex Drive, 753 R-A	31,208.18
48	ITRON INC	208EA-Meter, Gen 5, 4S, CL20, MRV	31,204.25
49	ETHOSENERGY POWER PLANT SERVI	Cascade Creek Next Step Inspections	29,638.32

ROCHESTER PUBLIC UTILITIES
A/P Board Listing By Dollar Range
For 09/10/2025 To 10/09/2025
Consolidated & Summarized Below 1,000

50	PEOPLES ENERGY COOPERATIVE (P	September Compensable	29,323.21
51	WHITLOCK CONSULTING GROUP LLC	AMI/MDM Implementation Services	28,594.51
52	WESCO DISTRIBUTION INC	30008FT-Fiber, Commscope, 288 Count	26,442.59
53	MOTOR SERVICES HUGO STAMP (MS	Rebuild/Repair Cartridge SAP#23588,WES	26,213.42
54	US BANK-VOYAGER	September Fuel	22,893.74
55	CITY OF ROCHESTER	PW Street Opening Restorations	22,047.24
56	TOM KADLEC KIA	CIP-Lighting (C&I)-Incentives/Rebates	20,048.75
57	UDC dba	ESRI Electric Network Migration	20,000.00
58	STANTEC CONSULTING SERVICES I	Mt Simon-Environmental Compliance/Reporting	17,894.00
59	AE2S	Water System Master Plan	17,810.75
60	NPL CONSTRUCTION	Ponderosa Pines Phase II	17,252.64
61	MASTEC NORTH AMERICA INC	Additional Concrete,Encased 4Way Duct Bank	16,993.06
62	ITRON INC	232EA-Meter, Gen 5, 1S,CL200, 120V	16,590.33
63	GDS ASSOCIATES INC	2025 NERC Compliance Program Training	15,374.76
64	MMUA	Contribution Legal & Legislative Program	15,000.00
65	VIKING ELECTRIC SUPPLY (P)	5700FT-Conduit, 4", PVC Sch 40	14,864.55
66	WIESER PRECAST STEPS INC (P)	3EA-Custom Pulling Vaults 6x4x3.5	14,475.00
67	CENTURYLINK (P)	2025 Monthly Telecommunications	13,276.63
68	WESCO DISTRIBUTION INC	550GAL-Cable Pulling Lube, 275 Gal. Tote	13,084.00
69	SOLID WASTE OLMSTED COUNTY	August Electricity Purchased by RPU	12,386.05
70	CORE & MAIN LP (P)	2EA-Hydrant, 8 ft	11,815.20
71	ADVANTAGE DIST LLC (P)	5207GAL-Urea 32, WES	11,247.12
72	TOM KADLEC KIA	CIP-Cooling Eq. (C&I)-Incentives/Rebates	11,218.00
73	STONE BY STONE PLUS LLC	Transformer Pads w/4 Bollards Each (3)	11,100.00
74	BURNS & MCDONNELL INC (P)	2025 Electric Utility Financial Model Update	10,519.91
75	SOTA SERVICES LLC	1EA-Storage Container,40'L x 8'W x 9'6"H	9,298.13
76	SCHNEIDER ELECTRIC USA INC. (	1EA-SCADA RTU, Sage 2400 Upgrade Kit	9,057.15
77	WELLS FARGO BANK ACCT ANALYSI	September 2025 Banking Services	8,860.89
78	MIDCONTINENT ISO INC	September MISO Billing	8,730.00
79	NEW AGE TREE SERVICE INC dba	Hydro Line Herbicide	8,336.25
80	WHKS & CO	Design Services for Woodcrest Lane Booster	8,153.20
81	SCHWEITZER ENGINEERING LABORA	1EA-RTAC,SEL Comm3350 125/250VDC,1RU,PNL	7,836.75
82	BURNS & MCDONNELL INC (P)	Data Governance Plan and Strategy	7,805.71
83	BORDER STATES ELECTRIC SUPPLY	40EA-Junction, LB, 200A, 4 Pos, w/Strap	7,785.60
84	WESCO DISTRIBUTION INC	45EA-Luminaire, Residential, LED, PC, 12	7,590.16
85	BOLTON AND MENK (P)	Water Tower Maintenance/Rehabilitation	7,380.00
86	US BANK PURCHASING CARD	2EA-Single Column Dehyd Breather 100-240	7,269.64
87	DELL MARKETING LP	6EA-Dell Pro 14 (PC14250) Laptop	7,097.93
88	CORE & MAIN LP (P)	Willow Heights HL Booster Station Design	6,906.68
89	GRAYBAR ELECTRIC COMPANY INC	2EA-Enclosure, SX 42U, 1991Hx750Wx1200D	6,869.76
90	IRBY UTILITIES dba	2EA-Trans, PM, 1ph, 50kVA, 13.8/8, 240/1	6,772.00
91	GDS ASSOCIATES INC	2025 Attachment O Consulting Service	6,730.00
92	VERIZON WIRELESS	2025 Cell & Ipad Monthly Service	6,718.33
93	KATS EXCAVATING LLC	SAW-Service Repair	6,700.00
94	RESCO	20EA-Grd Sleeve, 1ph Trans, 37" x 43"	6,548.60
95	CITY OF ROCHESTER	Street Opening Repairs,Service Break	6,525.00
96	CITY OF ROCHESTER	Q3 Legal Services	6,312.50
97	MINNESOTA ENERGY RESOURCES CO	August Gas Services - CC	6,259.91
98	WILLIAM E YOUNG COMPANY	2EA-Transmitter, Pressure, 0-150psi	6,212.90
99	WHITE SPACE LLC NEIGHBORLY CR	2025 Plugged In Design	6,000.00
100	TWIN CITY SECURITY INC	2025 Security Services	5,982.88
101	CORE & MAIN LP (P)	Plumbing Pipes,Willow Heights Booster	5,952.67

ROCHESTER PUBLIC UTILITIES
A/P Board Listing By Dollar Range
For 09/10/2025 To 10/09/2025
Consolidated & Summarized Below 1,000

102	BORDER STATES ELECTRIC SUPPLY	30EA-Junction, LB, 200A, 4 Pos, w/Strap	5,839.20
103	CRESCENT ELECTRIC SUPPLY CO	10000FT-Wire, Copper, 600V, 12-2 Solid	5,760.56
104	LRS OF MINNESOTA LLC	2025 Waste Removal (SC)	5,687.25
105	SILVER LAKE CROSSING LLC	CIP-Dishwashers/Refrigerators-Incentives/Rebates	5,650.00
106	ITRON INC	20EA-Meter, Gen 5, 2S, CL200, MRV	5,614.80
107	GLOBAL RENTAL COMPANY INC	Buckyard Bucket Rental - AT48MW	5,610.94
108	KATS EXCAVATING LLC	SAW-Service Break Repair	5,200.00
109	BARR ENGINEERING COMPANY (P)	Groundwater Management Study	5,161.50
110	REDS ELECTRIC LLC	Install Conduit from Main to House	5,091.25
111	BAKER TILLY US, LLP	GASB 96 Post-Adoption Support	5,000.00
112			
113		Price Range Total:	1,144,806.76
114			

1,000 to 5,000 :

117	BORDER STATES ELECTRIC SUPPLY	109EA-Elbow, 15kV, 200A, LB,1/0 Sol,175	4,882.11
118	BAKER TILLY US, LLP	Baker Tilly - GASB 96 Services	4,750.00
119	VIRTUAL PEAKER INC	Distributed Energy Platform Svcs 24-25	4,557.00
120	VIKING ELECTRIC SUPPLY (P)	15EA-Elbow, 4", Rigid Steel, 36 Radius	4,539.91
121	ARCHKEY TECHNOLOGIES dba	Replace Switch Room Wall Rack	4,515.47
122	RESCO	70EA-Rack, 3-Wire	4,456.90
123	TELEDYNE MONITOR LABS INC	2023-2026 RegPerfect Maintenance	4,328.44
124	MINNESOTA ENERGY RESOURCES CO	August Gas Services - SLP	4,260.26
125	CITY OF ROCHESTER	Street Opening Repairs,LSR Program	4,244.47
126	DAVIES PRINTING COMPANY INC	60000EA-Brochure, Cold Weather	4,129.65
127	SILVER LAKE CROSSING LLC	CIP-LED Light Fixtures-Incniivs/Rebts	4,101.50
128	BORDER STATES ELECTRIC SUPPLY	41EA-Crossarm, Wood, 8' HD	4,055.72
129	QUADIENT FINANCE USA INC	Postage 7900 0440 8067 0809	4,000.00
130	ENGSTROM CONSULTING, LLC	Cloud Integration Services-Azure	3,900.00
131	CONSOLIDATED COMMUNICATIONS d	September 2025 Network and Co-Location Services	3,898.04
132	MALLOY ELECTRIC dba	2EA-Pump, Chlorine Booster,Main Level	3,891.96
133	FOBBE CONTRACTING dba	Replace Hyd 310193 - 937 8 Ave SW	3,879.00
134	GREAT RIVER ENERGY	RPU Share-Biennial Transmission Project	3,871.71
135	US BANK PURCHASING CARD	Microsoft Data Analytics	3,867.59
136	DAKOTA SUPPLY GROUP-ACH	500FT-Conduit, 3", Corrugated PVC	3,822.95
137	MALLOY ELECTRIC dba	Oil Motor Bearing,Mobil SHC,Cibus	3,815.86
138	PATRIOT CONSULTING TECHNOLOGY	Microsoft Sentinerl-DefThreat Hunting	3,807.42
139	REDS ELECTRIC LLC	SAE-Replace UG Service	3,750.00
140	REBATES	CIP Conserve & Save Rebates - CU No. 216	3,750.00
141	WINKELS ELECTRIC INC	SAE-Overhead Serv-Repair to Stack	3,746.32
142	CORE & MAIN LP (P)	9EA-WB-67 Breakoff Flange Kit, K528	3,708.00
143	ITRON INC	Consultant(s)Travel Expenses to RPU-IUQ Trng	3,556.64
144	ENERVAC INTERNATIONAL ULC	13EA-Coupling, DN8 Male X 0.5 MNPT	3,417.86
145	PLURALSIGHT LLC	Pluralsight Subscription-Everything	3,390.00
146	ePLUS GROUP INC.	CISCO DNA Subscription	3,327.54
147	KATAMA TECHNOLOGIES INC	Project Managment for AMI and MDM	3,315.00
148	NALCO COMPANY LLC	1DRM-Sur-Gard 1700 Oxygen Scavenger DEMI	3,305.28
149	BORDER STATES ELECTRIC SUPPLY	144EA-Conn, Ped, 500, 6-Tap, Covered	3,208.32
150	DELL MARKETING LP	1EA-Dell Pro Max Tower T2 FCT2250	3,140.38
151	STOEL RIVES LLP	Grid North Partners - Legal Counsel	3,129.75
152	METRO SALES INC	2022-2027 Multifunction Devices	3,098.15

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153	VIKING ELECTRIC SUPPLY (P)	10EA-Elbow, 4", Rigid Steel, 36 Radius	3,026.62
154	TOTAL TOOL SUPPLY INC (P)	4EA-Gas Detector, Gas Clip Technologies	3,004.90
155	WINTHROP & WEINSTINE P.A.	August Legal Services-Legislative Advocacy	3,000.00
156	BURNS & MCDONNELL INC (P)	August Board Meeting Travel & Presentation	3,000.00
157	VIKING ELECTRIC SUPPLY (P)	1EA-Cutter,Greenlee, GRN ESG25LXB	2,945.15
158	SANDOQAH ANWAR	Customer Refunds 32314	2,918.01
159	BORDER STATES ELECTRIC SUPPLY	12EA-Arrester, 10kV, Dist, Parking Stand	2,909.52
160	EPLUS TECHNOLOGY INC	2025 Network Maintenance Services	2,905.00
161	GOPHER STATE ONE CALL	September Completed Tickets	2,855.25
162	BORDER STATES ELECTRIC SUPPLY	150EA-Conn, SL 14-4, Deadfront Clear	2,832.00
163	BOLTON AND MENK (P)	Verizon CCM Standpipe #84	2,820.00
164	PARAGON DEVELOPMENT SYSTEMS,	1EA-HPE DL360 Gen11 Support HU4A6A300DK	2,783.00
165	SOMA CONSTRUCTION INC	Rock - Water Main Breaks	2,779.98
166	GRAINGER INC	12EA-Solenoid Valve, 2-Way 1/2", 110V	2,767.32
167	IRBY UTILITIES dba	2025 Rubber Goods Testing & Replacement	2,718.53
168	CITY OF ROCHESTER	Street Opening Repairs,Abandoned Valve	2,712.06
169	BORDER STATES ELECTRIC SUPPLY	500FT-Wire, Meter Rapid Pull, Custom	2,700.80
170	BAKER TILLY US, LLP	2023-2025 Audit Fees	2,685.25
171	AIRGAS SAFETY INC	48PR-Gloves, Leather Work, Lite Duty, Large	2,653.75
172	JETTER CLEAN INC	Preventative Maint,Sinks & Drains Cleaning	2,650.00
173	AMERICAN ENGINEERING TESTING	Soil Sampling of Spoils Stockpile	2,643.85
174	BEITEL RONALD	Customer Refunds 32129	2,624.31
175	CITY OF ROCHESTER	SAW-Street Opening Repairs	2,620.00
176	ALTEC INDUSTRIES INC	Synthetic Rope Assembly	2,535.29
177	PARAGON DEVELOPMENT SYSTEMS,	2EA-Intel Xeon Silver 4514Y 2 GHz P67092	2,535.00
178	ROCHESTER CHEVROLET CADILLAC	Truck Repair Parts	2,534.09
179	STONE BY STONE PLUS LLC	Replace Sidewalk Panels-6th Street SE	2,500.00
180	STONE BY STONE PLUS LLC	Replace Sidewalk Panels-2nd St SW	2,500.00
181	TECH SAFETY LINES	2EA-Kit, Self Rescue, 65' Line	2,419.65
182	ADVANTAGE SCAFFOLD & LADDERS	RPU Valve Repair	2,411.19
183	PARAGON DEVELOPMENT SYSTEMS,	2EA-HPE MR416i-p Gen11 SPDM P47777B21	2,325.86
184	QUALITROL COMPANY LLC (P)	2EA-Pressure Relief Device, 208-6E, 10PS	2,320.44
185	US BANK PURCHASING CARD	Dble Charged ASUG Membership-CM Thru October	2,300.00
186	US BANK PURCHASING CARD	ASUG Membership	2,300.00
187	ONLINE INFORMATION SERVICES I	September 2025 Utility Exchange Report	2,299.71
188	WESCO DISTRIBUTION INC	600EA-Conn, CRP SL, #4-2/0 CU only	2,268.00
189	PARAGON DEVELOPMENT SYSTEMS,	1EA-HPEDL380Gen11 12LFF NCCTOSvr P52533	2,238.83
190	BORDER STATES ELECTRIC SUPPLY	40EA-Bracket, Equip Mtg, 1ph, 1.5" x 18	2,189.20
191	RESCO	50PR-Brace, Wood, 36", 60" Span 30" Drop	2,159.00
192	VIKING ELECTRIC SUPPLY (P)	300ROL-Tape, 3/4" x 66', Electric, Black	2,147.55
193	VERIZON CONNECT NWF INC	Sept 2025 Monthly Charge - GPS Fleet Tracking	2,127.12
194	STAR ENERGY SERVICES LLC	2025 Nova Power Portal Cust Interconnect	2,120.00
195	BEHRENS MATT	Travel,Trees&Utilities Conf,Knoxville,TN-Lodging	2,089.47
196	PARAGON DEVELOPMENT SYSTEMS,	4EA-HPE Hard Dr 12 TB SAS 12gb 881781B21	2,040.96
197	PARAGON DEVELOPMENT SYSTEMS,	1EA-DL360 Gen11 Support HU4A6A300DJ	2,019.33
198	QUERESHI AMNA	CIP-AirSrc Heat Pumps-Incentives/Rebates	2,010.50
199	ANDERSON PATRICK	CIP-AirSrc Heat Pumps-Incentives/Rebates	2,008.00
200	FULTON ABIGAIL	CIP-AirSrc Heat Pumps-Incentives/Rebates	2,008.00
201	MOTION INDUSTRIES INC	2EA-Filter, Desiccant, Lube Oil Breather	1,992.42
202	CRESCENT ELECTRIC SUPPLY CO	100EA-Ground Rod, 1/2" x 8', Copper Clamp	1,960.01
203	BORDER STATES ELECTRIC SUPPLY	60EA-Deadend Recept, 15kv, 200A, NLB	1,944.60
204	DELL MARKETING LP	6EA-Dell,Pro,Thunderbolt 4 Smart Dock	1,933.30

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205	MERIT CONTRACTING INC (P)	Perform 2025 Immediate Inspection & Repair	1,925.89
206	MILESTONE MATERIALS	Class 5, Breaker Run Rock	1,924.45
207	PARAGON DEVELOPMENT SYSTEMS,	1EA-DL360 GEN11 8SFF CTO Server P52499B	1,922.12
208	BORDER STATES ELECTRIC SUPPLY	100EA-Guy Marker, 8', Yellow	1,898.10
209	RVNA TECHNOLOGIES LLC	September Vena Support	1,850.00
210	BORDER STATES ELECTRIC SUPPLY	24EA-Conn,Trans, 500, 6-Tap, Bare	1,839.60
211	ALTEC INDUSTRIES INC	1EA-Pole Stamper, Stanley	1,821.02
212	PROACTIVE ENVIRONMENTAL PRODU	1EA-Pump, Sample Champ & Wire, PS-10490	1,800.00
213	CITY AUTO GLASS INC	CIP-Lighting (C&I)-Incentives/Rebates	1,734.69
214	MISSISSIPPI WELDERS SUPPLY CO	Various Gases Cascade Creek	1,734.51
215	ROOSTERS BARN AND GRILL INC	CIP-Cooling Eq. (C&I)-Incentives/Rebates	1,713.60
216	MOTION INDUSTRIES INC	1EA-Filter, Desiccant, Liquid Fuel Brthr	1,696.25
217	US BANK PURCHASING CARD	Travel,Jill B.,SAP Conf-Registration	1,689.00
218	BORDER STATES ELECTRIC SUPPLY	50EA-Conn, Fire-On, 336 - 4/0 ACSR	1,671.50
219	SIMPSON JAMES	Travel,NSC Safety Expo,Denver,JSimpson,Lodging	1,635.16
220	TILSON TECHNOLOGY MANAGEMENT	Escrow Refund-PO 12088-TilsonTech-JA#83	1,627.50
221	GOODIN COMPANY	Brass Plumbing Pipes,Hardware	1,617.03
222	PRAIRIE RESTORATIONS INC	Bear Creek 2025-27 Management	1,602.41
223	WHKS & CO	TH14 Casing Crossing-Water	1,565.00
224	A & A ELECT & UNDERGROUND CON	SAE-Replace UG Condutors,Meter Socket	1,544.15
225	BOLTON AND MENK (P)	T-Mobile CCM High Site #89 Review	1,537.50
226	SWENSON SADIE M	CIP-AirSrc Heat Pumps-Incentives/Rebates	1,500.00
227	STATHAKIS TRICIA LYNN	CIP-AirSrc Heat Pumps-Incentives/Rebates	1,500.00
228	PRISCO JOSEPH F	CIP-AirSrc Heat Pumps-Incentives/Rebates	1,500.00
229	MEIER SARAH	CIP-AirSrc Heat Pumps-Incentives/Rebates	1,500.00
230	KNUTSON GAYLORD J	CIP-AirSrc Heat Pumps-Incentives/Rebates	1,500.00
231	GORDEN DONALD	CIP-AirSrc Heat Pumps-Incentives/Rebates	1,500.00
232	WINTERS MARGARET J	CIP-AirSrc Heat Pumps-Incentives/Rebates	1,500.00
233	RIGGS SONJA	CIP-AirSrc Heat Pumps-Incentives/Rebates	1,500.00
234	NORELL DEBORAH LIEN	CIP-AirSrc Heat Pumps-Incentives/Rebates	1,500.00
235	JACOBSON TENNIE	CIP-AirSrc Heat Pumps-Incentives/Rebates	1,500.00
236	FLOURISH CONSULTING LLC	Strengths Coaching-Judith Anderson	1,500.00
237	NASH ROBERT	CIP-AirSrc Heat Pumps-Incentives/Rebates	1,500.00
238	LAURBERG OTIS	CIP-AirSrc Heat Pumps-Incentives/Rebates	1,500.00
239	EICHENLAUB ANTHONY W	CIP-AirSrc Heat Pumps-Incentives/Rebates	1,500.00
240	US BANK PURCHASING CARD	Anthropic: Claude Team 8/20/25-8/20/26	1,500.00
241	TUPPER MARJORIE	CIP-AirSrc Heat Pumps-Incentives/Rebates	1,500.00
242	INCE TAEUBEL MEGAN	CIP-AirSrc Heat Pumps-Incentives/Rebates	1,500.00
243	HEIM DE BERA BETH	CIP-AirSrc Heat Pumps-Incentives/Rebates	1,500.00
244	PROACTIVE ENVIRONMENTAL PRODU	1EA-Pump, Sample Champ, PA-10679	1,500.00
245	CLAREY'S SAFETY EQUIPMENT dba	Annual Fire Extinguisher Inspections	1,458.00
246	FERGUSON ENTERPRISES	Safety Valves-SLP Building Heat Boiler	1,446.29
247	WESCO DISTRIBUTION INC	24EA-Anchor, 14" Power Screw	1,413.60
248	CITY OF ROCHESTER	Language Line Services	1,412.25
249	PARAGON DEVELOPMENT SYSTEMS,	4EA-HPE 32GB 2Rx8 PC5-5600BR P64706-B21	1,404.32
250	OTTER TAIL POWER OFFICES INC	Travel,NERC Trng,Ottertail,MN,Mloftus-Registration	1,400.00
251	PROACTIVE ENVIRONMENTAL PRODU	1EA-Pump, Sample Champ, PA-10678	1,400.00
252	WIP FITNESS	Customer Refunds 32014	1,384.57
253	WILLIAM E YOUNG COMPANY	6EA-Transmitter,Rosemount Pressure	1,383.72
254	BURNS & MCDONNELL INC (P)	Rate Design and Consulting 2024 -25	1,379.80
255	CORE & MAIN LP (P)	Air Release,Tapped Flange	1,375.72
256	A & A ELECT & UNDERGROUND CON	SAE-Repair Overhead Elec Service	1,354.08

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257	JASPER ENGINEERING & EQUIP CO	1EA-Seimens Positioner,6DR5010,HT/LT,WES	1,337.00
258	WIESER PRECAST STEPS INC (P)	1EA-Steps, Concrete w/ Railings	1,320.00
259	USA BLUE BOOK dba	5EA-Pipe Stand, 6" Adjustable Saddle Sty	1,319.75
260	FLEETPRIDE INC	Reseal Cylinder Assembly	1,314.00
261	CORE & MAIN LP (P)	1EA-Valve, Gate, 6", Mechanical Joint	1,312.00
262	USA BLUE BOOK dba	5EA-Pipe Stand, 4" Adjustable Saddle Sty	1,309.75
263	ROCHESTER SWEEPING SERVICE LL	9/18/25 Mill Out Rock & Blacktop	1,300.00
264	US BANK PURCHASING CARD	Travel,Tyler B.,Power Systems Conf-Lodging	1,293.02
265	VIKING ELECTRIC SUPPLY (P)	Materials for Well Site 16	1,291.36
266	GOAT PROS	Weed Control SC	1,282.50
267	MEGGER (P)	2EA-Connector- MC Adapter, 14mm M/10mm	1,280.00
268	FORBROOK LANDSCAPING SERVICES	Landscaping-6th St SE UG Conversion	1,279.44
269	WESCO DISTRIBUTION INC	2EA-Solenoid Valve; Evap Clr Drain Valve	1,268.39
270	RESCO	11EA-Conn, Trans, 1/0-1000, 6-Tap, Bare	1,266.21
271	POWER SYSTEMS ENGINEERING INC	Mayo DER System Impact Study	1,260.00
272	OPEN ACCESS TECHNOLOGY	October Tag Agent webSmartTag User IDs	1,241.31
273	CITY OF ROCHESTER	SafetyNow Renewal	1,225.00
274	ROCHESTER ARMORED CAR CO INC	2025 Pick Up Services	1,221.83
275	TIME CONSULTING LLC	SAP HCM/Payroll Assistance	1,200.00
276	NATIONWIDE DI WATER SOLUTIONS	4EA-DI Vessels, Mixed Bed, CC	1,200.00
277	PARAGON DEVELOPMENT SYSTEMS,	6EA-Hard Dr 600GB SAS 12Gb P53561B21	1,196.58
278	AIRGAS SAFETY INC	288EA-Safety Glasses, Anti Fog, Smoke	1,185.03
279	ADVANTAGE DIST LLC (P)	4EA-Filter, Hilco, Turbine Oil All Units	1,169.60
280	WARTSILA NORTH AMERICA	2KIT-Filter, Service Kit A, XA120 Comp.	1,167.34
281	QUALITROL COMPANY LLC (P)	1EA-Pressure Relief Device, 208-6U, 8 PS	1,160.23
282	US BANK PURCHASING CARD	Calibration Repair	1,142.35
283	RESCO	24EA-U-Guard, 2" x 10', Steel	1,141.92
284	IDEXX DISTRIBUTION CORP	3EA-Qunti-Cult QC Kit	1,140.00
285	MN DHS MAXIS CASHIER	Customer Refunds 32517	1,136.40
286	BORDER STATES ELECTRIC SUPPLY	40EA-Cable Support Grip, 1"-1.25" Tinned	1,126.80
287	CORE & MAIN LP (P)	1EA-W59 #31 Valve Seat	1,115.00
288	US BANK PURCHASING CARD	1EA-Meter,Water Testing,Myron L TPH1	1,113.73
289	CORPORATE WEB SERVICES INC	2025 Website Services	1,098.06
290	BORDER STATES ELECTRIC SUPPLY	60EA-Conn,Trans, 500, 6-Tap, Covered	1,092.00
291	RESCO	31EA-Terminator, Stress Cone, 1/0-4/0	1,079.73
292	BORDER STATES ELECTRIC SUPPLY	1EA-Enclosure,A302424LP NEMA12	1,069.89
293	RESCO	120EA-Plate, Lift, Galvanized, 3-Hole	1,064.40
294	GARCIA GRAPHICS INC	New Layout/Design,ESE & 4U2 Marketing Mtls	1,050.00
295	POMPS TIRE SERVICE INC	Tires (5)	1,046.52
296	REUSS DANIELLE K	CIP-AirSrc Heat Pumps-Incentives/Rebates	1,038.00
297	MEGGER (P)	1EA-VLF Adapter Set for Bus-Bars	1,020.00
298	VIKING ELECTRIC SUPPLY (P)	Conduit, PVC Elbows,Outdoor Cable Ties	1,016.54
299	MISSISSIPPI WELDERS SUPPLY CO	Welder,Welding Wire & Gas	1,010.10
300	AIRGAS SAFETY INC	15EA-Vest, FR, Mesh, Lime, L	1,003.56
301	DAKOTA SUPPLY GROUP-ACH	60EA-Fusetron, T-10A Screw-In	1,000.32
302			
303		Price Range Total:	402,779.51
304			
305	<u>0 to 1,000 :</u>		
306			
307	US BANK PURCHASING CARD	Summarized transactions: 113	24,934.80

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308	FIRST CLASS PLUMBING & HEATIN	Summarized transactions: 25	12,971.87
309	CUSTOMER REFUNDS (CIS)	Summarized transactions: 89	10,635.00
310	CORE & MAIN LP (P)	Summarized transactions: 34	10,527.36
311	AMARIL UNIFORM COMPANY	Summarized transactions: 82	10,399.49
312	BORDER STATES ELECTRIC SUPPLY	Summarized transactions: 33	8,421.14
313	PARAGON DEVELOPMENT SYSTEMS,	Summarized transactions: 78	7,982.12
314	REBATES	Summarized transactions: 28	5,881.45
315	WESCO DISTRIBUTION INC	Summarized transactions: 14	5,190.72
316	VIKING ELECTRIC SUPPLY (P)	Summarized transactions: 72	4,874.59
317	CITY LAUNDERING COMPANY	Summarized transactions: 20	4,202.09
318	LAWSON PRODUCTS INC (P)	Summarized transactions: 11	3,853.37
319	CITY OF ROCHESTER	Summarized transactions: 11	3,233.88
320	IRBY UTILITIES dba	Summarized transactions: 14	3,058.96
321	RESCO	Summarized transactions: 9	3,032.26
322	FASTENAL COMPANY	Summarized transactions: 13	2,897.04
323	VAN METER INC dba	Summarized transactions: 11	2,747.38
324	AIRGAS SAFETY INC	Summarized transactions: 28	2,741.77
325	DAKOTA SUPPLY GROUP-ACH	Summarized transactions: 21	2,596.03
326	CRESCENT ELECTRIC SUPPLY CO	Summarized transactions: 46	2,582.27
327	ITRON INC	Summarized transactions: 4	2,420.19
328	LRS OF MINNESOTA LLC	Summarized transactions: 22	2,393.07
329	WINKELS ELECTRIC INC	Summarized transactions: 3	2,369.60
330	BOB THE BUG MAN LLC	Summarized transactions: 4	2,242.55
331	PROACTIVE ENVIRONMENTAL PRODU	Summarized transactions: 7	2,112.70
332	VEIT DISPOSAL SYSTEMS dba	Summarized transactions: 3	1,830.00
333	RONCO ENGINEERING SALES INC	Summarized transactions: 10	1,750.08
334	OSWEILER TODD	Summarized transactions: 5	1,610.49
335	STRUCKMAN STEVEN	Summarized transactions: 5	1,610.49
336	FERGUSON ENTERPRISES	Summarized transactions: 4	1,510.92
337	LINEMENS SUPPLY INC	Summarized transactions: 7	1,504.60
338	WIESER PRECAST STEPS INC (P)	Summarized transactions: 3	1,500.00
339	BURNS & MCDONNELL INC (P)	Summarized transactions: 3	1,469.31
340	MENARDS ROCHESTER SOUTH	Summarized transactions: 9	1,398.31
341	SUNBELT RENTALS	Summarized transactions: 4	1,390.44
342	US BANK NATIONAL ASSOCIATION	Summarized transactions: 3	1,350.00
343	ARNOLDS A KLEEN-TECH COMPANY	Summarized transactions: 13	1,314.71
344	GOODIN COMPANY	Summarized transactions: 13	1,309.54
345	LOFTUS MICHAEL	Summarized transactions: 3	1,294.52
346	STRUCKMANN ZACHARY	Summarized transactions: 2	1,281.49
347	HACH COMPANY	Summarized transactions: 5	1,240.82
348	BUNKE BRENT	Summarized transactions: 2	1,239.49
349	SIMPSON JAMES	Summarized transactions: 4	1,194.67
350	ALTEC INDUSTRIES INC	Summarized transactions: 8	1,126.44
351	MENARDS ROCHESTER NORTH	Summarized transactions: 17	1,111.67
352	POMPS TIRE SERVICE INC	Summarized transactions: 2	1,098.08
353	SCHNEIDER ELECTRIC USA INC. (	Summarized transactions: 4	1,079.95
354	DAVE SYVERSON TRUCK CENTER IN	Summarized transactions: 7	1,059.92
355	CENTURYLINK (P)	Summarized transactions: 5	1,056.39
356	WARTSILA NORTH AMERICA	Summarized transactions: 3	1,047.63
357	ADVANTAGE DIST LLC (P)	Summarized transactions: 5	1,026.71
358	OLSEN CHAIN & CABLE CO INC	Summarized transactions: 8	1,017.71
359	T E C INDUSTRIAL INC	Summarized transactions: 2	1,007.63

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360	O'REILLY AUTO PARTS	Summarized transactions: 7	982.80
361	MCNEILUS STEEL INC	Summarized transactions: 1	967.76
362	MAVO SYSTEMS INC (P)	Summarized transactions: 1	941.55
363	PRAIRIE RESTORATIONS INC	Summarized transactions: 3	940.32
364	A & A ELECT & UNDERGROUND CON	Summarized transactions: 1	914.25
365	THE ENERGY AUTHORITY INC	Summarized transactions: 1	913.94
366	KELE INC	Summarized transactions: 2	902.46
367	ROCHESTER CHEVROLET CADILLAC	Summarized transactions: 2	876.30
368	NORTHERN / TREVI PAY	Summarized transactions: 9	873.60
369	MCMASTER CARR SUPPLY COMPANY	Summarized transactions: 10	866.76
370	MEGGER (P)	Summarized transactions: 7	857.43
371	WHKS & CO	Summarized transactions: 1	850.00
372	WARNING LITES OF MN INC (P)	Summarized transactions: 2	850.00
373	CITY LAUNDERING COMPANY	Summarized transactions: 4	842.76
374	ROBERTSON ASSET GROUP	Summarized transactions: 4	836.38
375	INNOVATIVE OFFICE SOLUTIONS L	Summarized transactions: 5	826.24
376	BOLDT JILL	Summarized transactions: 4	813.41
377	AT&T	Summarized transactions: 1	812.77
378	ANDERSON JUDITH	Summarized transactions: 5	807.89
379	PLANT & FLANGED EQUIPMENT CO	Summarized transactions: 2	789.34
380	GRAYBAR ELECTRIC COMPANY INC	Summarized transactions: 5	778.54
381	ITRON INC	Summarized transactions: 2	772.56
382	GLEASON HUNTER	Summarized transactions: 2	771.56
383	HAWKINS INC	Summarized transactions: 1	770.00
384	NETWORK SERVICES COMPANY	Summarized transactions: 4	767.15
385	SCHUMACHER ELEVATOR COMPANY	Summarized transactions: 1	760.07
386	FEDEX SHIPPING	Summarized transactions: 18	744.29
387	MISSISSIPPI WELDERS SUPPLY CO	Summarized transactions: 10	741.50
388	ROCH PLUMBING & HEATING CO IN	Summarized transactions: 1	737.52
389	NALCO COMPANY LLC	Summarized transactions: 2	726.13
390	MODEM EXPRESS INC	Summarized transactions: 2	725.00
391	MERIT CONTRACTING INC (P)	Summarized transactions: 1	716.06
392	MSC INDUSTRIAL SUPPLY CO INC	Summarized transactions: 2	715.68
393	DIGIKEY CORPORATION	Summarized transactions: 5	714.73
394	GRAINGER INC	Summarized transactions: 1	709.50
395	H2O INNOVATION USA INC (P)	Summarized transactions: 2	685.22
396	STELLAR INDUSTRIAL SUPPLY INC	Summarized transactions: 4	681.09
397	WARNING LITES OF MN INC (P)	Summarized transactions: 1	672.25
398	WATSON RECYCLING LLC	Summarized transactions: 1	661.32
399	CANON SOLUTIONS AMERICA INC (	Summarized transactions: 3	659.78
400	ULTEIG OPERATIONS LLC	Summarized transactions: 1	657.50
401	NAPA AUTO PARTS dba	Summarized transactions: 24	655.79
402	WILLIAM E YOUNG COMPANY	Summarized transactions: 4	647.44
403	BJELLAND DUANE	Summarized transactions: 3	630.00
404	ULINE	Summarized transactions: 8	622.39
405	PFC EQUIPMENT INC (P)	Summarized transactions: 4	620.12
406	DAVIES PRINTING COMPANY INC	Summarized transactions: 2	597.44
407	ELECTROMARK INC	Summarized transactions: 3	587.74
408	NEUBAUER WADE	Summarized transactions: 2	574.00
409	CITY OF ROCHESTER	Summarized transactions: 5	569.19
410	MIRATECH GROUP LLC	Summarized transactions: 2	568.37
411	NORTH CENTRAL INTERNATIONAL L	Summarized transactions: 2	553.70

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412	MIDWEST MECHANICAL SOLUTIONS	Summarized transactions: 3	546.55
413	ACME ELECTRIC MOTOR, INC.	Summarized transactions: 1	541.86
414	DM CREATIVE LLC	Summarized transactions: 1	535.00
415	J & S REPAIR	Summarized transactions: 2	520.51
416	THOMPSON GARAGE DOOR CO INC	Summarized transactions: 1	507.66
417	QUANDT CHAD	Summarized transactions: 4	506.38
418	HOLMES AMOS	Summarized transactions: 2	506.38
419	PEOPLES ENERGY COOPERATIVE	Summarized transactions: 3	503.64
420	ROCHESTER SWEEPING SERVICE LL	Summarized transactions: 1	500.00
421	VERIZON WIRELESS	Summarized transactions: 3	492.46
422	FERGUSON ENTERPRISES	Summarized transactions: 4	490.90
423	MINNESOTA ENERGY RESOURCES CO	Summarized transactions: 5	489.22
424	ADVANCED BUSINESS SYSTEMS INC	Summarized transactions: 1	470.68
425	ATLAS TOYOTA MATERIAL HANDLIN	Summarized transactions: 1	462.50
426	N HARRIS COMPUTER CORP	Summarized transactions: 1	458.01
427	EPLUS TECHNOLOGY INC	Summarized transactions: 2	455.15
428	FLEETPRIDE INC	Summarized transactions: 1	454.69
429	BEHRENS MATT	Summarized transactions: 4	450.78
430	NORTHSTAR CALIBRATION INC	Summarized transactions: 6	436.50
431	POWERMATION DIVISION	Summarized transactions: 3	419.19
432	MEINERS TYLER J	Summarized transactions: 2	404.28
433	MEIER, LANDON	Summarized transactions: 2	404.28
434	HOLTORF CHASE	Summarized transactions: 2	404.28
435	PRAIRIE EQUIPMENT CO LLC	Summarized transactions: 2	400.07
436	TONNA MECHANICAL INC	Summarized transactions: 1	400.00
437	WIESE USA INC	Summarized transactions: 2	392.60
438	USA BLUE BOOK dba	Summarized transactions: 3	383.54
439	PEOPLES ENERGY COOPERATIVE	Summarized transactions: 2	376.25
440	STAR ENERGY SERVICES LLC	Summarized transactions: 2	376.00
441	CORPORATE WEB SERVICES INC	Summarized transactions: 1	370.80
442	LOCATORS AND SUPPLIES	Summarized transactions: 3	366.18
443	ZIEGLER INC	Summarized transactions: 2	362.98
444	JOHN HENRY FOSTER MN INC (P)	Summarized transactions: 4	362.18
445	STRUVES PAINT & DECORATING (P	Summarized transactions: 4	361.57
446	GRAYBAR ELECTRIC COMPANY INC	Summarized transactions: 8	357.85
447	CLAREY'S SAFETY EQUIPMENT dba	Summarized transactions: 1	345.21
448	DEMING IAN	Summarized transactions: 1	333.00
449	SICKLE MASON	Summarized transactions: 1	333.00
450	OLSON BJORN	Summarized transactions: 1	333.00
451	CHOSEN VALLEY TESTING	Summarized transactions: 1	333.00
452	PROLINE DISTRIBUTORS	Summarized transactions: 3	316.78
453	SHI INTERNATIONAL CORP (P)	Summarized transactions: 1	315.00
454	PAYNE LUKE	Summarized transactions: 2	301.00
455	GERKEN ALEXANDER	Summarized transactions: 1	301.00
456	REINDERS INC	Summarized transactions: 2	299.49
457	DELL MARKETING LP	Summarized transactions: 4	297.42
458	PAAPE ENERGY SERVICE INC	Summarized transactions: 1	296.50
459	CROSSCOUNTRY FREIGHT SOLUTION	Summarized transactions: 1	291.59
460	T-MOBILE CENTRAL LLC	Summarized transactions: 1	278.50
461	GARCIA GRAPHICS INC	Summarized transactions: 2	275.00
462	BARRY SCREEN PRINT CO dba	Summarized transactions: 6	272.88
463	MITSUBISHI POWER AERO LLC (P)	Summarized transactions: 2	249.30

ROCHESTER PUBLIC UTILITIES
A/P Board Listing By Dollar Range
For 09/10/2025 To 10/09/2025
Consolidated & Summarized Below 1,000

464	PROPERTY RECORDS OLMSTED COUN	Summarized transactions: 3	242.00
465	DZUBAY TONY	Summarized transactions: 2	231.53
466	KRANZ JEFF DBA JK ELECTRIC	Summarized transactions: 1	229.63
467	VANCO SERVICES LLC	Summarized transactions: 1	224.75
468	PROLINE DISTRIBUTORS	Summarized transactions: 3	223.58
469	NUVERA	Summarized transactions: 1	221.97
470	NORTHERN / TREVI PAY	Summarized transactions: 3	208.03
471	BORDELON'S PLUMBING SERVICES	Summarized transactions: 1	200.00
472	CENTURYLINK	Summarized transactions: 1	198.06
473	SHERMAN & REILLY INC	Summarized transactions: 2	196.87
474	WATER SYSTEMS COMPANY	Summarized transactions: 2	192.30
475	TROSKA TYLER	Summarized transactions: 1	185.00
476	DEFRANG SPENCER	Summarized transactions: 1	185.00
477	PETERSON CHAD	Summarized transactions: 1	185.00
478	KEACH TODD	Summarized transactions: 1	185.00
479	SOUTHERN MN MUNICIPAL POWER A	Summarized transactions: 2	175.42
480	QUALITROL COMPANY LLC (P)	Summarized transactions: 1	174.03
481	CHARTER COMMUNICATIONS	Summarized transactions: 1	172.06
482	ESSENTRA COMPONENTS dba	Summarized transactions: 2	171.17
483	NYHUS STEVE	Summarized transactions: 1	170.29
484	MALLOY ELECTRIC dba	Summarized transactions: 3	169.97
485	MOTION INDUSTRIES INC	Summarized transactions: 2	169.49
486	PAULS LOCK & KEY SHOP INC	Summarized transactions: 3	166.68
487	ONLINE INFORMATION SERVICES I	Summarized transactions: 1	166.64
488	JOHN HENRY FOSTER MN INC (P)	Summarized transactions: 2	165.76
489	SIGNALCRAFTERS TECH	Summarized transactions: 1	160.00
490	BATTERIES PLUS	Summarized transactions: 3	155.55
491	FLAGSOURCE dba	Summarized transactions: 3	146.51
492	MARCO TECHNOLOGIES LLC (P)	Summarized transactions: 2	140.91
493	GRAINGER INC	Summarized transactions: 7	133.68
494	MILESTONE MATERIALS	Summarized transactions: 1	132.61
495	SCHEEL LAWRENCE	Summarized transactions: 1	125.34
496	MCCOLLOUGH TIM	Summarized transactions: 2	119.25
497	ENERVAC INTERNATIONAL ULC	Summarized transactions: 1	111.29
498	TECHSMITH CORPORATION	Summarized transactions: 1	102.60
499	AUTOZONE STORES LLC	Summarized transactions: 2	101.57
500	MIDWEST RENEWABLE ENERGY TRAC	Summarized transactions: 1	100.54
501	FASTSIGNS ROCHESTER MN	Summarized transactions: 2	93.10
502	RONCO ENGINEERING SALES INC	Summarized transactions: 1	92.53
503	SHERWIN WILLIAMS CO #3526	Summarized transactions: 2	91.35
504	SLEEPY EYE TELEPHONE CO	Summarized transactions: 1	84.76
505	KELLER TOM A JR	Summarized transactions: 1	80.00
506	WHITEWATER CDJR OF ST CHARLES	Summarized transactions: 2	75.80
507	TOTAL TOOL SUPPLY INC (P)	Summarized transactions: 4	66.90
508	GLOBAL RENTAL COMPANY INC	Summarized transactions: 1	65.62
509	COPPER CREEK SIGN SHOP	Summarized transactions: 2	64.88
510	WABASHA IMPLEMENT	Summarized transactions: 2	58.14
511	O'REILLY AUTO PARTS	Summarized transactions: 1	51.41
512	USA BLUE BOOK dba	Summarized transactions: 2	49.84
513	BOWMANS DOOR SOLUTIONS	Summarized transactions: 2	38.93
514	GREAT RIVER ENERGY	Summarized transactions: 1	35.70
515	IDEXX DISTRIBUTION CORP	Summarized transactions: 1	22.35

ROCHESTER PUBLIC UTILITIES
A/P Board Listing By Dollar Range
For 09/10/2025 To 10/09/2025
Consolidated & Summarized Below 1,000

516	BATTERIES PLUS	Summarized transactions: 1	21.95
517	TECH SAFETY LINES	Summarized transactions: 1	20.48
518	MCFARLAND JESSE	Summarized transactions: 1	19.74
519	BORENE LAW FIRM P.A.	Summarized transactions: 1	12.40
Price Range Total:			248,021.85
Grand Total:			24,342,244.79



REQUEST FOR ACTION

2026 - 2027 Electric and Water Utilities Rate Tariff

MEETING DATE:

October 28, 2025

ORIGINATING DEPT:

Rochester Public Utilities

AGENDA SECTION:

Regular Agenda

PRESENTER:

Peter Hogan, Director of
Corporate Services

Action Requested:

Approve and recommend City Council approval of the rates and fees to take effect on or about January 1, 2026, and January 1, 2027, according to the attached rate tariffs.

Report Narrative:

Executive Summary (Bottom Line Up Front):

Management recommends revising the **electric rate pathway** for 2026–2027 to a **4.0 percent adjustment in 2026** and a **6.0 percent adjustment in 2027**, replacing the previously proposed 6.0 and 6.0 percent adjustments. The originally proposed **9.0 and 9.0 percent water-utility adjustments remain unchanged**.

This updated electric recommendation is **different from the proposal noticed to customers** following the Board's September 30, 2025, decision to **publish the proposed rate tariff schedule**. The revision reflects **SMMPA's final October 17 decision** to implement a **larger-than-budgeted wholesale rate decrease for 2026**, driven by **lower 2026 debt-service needs tied to Sherco Unit 3's 1994A bonds**, which mature on January 1, 2027.

In plain terms, SMMPA can lower what members pay in 2026 because **more of the expected Sherco-related debt savings can be recognized in 2026 than originally assumed**, reducing the revenue SMMPA needs to collect from members next year.

For Rochester, this additional reduction in wholesale costs represents roughly a \$4 million improvement over earlier projections in 2026. As a result, the 2026 retail rate adjustment needed to meet RPU's revenue requirement can be reduced from 6.0 percent to 4.0 percent while maintaining financial balance.

The **revised rate schedule recommendation** also reflects the **continued commitment of the RPU Board to align rates with costs** and to **listen to customers** in managing the long-term pathway with sound financial planning.

Together, these factors enable RPU to **maintain financial stability** and **system reliability** while advancing both **customer affordability** and **renewable energy goals**.

Cost-of-Service Studies

- **Water Utility:** The 2025 Water Cost-of-Service Study was presented and filed with the Board on August 26, 2025.

- **Electric Utility:** The 2023 Electric Cost-of-Service Study was presented and filed with the Board on September 26, 2023.

These studies identify revenue requirements by customer class and help inform rate design recommendations to reduce cross-subsidization within and between customer groups.

Revised Rate Adjustments and Budget Alignment

On **August 5, 2025**, the Board reviewed the proposed 2026 and 2027 Water and Electric Utility budgets, which included projected **9.0 percent annual rate adjustments** for the Water Utility and **6.0 percent annual adjustments** for the Electric Utility.

Following SMMPA's **October 17 decision** to implement a **10 percent wholesale rate decrease** for 2026, driven by lower debt-service needs associated with the **Sherco Unit 3 1994A bonds**, management recommends **revising the electric rate trajectory** to a **4.0 percent adjustment in 2026** and a **6.0 percent adjustment in 2027**. The 9.0 percent and 9.0 percent water-utility adjustments remain unchanged.

These adjustments are based on assumptions of historically normal customer growth, continued replacement of critical infrastructure, and updated wholesale power cost forecasts that reflect SMMPA's finalized 2026 budget conditions.

Estimated Monthly Impacts – Average Residential Customer

Utility	2026	2027
Water	+\$2.01/month	+\$2.19/month
Electric	+\$3.85/month (revised)	+\$6.01/month (revised)

Power Cost Adjustment Provision

As part of this rate action, management requests authority to adjust the Power Cost Adjustment (PCA) standard rate to retain any wholesale power cost savings from the Southern Minnesota Municipal Power Agency (SMMPA) related to the Sherco 3 debt retirement.

These funds will help offset future debt service costs associated with new capacity under RPU's long-term power supply resource plan.

Public Notice and Council Action

- A notice of the proposed revenue adjustment was approved by the Board on September 30, 2025, and published in the newspaper of record on October 4, 2025, in accordance with the Board's rate-setting policy.
- Upon Board approval, management will forward the proposed tariffs and fee schedules to the City Council for inclusion in their December 1, 2025, budget approval process.

Note on Rate Tariff Attachments

The rate tariff attachment accompanying this agenda item reflects the **two-year rate adjustments for the Water Utility** and the **first-year 4.0 percent rate adjustment for the Electric Utility**. Because of the short timeline between the development of this **revised recommendation** and the **publication of this board packet**, the **final tariff book** will be prepared in accordance with the **Board's intent as reflected in the attached resolution**.

A complete and updated **final rate tariff** will be presented to the **RPU Board in November** for review and record.

Policy Considerations & DEI Impact:

Under Chapter 15.05, Subd. 3 of the Rochester Home Rule Charter,

*“The public utility board may adopt, amend, and rescind such rules and regulations as it may deem necessary for the control, management, and operation of the public utilities under its jurisdiction. The board shall, with the concurrence of the common council, fix the rates to be charged for the availability and use of the public utility commodities and services under its jurisdiction. Rates shall be **reasonable** and **compensatory** so as to cover all of the costs of the respective public utility and shall be **uniform** for all consumers within the same class, but different rates may be established for different classifications by the board. Rates within the city corporate limits may be less but shall be no greater than rates for the same classification outside the city limits.”*

The Charter requires rates to be reasonable, compensatory, and uniform within each customer class.

Building on this authority, the RPU Board’s adopted rate policy states:

*“to recover, through the application of rates and charges for utility services, revenues which are **sufficient to meet the financial obligations of each independent utility enterprise**. Further, the Board intends to apply rates and charges which are **equitable among customers or classes of customers** based on the Utility Basis of (generally accepted industry) rate-making principles.”*

Prior Legislative Actions & Community Engagement:

RPU Board approved a public notice of proposed rate adjustments on September 30, 2025.

Prepared By:

Peter Hogan

Attachments:

[Report - 2026-2027 Electric Rate Recommendation.pdf](#)

[Exhibit - 2026 2027 Rate Notification Affidavit](#)

[Exhibit - 2026 - 2027 Rate Notification Text 2025](#)

[Exhibit - 2026 - 2027 Electric Water Rate Tariff](#)

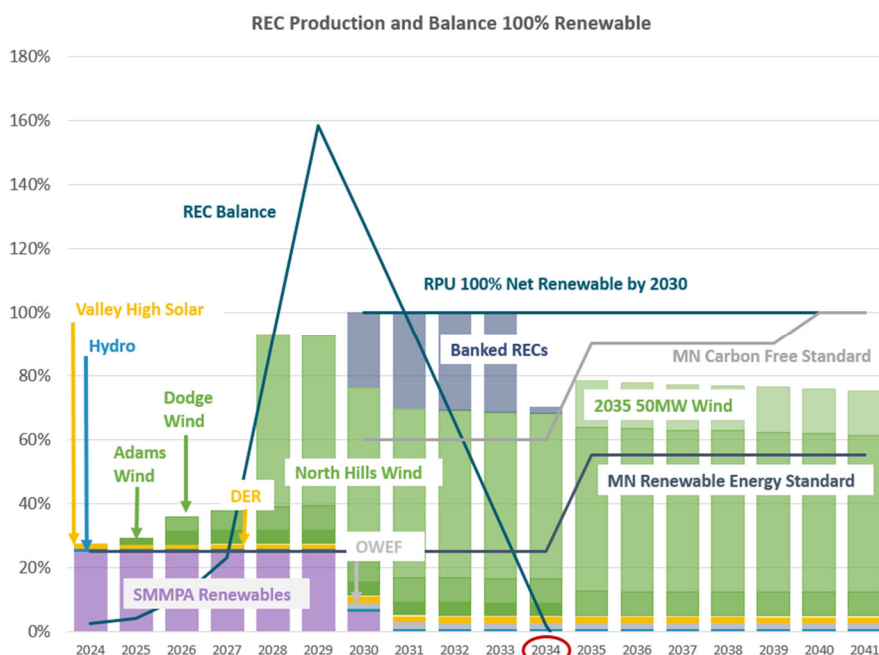
[20251028 - Resolution - 2026 2027 Water Utility Rate Adjustment](#)

[20251028 - Resolution - 2026 2027 Electric Utility Rate Adjustment](#)

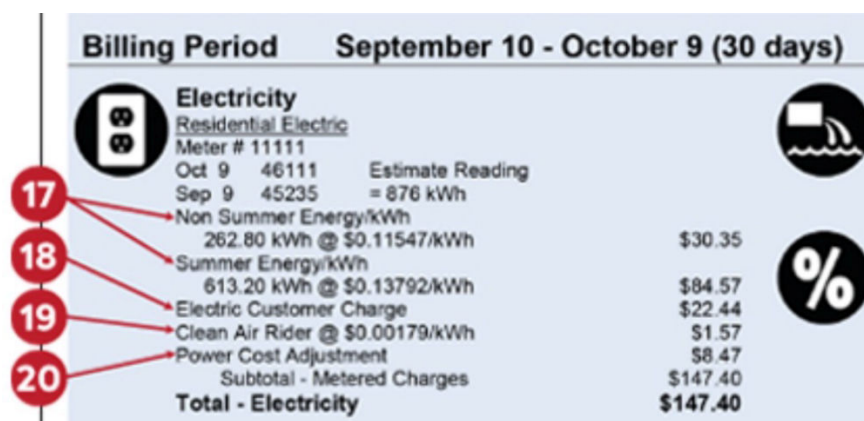
Residential Electric Bill and Future Rate Strategy

Our 2030 Renewable Energy Goal and 2026/2027 Rate Strategy

- The RPU Board has **reaffirmed its commitment to the 100% net renewable energy by 2030 resource plan goal**, while also recognizing that a **slower, more gradual approach** may be necessary.
- Compliance with the **Minnesota Carbon Free Standard** is ensured through a **base level of approximately 70% renewable supply**. Since we are also planning early adoption of the base level of renewable resources, renewable energy credit banking before 2030 positions us to also meet our local 2030 goal and extend compliance through 2034 by drawing from a REC bank starting in 2030 to meet the local goal.
- Early adoption of renewables also positions us to **preserve eligibility for federal tax credits which expire after 2027**, reducing the long-term cost of energy. The renewable projects we are pursuing now are long-term contracts with low, stable and predictable costs for a 20+ year term.
- Earlier this year, a customer survey explored two possible paths for future rate adjustments through 2030: a **4% annual rate pathway** versus a **6% annual rate pathway**, with the difference reflecting the pace of renewable adoption before 2030. **The lower rate pathway aligned with the board's current direction, balancing cost management and aspirational renewable targets.**



Education on How We Bill



The diagram shows a typical residential electric bill for the period September 10 to October 9 (30 days). The bill is for Residential Electric, Meter # 11111. It includes an estimate reading for October 9 (46111) and a September 9 reading (45235), resulting in 876 kWh. The bill is broken down into Non-Summer Energy (262.80 kWh @ \$0.11547/kWh = \$30.35) and Summer Energy (613.20 kWh @ \$0.13792/kWh = \$84.57). Other charges include an Electric Customer Charge (\$22.44), a Clean Air Rider (\$1.57), and a Power Cost Adjustment (\$8.47). The subtotal for metered charges is \$147.40, and the total electricity bill is \$147.40. Callouts 17 through 20 point to the headline rate, customer charge, clean air rider, and power cost adjustment, respectively.

Billing Period		September 10 - October 9 (30 days)	
Electricity			
Residential Electric			
Meter # 11111			
Oct 9	46111	Estimate Reading	
Sep 9	45235	= 876 kWh	
Non Summer Energy/kWh			
262.80 kWh @ \$0.11547/kWh			\$30.35
Summer Energy/kWh			
613.20 kWh @ \$0.13792/kWh			\$84.57
Electric Customer Charge			\$22.44
Clean Air Rider @ \$0.00179/kWh			\$1.57
Power Cost Adjustment			\$8.47
Subtotal - Metered Charges			\$147.40
Total - Electricity			\$147.40

A typical residential electric bill includes several key components:

- **17 Energy/kWh (Headline Rate):** A per-kilowatt-hour charge for the electricity you consume. The rate is published annually and varies seasonally between **summer** and **non-summer periods** but does not fluctuate monthly.
- **18 Customer Charge:** A fixed monthly fee that covers metering, billing, and the basic infrastructure required to keep electricity flowing to your home. This charge is the same every month, regardless of how much energy you use.
- **19 Clean Air Rider:** A per-kilowatt-hour charge supporting previous investments in emission reduction projects. This will end in 2030, when the money borrowed to pay for these projects has been fully repaid. This rate is adjusted annually based on projected sales in the future and actual energy sales in the previous year in order to collect the correct amount to pay back the borrowed money that funded these projects.
- **20 Power Cost Adjustment (PCA):** A per-kilowatt-hour charge that recovers the difference between **budgeted power supply energy costs** and the **actual power supply costs**. The PCA allows the headline rate to remain stable while reflecting real market conditions. The PCA can **rise or fall** depending on power supply costs. When we see a sustained change in power supply costs, we seek to adjust the **PCA base rate** to reflect the forward forecast of energy costs. This ensures bills reflect the true cost of energy without the need for frequent base rate changes.
- **PCA Plain-language summary:** “The PCA is a monthly charge that adjusts your bill based on actual power supply costs compared to what was budgeted. It can rise or fall, and we update it over time to reflect the forward forecast of energy costs. This helps keep base rates steady while ensuring your bill matches the true cost of providing electricity.”

Updated View Since the Customer Survey asking 4% or 6%

As mentioned earlier, we surveyed customers on two possible rate pathways: **4% annually** or **6% annually over the next five years**. The cost difference at that time, reflected the cost differences in the pace of renewable adoption prior to 2030.

We were aware that there were additional risk-based sensitivities such as the potential loss of certain federal tax credits, tariff impacts on imported renewable equipment, and battery accreditation rules. Because of their uncertainty, these factors were not incorporated into the original 20-year financial forecast baseline models used in the 4% or 6% scenarios. The scenarios were presented with the intention of giving a basis of comparison against each other, not as absolute numbers.

By mid-August 2025, after the passage of the federal reconciliation bill and with new information available, updated modeling that incorporated these risk sensitivities revealed a different picture. **The outlook for the late 2020s, especially 2028 and 2029, now shows higher cost power supply cost pressures.** The difference of costs between the original power supply scenarios asked in the survey now resemble 6% or 8% annual pathways rather than the originally asked 4% or 6% annual pathways.

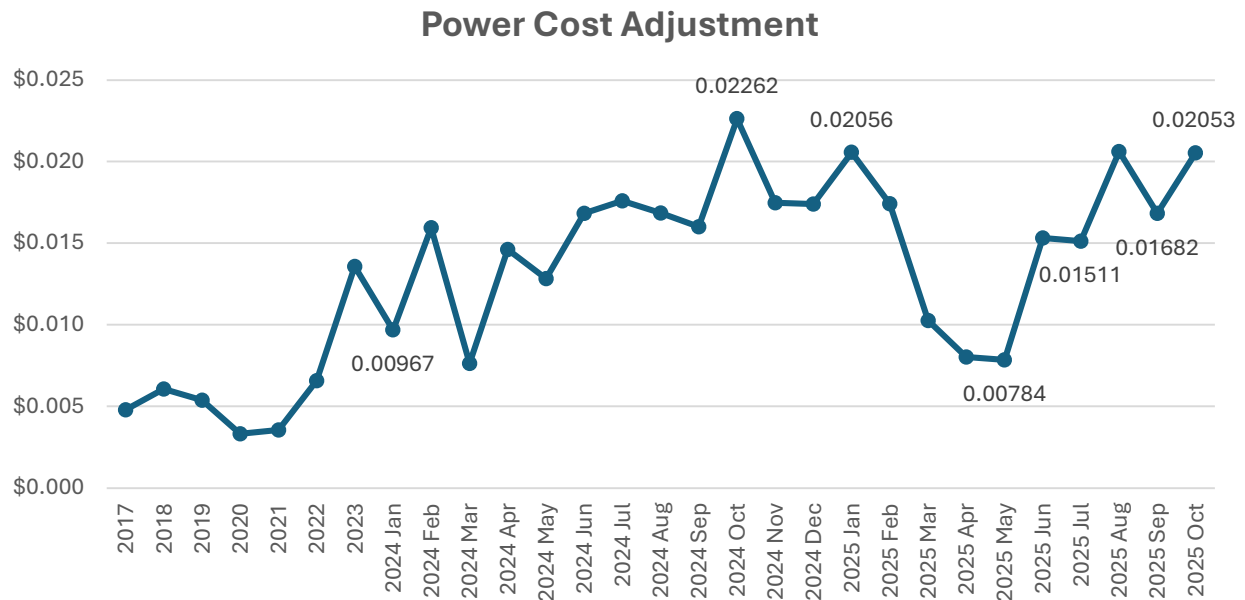
The additional pressure falls primarily on the power supply side of our business. These costs would typically be managed through the Power Cost Adjustment (PCA). If no proactive action is taken, this would result in a higher proportion of customer bills being recovered through the PCA.

This updated view makes the case stronger for adopting a 6% adjustment now in 2026 and 2027, which allows us to:

- Smooth rates in advance of sharper cost pressures expected in 2028 and 2029.
- Build approximately \$10 million in reserves to buffer higher-cost periods.
- Position the utility to maintain rate stability and predictability while staying on track for the 2030 renewable goal.

Current Power Cost Adjustment (PCA) Status

- In 2024 and 2025, the PCA is holding at approximately **\$0.015 per kWh**, based on a budgeted wholesale energy cost of **\$0.07285 per kWh** set in the budget process.
- The chart shows the sustained power cost adjustment rate we have experienced since 2023.



Projected PCA Uplift

- With the anticipated increases in **power supply costs** and market risk exposure from early renewable projects, the PCA is expected to **rise to approximately 2.5–3.3 cents per kWh** in the late 2020s on the lower 4% rate track.
- This means a **higher proportion of total energy costs would be recovered through the PCA**, rather than the stable base (headline) rate.
- The guiding principle behind the PCA is to **project forward future power supply costs in the budget**, setting both a **base energy rate** and a **PCA base rate assumption** as part of the general rate design.
- Ideally, the PCA would fluctuate around **zero**, which would indicate that projected power supply costs were accurate and actual energy costs remained stable during the budget period.
- Some utilities leave the base rate steady over extended periods of time even as costs change because it is easier to adjust revenues through the **PCA charges**, which are set by a formula and do not require board or council approval.
- Over time, failing to align base rates with projected power supply costs can create situations where the **headline rate published on the bill does not accurately reflect the total cost of energy** that customers experience.
- For example, today our **summer energy headline rate is 14.4 cents/kWh**, with a **PCA of 1.5 cents/kWh**, meaning customers effectively feel **15.9 cents/kWh** on their bill when they only see **14.4 cents/kWh** published on the bill and in the tariff as the headline rate.

Revised Recommendation with SMMPA Wholesale Rate Savings

This October updated electric recommendation is **different from the proposal noticed to customers in the newspaper** following the Board's September 30, 2025, decision to **publish the proposed rate tariff schedule**. The revision reflects **SMMPA's final October 17 decision** to implement a **larger-than-budgeted wholesale rate decrease for 2026**, driven by **lower 2026 debt-service needs tied to Sherco Unit 3's 1994A bonds**, which mature on January 1, 2027.

In plain terms, SMMPA can lower what members pay in 2026 because **more of the expected Sherco-related debt savings can be recognized in 2026 than originally assumed**, reducing the revenue SMMPA needs to collect from members next year.

For Rochester, this additional reduction in wholesale costs represents roughly a \$4 million improvement over earlier projections in 2026. As a result, the 2026 retail rate adjustment needed to meet RPU's revenue requirement can be reduced from 6.0 percent to 4.0 percent while maintaining financial balance.

The **revised rate schedule recommendation** also reflects the **continued commitment of the RPU Board to align rates with costs** and to **listen to customers** in managing the long-term pathway with sound financial planning.

Together, these factors enable RPU to **maintain financial stability** and **system reliability** while advancing both **customer affordability** and **renewable energy goals**.

Flexibility with Fiscal Controls

Supporting the revised recommended of a 4.0% electric rate adjustment in 2026 and 6.0% electric rate adjustment in 2027 will have the effect of **building a positive variance in our net position beginning in 2027, roughly a \$10 million improvement over the original 4% pathway**. That strengthens cash reserves, which is a deliberate strategy to prepare for the cost pressures we expect in 2028 and 2029 from power supply.

It's important to note that *nothing has changed* on the expense side of the budget recommendation for 2026 and 2027 from the original proposal except for the wholesale cost reductions and the implementation of 245 MW of wind resources that will be added over the next few years. Other operational expenses remain exactly as presented. Annual budgets are approved through the formal budget process with council concurrence and cannot be expanded without returning through that same governance process. Usage of cash reserves in 2028 and 2029 will be determined through the budget development and approval process.

The City, including RPU, has strong fiscal controls that prevent unapproved spending. In addition, RPU has been proactive driving continuous improvement activities. Back in January of 2025, we launched the **Continue Improving** campaign, focused on identifying practical, sustainable savings across the organization. That effort aligned with the broader ask of the City operations for exploring a 2% operational cost reduction. As we reported to the RPU Board at their last meeting, this initiative has already identified nearly \$1 million in reduced annual operating expenses achieved through common-sense improvements that maintain or improve our service levels to our customers.

Taken together, these actions demonstrate that we're managing costs responsibly while strategically building reserves to navigate the medium-term power supply cost pressures ahead.

Recommendation: Adjust Electric Base Rates Now on the 4% in 2026 and 6% in 2027 Pathway

- By **adjusting base rates now incrementally and predictably**, we are smoothing rates into the expected higher average cost of power supply projected in the medium term. This will also create base rate headroom to adjust the PCA base rate to better reflect the higher anticipated cost of energy in 2028.
- Benefits of this approach include:
 - **Smoother rate changes** – Customers experience a more predictable bill trajectory, which aligns with survey feedback showing preference for stable, gradual rate changes.
 - **Reduced PCA range** – More of the energy cost is collected through the stable base rate, limiting the range of variability passed through the PCA.
 - **Reserve building** – Over the next two years, this approach will build approximately **\$10 million in reserves** compared to the other rate option, providing flexibility to mitigate future higher-cost power supply periods as needed.

Conclusion

- Educating customers on bill components, especially the PCA, helps explain why base rates can remain stable while reflecting actual energy costs.
- Raising base rates now is a proactive step to smooth out future cost impacts, reduce PCA range variability, and ensure the utility has flexibility to manage expected cost pressures in 2028 and 2029.
- This strategy balances **predictability for customers, financial stability for the utility, and continued progress toward renewable energy goals.**

AFFIDAVIT OF PUBLICATION

STATE OF MINNESOTA

ss.

COUNTY OF OLMSTED

Molly Guck, being first duly sworn, on oath states as follows:

1. I am the publisher of the POST BULLETIN, or the publisher's designated agent. I have personal knowledge of the facts stated in this Affidavit, which is made pursuant to Minnesota Statutes §331A.07.

2. The newspaper has complied with all of the requirements to constitute a qualified newspaper under Minnesota law, including those requirements found in Minnesota Statutes §331A.02.

3. The dates of the month and the year and day of the week upon which the public notice attached/copied below was published in the newspaper are as follows: Saturday, October 4, 2025, Monday, October 6, 2025

4. The publisher's lowest classified rate paid by commercial users for comparable space, as determined pursuant to § 331A.06, is as follows:

5. Pursuant to Minnesota Statutes §580.033 relating to the publication of mortgage foreclosure notices: The newspaper's known office of issue is located in OLMSTED County. The newspaper complies with the conditions described in §580.033, subd. 1, clause (1) or (2). If the newspaper's known office of issue is located in a county adjoining the county where the mortgaged premises or some part of the mortgaged premises described in the notice are located, a substantial portion of the newspaper's circulation is in the latter county.

Dated this 6th day of October, 2025.

Molly Guck 10/15/2025
Legals Clerk

Mary B Joyce 10/15/2025
Notary Public

MARY B JOYCE
Notary Public
State of North Dakota
My Commission Expires Feb 9, 2027

During the September 30, 2025 review by the Board of the 2026 and 2027 recommended budget for the Electric Utility, management recommended that the Board approve a 6.0% overall general rate increase for 2026 and 2027. The impact of this change for the average residential customer per month is approximately \$5.78 per month in 2026 and \$6.12 per month in 2027. The RPU Board reviewed the 2026 and 2027 recommended Water Utility budget on September 30, 2025. The recommended budget included a 9.0% general revenue increase in both 2026 and 2027. The water cost of service study and proposed water rates assume historically normal customer growth. The impact of the recommended general rate increase on the average residential customer is approximately \$2.01 per month in 2026 and \$2.18 per month in 2027. Management is seeking the Board’s approval to post the proposed rate schedule according to the Board’s rate setting policy. The Board invites public comment up to and including the upcoming October 28, 2025 Board meeting. Approval will be requested during the October 28, 2025 Board meeting. Please contact Raquel Hellman at 507-280-1534 or email at rhellman@rpu.org.																																																																																																																																																																																																																																																																																																																							
Proposed 2026 and 2027 Electric Rate Tariff changes 6% Annual Rate Increase <table><tr><th></th><th></th><th>2025</th><th>2026</th><th>2027</th></tr><tr><td rowspan="3">Residential Rate RES</td><td>Customer Charge</td><td>\$ 23.44</td><td>\$ 25.00</td><td>\$ 26.60</td></tr><tr><td>Non-Summer Energy (kWh)</td><td>\$ 0.12068</td><td>\$ 0.12895</td><td>\$ 0.13778</td></tr><tr><td>Summer Energy (kWh)</td><td>\$ 0.14415</td><td>\$ 0.15404</td><td>\$ 0.16460</td></tr><tr><td rowspan="2">Residential Dual Fuel Rate RES-DF</td><td>Customer Charge</td><td>\$ 23.44</td><td>\$ 25.00</td><td>\$ 26.60</td></tr><tr><td>Energy Charge (kWh)</td><td>\$ 0.09007</td><td>\$ 0.09625</td><td>\$ 0.10285</td></tr><tr><td rowspan="4">Residential High Efficiency HVAC Rate RESELGEO</td><td>Customer Charge</td><td>\$ 23.44</td><td>\$ 25.00</td><td>\$ 26.60</td></tr><tr><td>Non-Summer Energy first 600kWh</td><td>\$ 0.12068</td><td>\$ 0.12895</td><td>\$ 0.13778</td></tr><tr><td>Non-Summer Energy over 600 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0.10285	Residential High Efficiency HVAC Rate RESELGEO	Customer Charge	\$ 23.44	\$ 25.00	\$ 26.60	Non-Summer Energy first 600kWh	\$ 0.12068	\$ 0.12895	\$ 0.13778	Non-Summer Energy over 600 kWh	\$ 0.10113	\$ 0.10806	\$ 0.11546	Summer Energy (kWh)	\$ 0.14415	\$ 0.15404	\$ 0.16460	Residential Time of Use RES-TOU	Customer Charge	\$ 23.44	\$ 25.00	\$ 26.60	Non-Summer Energy				Super-peak / kWh	\$ 0.15650	\$ 0.16724	\$ 0.17872	On-peak / kWh	\$ 0.15650	\$ 0.16724	\$ 0.17872	Off-peak / kWh	\$ 0.07932	\$ 0.08477	\$ 0.09058	Summer Energy				Super-peak / kWh	\$ 0.32404	\$ 0.34626	\$ 0.36999	On-peak / kWh	\$ 0.19273	\$ 0.20595	\$ 0.22007	Small General Service SGS	Off-peak / kWh	\$ 0.07932	\$ 0.08477	\$ 0.09058	Customer Charge	\$ 29.00	\$ 27.00	\$ 26.60	Non-Summer Energy Charge / kWh	\$ 0.12196	\$ 0.13194	\$ 0.14273	Summer Energy Charge / kWh	\$ 0.15697	\$ 0.16980	\$ 0.18367	Small General Service High Efficiency HVAC GSHEF	Customer Charge	\$ 29.00	\$ 27.00	\$ 26.60	Non-Summer Energy Charge / kWh	\$ 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Charge / kWh</td><td>\$ 0.06434</td><td>\$ 0.06883</td><td>\$ 0.07362</td></tr><tr><td></td><td></td><td></td><td></td></tr><tr><td rowspan="4">Medium General Services High Efficiency MGS-HEF</td><td>Non-Summer Demand Charge / kW</td><td>\$ 17.86</td><td>\$ 18.73</td><td>\$ 19.64</td></tr><tr><td>Non-Summer Energy Charge / kWh</td><td>\$ 0.05379</td><td>\$ 0.05756</td><td>\$ 0.06158</td></tr><tr><td>Summer Demand Charge / KW</td><td>\$ 22.33</td><td>\$ 23.43</td><td>\$ 24.57</td></tr><tr><td>Summer Energy Charge / kWh</td><td>\$ 0.06698</td><td>\$ 0.07165</td><td>\$ 0.07663</td></tr><tr><td rowspan="7">Medium General Service Time of Use MGS-TOU</td><td>Non-Summer On-peak Demand / kW</td><td>\$ 19.30</td><td>\$ 20.25</td><td>\$ 21.24</td></tr><tr><td>Non-Summer Off-peak Demand / kW</td><td>\$ 2.09</td><td>\$ 2.20</td><td>\$ 2.31</td></tr><tr><td>Non-Summer Energy Charge / kWh</td><td>\$ 0.06643</td><td>\$ 0.07107</td><td>\$ 0.07602</td></tr><tr><td>Summer On-peak demand / kW</td><td>\$ 26.03</td><td>\$ 27.31</td><td>\$ 28.64</td></tr><tr><td>Summer Off-peak demand / kW</td><td>\$ 2.09</td><td>\$ 2.20</td><td>\$ 2.31</td></tr><tr><td>Summer Energy Charge / kWh</td><td>\$ 0.06643</td><td>\$ 0.07107</td><td>\$ 0.07602</td></tr><tr><td></td><td></td><td></td><td></td></tr><tr><td rowspan="2">Large General Service LGS</td><td>Demand Charge / kW</td><td>\$ 22.22</td><td>\$ 22.66</td><td>\$ 23.10</td></tr><tr><td>Energy Charge / kWh</td><td>\$ 0.06434</td><td>\$ 0.06883</td><td>\$ 0.07362</td></tr><tr><td rowspan="6">Large General Service Time of Use LGS-TOU</td><td>Non-Summer On-peak Demand / kW</td><td>\$ 19.30</td><td>\$ 20.25</td><td>\$ 21.24</td></tr><tr><td>Non-Summer Off-peak Demand / kW</td><td>\$ 2.09</td><td>\$ 2.20</td><td>\$ 2.31</td></tr><tr><td>Non-Summer Energy Charge / kWh</td><td>\$ 0.06643</td><td>\$ 0.07107</td><td>\$ 0.07602</td></tr><tr><td>Summer On-peak demand / kW</td><td>\$ 26.03</td><td>\$ 27.31</td><td>\$ 28.64</td></tr><tr><td>Summer Off-peak 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On-peak Energy / kWh</td><td>\$ 0.19570</td><td>\$ 0.20913</td><td>\$ 0.22347</td></tr><tr><td>Non-Summer Off-peak Energy / kWh</td><td>\$ 0.07932</td><td>\$ 0.08477</td><td>\$ 0.09058</td></tr><tr><td>Summer On-peak / kWh</td><td>\$ 0.27094</td><td>\$ 0.28953</td><td>\$ 0.30938</td></tr><tr><td>Summer Off-peak / kWh</td><td>\$ 0.07932</td><td>\$ 0.08477</td><td>\$ 0.09058</td></tr><tr><td>City Street Lights</td><td>LED RPU Owned (All Sizes)</td><td>\$ 0.62369</td><td>\$ 0.66579</td><td>\$ 0.71074</td></tr></table>					Small General Service Time of Use SGS-TOU	Customer Charge	\$ 29.00	\$ 27.00	\$ 26.60	Non-Summer Energy				On-peak / kWh	\$ 0.21135	\$ 0.22863	\$ 0.24732	Off-peak / kWh	\$ 0.07256	\$ 0.07849	\$ 0.08489	Summer Energy / kWh				On-peak / kWh	\$ 0.26379	\$ 0.28535	\$ 0.30866	Off-peak / kWh	\$ 0.07690	\$ 0.08319	\$ 0.08998	Medium General Services MGS	Non-Summer Demand Charge / kW	\$ 19.30	\$ 20.25	\$ 21.24	Non-Summer Energy Charge / kWh	\$ 0.06434	\$ 0.06883	\$ 0.07362	Summer Demand Charge / kW	\$ 26.03	\$ 27.31	\$ 28.64	Summer Energy Charge / kWh	\$ 0.06434	\$ 0.06883	\$ 0.07362					Medium General Services High Efficiency MGS-HEF	Non-Summer Demand Charge / kW	\$ 17.86	\$ 18.73	\$ 19.64	Non-Summer Energy Charge / kWh	\$ 0.05379	\$ 0.05756	\$ 0.06158	Summer Demand Charge / KW	\$ 22.33	\$ 23.43	\$ 24.57	Summer Energy Charge / kWh	\$ 0.06698	\$ 0.07165	\$ 0.07663	Medium General Service Time of Use MGS-TOU	Non-Summer On-peak Demand / kW	\$ 19.30	\$ 20.25	\$ 21.24	Non-Summer Off-peak Demand / kW	\$ 2.09	\$ 2.20	\$ 2.31	Non-Summer Energy Charge / kWh	\$ 0.06643	\$ 0.07107	\$ 0.07602	Summer On-peak demand / kW	\$ 26.03	\$ 27.31	\$ 28.64	Summer Off-peak demand / kW	\$ 2.09	\$ 2.20	\$ 2.31	Summer Energy Charge / kWh	\$ 0.06643	\$ 0.07107	\$ 0.07602					Large General Service LGS	Demand Charge / kW	\$ 22.22	\$ 22.66	\$ 23.10	Energy Charge / kWh	\$ 0.06434	\$ 0.06883	\$ 0.07362	Large General Service Time of Use LGS-TOU	Non-Summer On-peak Demand / kW	\$ 19.30	\$ 20.25	\$ 21.24	Non-Summer Off-peak Demand / kW	\$ 2.09	\$ 2.20	\$ 2.31	Non-Summer Energy Charge / kWh	\$ 0.06643	\$ 0.07107	\$ 0.07602	Summer On-peak demand / kW	\$ 26.03	\$ 27.31	\$ 28.64	Summer Off-peak demand / kW	\$ 2.09	\$ 2.20	\$ 2.31	Summer Energy Charge / kWh	\$ 0.06643	\$ 0.07107	\$ 0.07602	Large Industrial LIS	Demand Charge / kW	\$ 21.83	\$ 22.88	\$ 23.98	Energy charge / kWh	\$ 0.05911	\$ 0.06195	\$ 0.06492	Medium General Service Interruptible Rate	Demand Charge / kW	\$ 14.57	\$ 15.67	\$ 16.86	Large General Service Interruptible Rate	Demand Charge / kW	\$ 13.34	\$ 14.53	\$ 15.83	Large Industrial Service Interruptible Rate	Demand Charge / kW	\$ 13.15	\$ 14.34	\$ 15.64						Electric Vehicle Charging Time of Use (EV TOU)	Customer Charge	\$ 8.65	\$ 9.23	\$ 9.85	Non-Summer On-peak Energy / kWh	\$ 0.19570	\$ 0.20913	\$ 0.22347	Non-Summer Off-peak Energy / kWh	\$ 0.07932	\$ 0.08477	\$ 0.09058	Summer On-peak / kWh	\$ 0.27094	\$ 0.28953	\$ 0.30938	Summer Off-peak / kWh	\$ 0.07932	\$ 0.08477	\$ 0.09058	City Street Lights	LED RPU Owned (All Sizes)	\$ 0.62369	\$ 0.66579	\$ 0.71074	Proposed 2026 and 2027 Water Rate Tariff 9% Annual Rate Increase <table><tr><td rowspan="10">Meter Charge</td><td>Meter Size</td><td>2025</td><td>2026</td><td>2027</td></tr><tr><td>5/8"</td><td>\$ 11.86</td><td>\$ 12.75</td><td>\$ 13.71</td></tr><tr><td>3/4"</td><td>\$ 15.49</td><td>\$ 16.65</td><td>\$ 17.90</td></tr><tr><td>1"</td><td>\$ 22.50</td><td>\$ 24.19</td><td>\$ 26.00</td></tr><tr><td>1-1/2"</td><td>\$ 40.41</td><td>\$ 43.44</td><td>\$ 46.70</td></tr><tr><td>2"</td><td>\$ 61.94</td><td>\$ 66.59</td><td>\$ 71.58</td></tr><tr><td>3"</td><td>\$ 112.45</td><td>\$ 120.88</td><td>\$ 129.95</td></tr><tr><td>4"</td><td>\$ 184.44</td><td>\$ 198.27</td><td>\$ 213.14</td></tr><tr><td>6"</td><td>\$ 364.84</td><td>\$ 392.20</td><td>\$ 421.62</td></tr><tr><td>8"</td><td>\$ 649.18</td><td>\$ 697.87</td><td>\$ 750.21</td></tr><tr><td rowspan="3">Commodity Charge</td><td></td><td></td><td></td><td></td></tr><tr><td>Residential</td><td></td><td></td><td></td></tr><tr><td>0-7 /CCF</td><td>\$ 1.053</td><td>\$ 1.166</td><td>\$ 1.291</td></tr><tr><td></td><td>7.01-12 /CCF</td><td>\$ 1.156</td><td>\$ 1.301</td><td>\$ 1.464</td></tr><tr><td></td><td>12.01 and over /CCF</td><td>\$ 1.312</td><td>\$ 1.486</td><td>\$ 1.683</td></tr><tr><td rowspan="4">Commercial</td><td>/CCF</td><td>\$ 1.053</td><td>\$ 1.172</td><td>\$ 1.304</td></tr><tr><td>Industrial</td><td>/CCF</td><td>\$ 1.053</td><td>\$ 1.172</td><td>\$ 1.304</td></tr><tr><td>Interdepartmental</td><td>/CCF</td><td>\$ 1.053</td><td>\$ 1.172</td><td>\$ 1.304</td></tr><tr><td>Irrigation Meter (All Classes)</td><td>/CCF</td><td>\$ 1.312</td><td>\$ 1.486</td><td>\$ 1.683</td></tr><tr><td rowspan="2">Fire Hydrant Facilities charges</td><td>Residential</td><td>\$ 1.11</td><td>\$ 1.15</td><td>\$ 1.19</td></tr><tr><td>Commercial Industrial</td><td>\$ 4.60</td><td>\$ 4.77</td><td>\$ 4.93</td></tr><tr><td>State Mandated Clean Water Fee</td><td>All Customers</td><td>\$.81</td><td>\$ 1.27</td><td>\$ 1.27</td></tr><tr><td>Small Cell Rental Fees</td><td>Telecom per Premise</td><td>\$278.10</td><td>\$286.44</td><td>\$295.04</td></tr><tr><td rowspan="2">Convenience Fee (per card payment on Utility bill)</td><td></td><td></td><td></td><td></td></tr><tr><td>Residential</td><td>\$ 2.95</td><td></td><td></td></tr><tr><td></td><td>Commercial</td><td>\$ 15.95</td><td></td><td></td></tr></table>					Meter Charge	Meter Size	2025	2026	2027	5/8"	\$ 11.86	\$ 12.75	\$ 13.71	3/4"	\$ 15.49	\$ 16.65	\$ 17.90	1"	\$ 22.50	\$ 24.19	\$ 26.00	1-1/2"	\$ 40.41	\$ 43.44	\$ 46.70	2"	\$ 61.94	\$ 66.59	\$ 71.58	3"	\$ 112.45	\$ 120.88	\$ 129.95	4"	\$ 184.44	\$ 198.27	\$ 213.14	6"	\$ 364.84	\$ 392.20	\$ 421.62	8"	\$ 649.18	\$ 697.87	\$ 750.21	Commodity Charge					Residential				0-7 /CCF	\$ 1.053	\$ 1.166	\$ 1.291		7.01-12 /CCF	\$ 1.156	\$ 1.301	\$ 1.464		12.01 and over /CCF	\$ 1.312	\$ 1.486	\$ 1.683	Commercial	/CCF	\$ 1.053	\$ 1.172	\$ 1.304	Industrial	/CCF	\$ 1.053	\$ 1.172	\$ 1.304	Interdepartmental	/CCF	\$ 1.053	\$ 1.172	\$ 1.304	Irrigation Meter (All Classes)	/CCF	\$ 1.312	\$ 1.486	\$ 1.683	Fire Hydrant Facilities charges	Residential	\$ 1.11	\$ 1.15	\$ 1.19	Commercial Industrial	\$ 4.60	\$ 4.77	\$ 4.93	State Mandated Clean Water Fee	All Customers	\$.81	\$ 1.27	\$ 1.27	Small Cell Rental Fees	Telecom per Premise	\$278.10	\$286.44	\$295.04	Convenience Fee (per card payment on Utility bill)					Residential	\$ 2.95				Commercial	\$ 15.95		
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	Residential																																																																																																																																																																																																																																																																																																																						
	0-7 /CCF	\$ 1.053	\$ 1.166	\$ 1.291																																																																																																																																																																																																																																																																																																																			
	7.01-12 /CCF	\$ 1.156	\$ 1.301	\$ 1.464																																																																																																																																																																																																																																																																																																																			
	12.01 and over /CCF	\$ 1.312	\$ 1.486	\$ 1.683																																																																																																																																																																																																																																																																																																																			
Commercial	/CCF	\$ 1.053	\$ 1.172	\$ 1.304																																																																																																																																																																																																																																																																																																																			
	Industrial	/CCF	\$ 1.053	\$ 1.172	\$ 1.304																																																																																																																																																																																																																																																																																																																		
	Interdepartmental	/CCF	\$ 1.053	\$ 1.172	\$ 1.304																																																																																																																																																																																																																																																																																																																		
	Irrigation Meter (All Classes)	/CCF	\$ 1.312	\$ 1.486	\$ 1.683																																																																																																																																																																																																																																																																																																																		
Fire Hydrant Facilities charges	Residential	\$ 1.11	\$ 1.15	\$ 1.19																																																																																																																																																																																																																																																																																																																			
	Commercial Industrial	\$ 4.60	\$ 4.77	\$ 4.93																																																																																																																																																																																																																																																																																																																			
State Mandated Clean Water Fee	All Customers	\$.81	\$ 1.27	\$ 1.27																																																																																																																																																																																																																																																																																																																			
Small Cell Rental Fees	Telecom per Premise	\$278.10	\$286.44	\$295.04																																																																																																																																																																																																																																																																																																																			
Convenience Fee (per card payment on Utility bill)																																																																																																																																																																																																																																																																																																																							
	Residential	\$ 2.95																																																																																																																																																																																																																																																																																																																					
	Commercial	\$ 15.95																																																																																																																																																																																																																																																																																																																					



2026-2027 RATE SCHEDULE

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RESIDENTIAL SERVICE

AVAILABILITY:

At all locations where facilities of adequate capacity and suitable voltage are adjacent to the premises to be served. Where service desired by the customer is not adjacent to the premises to be served, additional contract arrangements may be required prior to service being furnished.

APPLICATION:

To electric service required for residential purposes in individual private dwellings and in individually metered apartments when such service is supplied at one point of delivery and measured through one meter. Existing single metered, multi-unit dwellings having not in excess of three separate dwelling units in the same structure may be served under this rate.

CHARACTER OF SERVICE:

Single phase, 60 Hertz, 120/240 volts alternating current.

RATE:

	2026	2027
Customer Charge:	\$24.44	
Energy Charge:		
Non-Summer Energy / kWh	12.619¢	
Summer Energy / kWh	15.074¢	
Definition of Season:	Summer months are June through September. Non-summer months are January through May and October through December.	

POWER COST ADJUSTMENT:

Bills computed under this rate schedule are subject to adjustment in accordance with the Power Cost Adjustment (PCA).

MINIMUM BILL:

	2026	2027
Per Month	\$24.44	

PAYMENT:

Payments are due on or before the due date.

CONDITIONS OF DELIVERY:

1. Service furnished under this rate schedule is subject to applicable provisions of RPU's published Electric Service Rules and Regulations.
2. RPU shall not be liable for any damage or loss sustained by customer resulting from interruptions, deficiencies, or imperfections of service provided under this rate.
3. Energy furnished under this rate shall not be resold.
4. This tariff assumes use of metering technology capable of being read using automated equipment.

Approved by Rochester Public Utility Board: October 28, 2025
Effective Date: January 1, 2026

RESIDENTIAL SERVICE - DUAL FUEL – Closed

AVAILABILITY:

Available only to existing dual fuel customers transferred from People's Energy Cooperative electrical system to RPU's system as part of RPU's electric service territory acquisitions and are currently on the Residential Service Dual Fuel rate as of January 1, 2022.

APPLICATION:

To electric heating service required for residential purposes in individual private buildings. Such electric heating load shall be metered separately from the rest of the service.

CHARACTER OF SERVICE:

Single phase, 60 Hertz, 120/240 volts alternating current.

RATE:

	2026	2027
Energy Charge /kWh	9.419¢	

POWER COST ADJUSTMENT:

Bills computed under this rate schedule are subject to adjustment in accordance with the Power Cost Adjustment (PCA).

MINIMUM BILL:

Energy usage.

PAYMENT:

Payments are due on or before the due date.

CONDITIONS OF DELIVERY:

1. Service under this rate is only for electric heating. All other electrical loads shall be metered under the RES residential service rate.
2. Customer must keep his or her alternate fuel source heating system in satisfactory operating condition.
3. RPU reserves the right to transfer RES-DF customers from the primary electric heat source to the alternate fuel source at any such time that the electric heating load would add to RPU's monthly electric peak.
4. Customers that remove existing dual fuel heating systems shall not be eligible for the RES-DF rate with replacement heating systems.
5. Service furnished under this rate schedule is subject to applicable provisions of RPU's published Electric Service Rules and Regulations.
6. RPU shall not be liable for any damage or loss sustained by customers resulting from interruptions, deficiencies, or imperfections of service provided under this rate.
7. Energy furnished under this rate shall not be resold.
8. This tariff assumes use of metering technology capable of being read using automated equipment.

RESIDENTIAL SERVICE – HIGH EFFICIENCY HVAC – Closed

AVAILABILITY:

To RPU residential customers that:

1. Are currently on the Residential Service-High Efficiency HVAC rate as of January 1, 2022.
2. Use either an air source or ground source heat pump system as the only source of heating and cooling in their home.
3. Use an electric water heater (usually connected to a desuperheater on the heat pump) as their only source of domestic water heating.
4. Receive prior approval of the equipment from RPU. Note that equipment must be rated by the Air-Conditioning, Heating, and Refrigeration Institute (AHRI)*, and at the time of installation, meet the minimum efficiency requirements found on the Residential Electric Efficiency Rebate Application in effect at the time. The current application is available at www.rpu.org.

*For air source and ground source heat pumps the efficiency ratings are determined using the Air-Conditioning, Heating, and Refrigeration Institute's (AHRI) directory, which may be found at www.ahridirectory.org.

APPLICATION:

Electric service required for residential purposes in individual private dwellings where service is supplied at one point of delivery and measured through one meter.

CHARACTER OF SERVICE:

Single phase, 60 hertz, 120/240 volts alternating current.

RATE:

	2026	2027
Customer Charge:	\$24.44	
Energy Charge:		
Non Summer first 600 kWh	12.619¢	
Non Summer over 600 kWh	10.575¢	
Summer kWh	15.074¢	
Definition of Season:	Summer months are June through September. Non-summer months are January through May and October through December.	

POWER COST ADJUSTMENT:

Bills computed under this rate schedule are subject to adjustment in accordance with the Power Cost Adjustment (PCA).

MINIMUM BILL:

	2026	2027
Per Month:	\$24.44	

PAYMENT:

Payments are due on or before the due date.

CONDITIONS OF DELIVERY:

1. Service under this rate is only for air-source or ground-source heat pump systems that meet the stated efficiency requirements as explained in the Availability subhead of this rate schedule.
2. Service provided under this rate is subject to applicable provisions of RPU's published Electric Service Rules and Regulations.
3. Energy provided under this rate shall not be resold.
4. RPU shall not be liable for any damage or loss sustained by the customer resulting from interruptions, deficiencies, or imperfections of service provided under this rate.
5. This tariff assumes use of metering technology capable of being read using automated equipment.

Approved by Rochester Public Utility Board:
Effective Date:

October 28, 2025
January 1, 2026

RESIDENTIAL – TIME-OF-USE

AVAILABILITY:

At all locations where facilities of adequate capacity and suitable voltage are adjacent to the premises to be served. Where service desired by the customer is not adjacent to the premises to be served, additional contract arrangements may be required prior to service being furnished. RPU reserves the right to limit both the number of customers and the amount of load taken under this rate schedule.

APPLICATION:

To electric service required for residential purposes in individual private dwellings and in individually metered apartments when such service is supplied at one point of delivery and measured through one meter.

CHARACTER OF SERVICE:

Single phase, 60 Hertz, 120/240 volts alternating current.

RATE:

	2026	2027
Customer Charge:	\$24.44	
Energy Charge:		
Non-Summer Energy:		
Super-peak Energy / kWh	16.366¢	
On-peak Energy / kWh	16.366¢	
Off-peak Energy / kWh	8.295¢	
Summer Energy:		
Super-peak Energy / kWh	33.885¢	
On-peak Energy / kWh	20.154¢	
Off-peak Energy / kWh	8.295¢	
Definition of Season:	Summer months are June through September. Non-summer months are January through May and October through December.	
Definition of Super-peak Energy:	All energy used by the customer between the hours of 4:00 p.m. and 8:00 p.m. (4 Hours) Monday through Friday.	
Definition of On-peak Energy:	All energy used by the customer between the hours of 8:00 a.m. and 4:00 p.m. (8 hours) and between the hours of 8:00 p.m. and 10:00 p.m. (2 hours) Monday through Friday.	
Definition of Off-peak Energy:	All energy used by the customer for all other hours, including weekends and holidays.	
Off-peak holidays:	New Years Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.	

POWER COST ADJUSTMENT:

Bills computed under this rate schedule are subject to adjustment in accordance with the Power Cost Adjustment (PCA).

MINIMUM BILL:

	2026	2027
Per Month:	\$24.44	

PAYMENT:

Payments are due on or before the due date.

DISTRIBUTED ENERGY RESOURCES:

Customers who have installed Distributed Energy Resources and have elected to receive the average retail utility rate are eligible to participate in the Residential Time-of-Use rate. All energy supplied by the customer's qualifying facility will be purchased by RPU at the Residential Average Retail Rate as listed in Schedule 1 of the Rules Governing the Interconnection of Cogeneration and Small Power Production Facilities with Rochester Public Utilities. Schedule 1 is updated annually and can be found on RPU's website.

CONDITIONS OF DELIVERY:

1. Service furnished under this rate schedule is subject to applicable provisions of RPU's published Electric Service Rules and Regulations.
2. RPU shall not be liable for any damage or loss sustained by customer resulting from interruptions, deficiencies, or imperfections of service provided under this rate.
3. Energy furnished under this rate shall not be resold.
4. Service under this rate will be made available at the option of the residential service customer, subject to the availability of the necessary time-of-use metering equipment.
5. A customer may switch to the RESIDENTIAL SERVICE rate providing the customer gives RPU at least 45 days' notice.
6. A customer may only switch from RESIDENTIAL SERVICE to RESIDENTIAL TIME-OF-USE SERVICE rate one time.
7. This tariff requires the use of metering technology capable of being read using automated equipment.

Approved by Rochester Public Utility Board:
Effective Date:

October 28, 2025
January 1, 2026

GENERAL SERVICE

AVAILABILITY:

At all locations for loads of less than 25 kW where facilities of adequate capacity and suitable voltage are adjacent to the premises to be served. For loads where the service desired by the customer is not adjacent to the premises to be served, additional contract arrangements may be required prior to service being furnished.

APPLICATION:

To commercial, industrial, governmental, and other types of General Service customers with all service taken at one point and measured through one meter. Also applicable to temporary service in accordance with RPU's published Electric Service Rules and Regulations. Not applicable to standby service.

CHARACTER OF SERVICE:

Single or three phase, 60 Hertz, alternating current at any one of the standard secondary service voltages as described in RPU's published Electric Service Rules and Regulations.

RATE:

	2026	2027
Customer Charge:	\$27.00	
Energy Charge:		
Non-Summer kWh	12.861¢	
Summer kWh	16.552¢	
Definition of Season:	Summer months are June through September. Non-summer months are January through May and October through December.	

POWER COST ADJUSTMENT:

Bills computed under this rate schedule are subject to adjustment in accordance with the Power Cost Adjustment (PCA).

MINIMUM BILL:

	2026	2027
Per Month:	\$27.00	

PAYMENT:

Payments are due on or before the due date.

CONDITIONS OF DELIVERY:

1. Service furnished under this rate schedule is subject to applicable provisions of RPU's published Electric Service Rules and Regulations.
2. Unless authorized by separate written agreement, standby electric generating equipment installed by the customer shall not be interconnected, or operated in parallel, with the RPU system. Customer shall own, install, operate, and maintain electrical interlocking equipment, which will prevent parallel operation, and such equipment shall be approved by RPU prior to installation.
3. RPU shall not be liable for any damage or loss sustained by customers resulting from interruptions, deficiencies, or imperfections of service provided under this rate.
4. Energy furnished under this rate shall not be resold.
5. This tariff assumes use of metering technology capable of being read using automated equipment.

Approved by Rochester Public Utility Board: *October 28, 2025*
Effective Date: *January 1, 2026*

GENERAL SERVICE - HIGH EFFICIENCY HVAC – Closed

AVAILABILITY:

At all locations for loads of less than 25 kW where facilities of adequate capacity and suitable voltage are adjacent to the premises to be served and to customers who:

1. Are currently on the General Service-High Efficiency HVAC rate as of January 1, 2022.
2. Use either an air source or ground source heat pump system as the only source of heating and cooling in their facility.
3. Use an electric water heater (usually connected to a desuperheater on the heat pump) as the only source of water heating.
4. Receive prior approval of the equipment from RPU. Note that equipment must be rated by the Air-Conditioning, Heating, and Refrigeration Institute (AHRI)* and at the time of installation, meet the minimum efficiency requirements found on the Commercial Heat Pumps Rebate Application in effect at the time. The current application is available at www.rpu.org.
5. Service under this rate must be separately metered from other facility loads.

*For air source and ground source heat pumps the efficiency ratings are determined using the Air-Conditioning, Heating and Refrigeration Institute's (AHRI) directory, which may be found at www.ahridirectory.org Note: Other all-electric HVAC systems may be considered for this rate if they meet the stated efficiency standards. To have a system considered, customers must submit an engineering analysis documenting the efficiency of the system.

APPLICATION:

To commercial, industrial, governmental, and other types of General Service customers currently receiving their service through this rate as of January 1, 2022. Not applicable to standby service. .

CHARACTER OF SERVICE:

Single or three phase, 60 Hertz, alternating current at any one of the standard secondary service voltages as described in RPU's published Electric Service Rules and Regulations.

RATE:

	2026	2027
Customer Charge:	\$27.00	
Energy Charge:		
Non-Summer / kWh	10.730¢	
Summer / kWh	16.555¢	
Definition of Season:	Summer months are June through September. Non-summer months are January through May and October through December.	

POWER COST ADJUSTMENT:

Bills computed under this rate schedule are subject to adjustment in accordance with the Power Cost Adjustment (PCA).

MINIMUM BILL:

	2026	2027
Per Month:	\$27.00	

PAYMENT:

Payments are due on or before the due date.

CONDITIONS OF DELIVERY:

1. Service under this rate is only for air source or ground source heat pumps and any other all-electric systems that meet the stated efficiency requirements as explained in the Availability subhead of this rate schedule.
2. Service under this rate must be separately metered from other facility loads.
3. Since the HVAC system must be separately metered for this rate, the customer is responsible for any rewiring and its associated costs.
4. Service provided under this rate is subject to applicable provisions of RPU's published Electric Service Rules and Regulations.
5. Energy provided under this rate shall not be resold.
6. RPU shall not be liable for any damage or loss sustained by the customer resulting from interruptions, deficiencies, or imperfections of service provided under this rate.
7. Unless authorized by a separate written agreement, standby electric generating equipment installed by the customer shall not be interconnected, or operated in parallel, with the RPU system. Customer shall own, install, operate, and maintain electrical interlocking equipment, which will prevent parallel operation, and such equipment shall be approved by RPU prior to installation.
8. This tariff assumes use of metering technology capable of being read using automated equipment.

*Approved by Rochester Public Utility Board:
Effective Date:*

*October 28, 2025
January 1, 2026*

GENERAL SERVICE - TIME-OF-USE

AVAILABILITY:

At all locations for loads of less than 25 kW where facilities of adequate capacity and suitable voltage are adjacent to the premises to be served. For loads where the service desired by the customer is not adjacent to the premises to be served, additional contract arrangements may be required prior to service being furnished. RPU reserves the right to limit both the number of customers and the amount of load taken under this rate schedule.

APPLICATION:

To commercial, industrial, governmental, and other types of General Service customers with all service taken at one point and measured through one meter. All electrical requirements at one location shall be taken under this rate schedule. Not applicable to temporary or standby service.

CHARACTER OF SERVICE:

Single or three phase, 60 Hertz, alternating current at any one of the standard secondary service voltages as described in RPU's published Electric Service Rules and Regulations.

RATE:

	2026	2027
Customer Charge:	\$27.00	
Energy Charge:		
Non-Summer Energy:		
On-peak Energy / kWh	22.287¢	
Off-peak Energy / kWh	7.651¢	
Summer Energy:		
On-peak Energy / kWh	27.816¢	
Off-peak Energy / kWh	8.109¢	
Definition of Season:	Summer months are June through September. Non-summer months are January through May and October through December.	
Definition of On-peak Energy:	All energy used by the customer between the hours of 10:00 a.m. and 10:00 p.m. Monday through Friday.	
Definition of Off-peak Energy:	All energy used by the customer that is not on-peak energy.	
Off-peak holidays:	New Years Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.	
*Customer Charge:	Customer charge per month plus any additional meter charge for costs above RPU's standard GS meter costs.	

POWER COST ADJUSTMENT:

Bills computed under this rate schedule are subject to adjustment in accordance with the Power Cost Adjustment (PCA).

MINIMUM BILL:

Customer charge per month.

PAYMENT:

Payments are due on or before the due date.

CONDITIONS OF DELIVERY:

1. Service under this rate will be made available at the option of the general service customer, subject to the availability of the necessary time-of-use metering equipment.
2. Customers converting to the GS-TOU rate from the General Service (GS) rate shall make a one-time payment to RPU for any conversion cost above the normal cost to install GS-TOU metering.
3. A customer may switch back to the GS rate providing the customer gives RPU at least 60 days' notice and agrees to pay any metering conversion costs.
4. Service furnished under this rate schedule is subject to applicable provisions of RPU's published Electric Service Rules and Regulations.
5. Unless authorized by a separate written agreement, standby electric generating equipment installed by the customer shall not be interconnected, or operated in parallel, with the RPU system. Customer shall own, install, operate, and maintain electrical interlocking equipment, which will prevent parallel operation, and such equipment shall be approved by RPU prior to installation.
6. RPU shall not be liable for any damage or loss sustained by customer resulting from interruptions, deficiencies, or imperfections of service provided under this rate.
7. Energy furnished under this rate shall not be resold.
8. This tariff requires the use of metering technology capable of being read using automated equipment.

*Approved by Rochester Public Utility Board:
Effective Date:*

*October 28, 2025
January 1, 2026*

MEDIUM GENERAL SERVICE - SECONDARY

AVAILABILITY:

At all locations for loads where the demand is at least 25 kW or more for three or more billing periods in a given calendar year, but less than 10,000 kW, and where facilities of adequate capacity and suitable voltage are adjacent to the premises to be served. For loads where the service desired by the customer is not adjacent to the premises to be served, additional contract arrangements may be required prior to service being furnished.

APPLICATION:

To commercial, industrial, and governmental customers taking delivery at a voltage compliant with RPU's published Electric Rules and Regulations, with all service taken at one point under 13.8 kV, and measured through one meter, including both Single and Three phase voltage. Also applicable to temporary service in accordance with RPU's published Electric Service Rules and Regulations. Not applicable to standby service.

CHARACTER OF SERVICE:

Single or three phase, 60 Hertz, alternating current at any one of the standard secondary service voltages as described in RPU's published Electric Service Rules and Regulations.

RATE:

	2026	2027
Demand Charge:		
Non-Summer / kW	\$19.93	
Summer / kW	\$26.88	
Energy Charge:		
Non-Summer / kWh	6.733¢	
Summer / kWh	6.733¢	
Definition of Season:	Summer months are June through September. Non-summer months are January through May and October through December.	

POWER COST ADJUSTMENT:

Bills computed under this rate schedule are subject to adjustment in accordance with the Power Cost Adjustment (PCA).

POWER FACTOR ADJUSTMENT:

The customer agrees to maintain an average power factor of 0.95 or greater for the billing period and to prevent a leading power factor. If the customer's average power factor is less than 0.95 for the billing period, the billing demand will be determined by multiplying the measured demand by 0.95 and dividing the results by the customer's average power factor. The average power factor is defined to be the quotient obtained by dividing the kWh used during the month by the square root of the sum of the squares of the kWh used and the lagging reactive kilovolt-ampere hours supplied during the same period. The customer's average power factor will be determined by means of permanently installed meters.

DETERMINATION OF DEMAND:

Measured demand is defined as the maximum rate at which energy is used for any period of fifteen consecutive minutes during the billing period. The billing demand shall be the greater of the measured demand for the billing period adjusted for power factor, or 50% of the ratcheted demand. The ratcheted demand is the maximum measured demand adjusted for power factor of four consecutive billing cycles during the most recent May through October billing periods depending on the billing cycle. Billing periods may not coincide with calendar months.

MINIMUM BILL:

The minimum bill shall not be less than the billing demand, as provided above, whether or not energy is used.

PAYMENT:

Payments are due on or before the due date.

CONDITIONS OF DELIVERY:

1. Service furnished under this rate schedule is subject to applicable provisions of RPU's published Electric Service Rules and Regulations.
2. Unless authorized by a separate written agreement, standby electric generating equipment installed by the customer shall not be interconnected or operated in parallel with the RPU system. Customer shall own, install, operate, and maintain electrical interlocking equipment, which will prevent parallel operation, and such equipment shall be approved by RPU prior to installation.
3. RPU shall not be liable for any damage or loss sustained by customer resulting from interruptions, deficiencies, or imperfections of service provided under this rate.
4. Energy furnished under this rate shall not be resold.

*Approved by Rochester Public Utility Board:
Effective Date:*

*October 28, 2025
January 1, 2026*

MEDIUM GENERAL SERVICE - HIGH EFFICIENCY HVAC – Closed

AVAILABILITY:

At all locations for loads where the demand is at least 25 kW or more for three or more billing periods in a given calendar year, but less than 10,000 kW, and where facilities of adequate capacity and suitable voltage are adjacent to the premises to be served, and to customers who:

1. Are currently on the Medium General Service-High Efficiency HVAC rate as of January 1, 2022.
2. Use either an air source or ground source heat pump as the only source of heating and cooling in their facility.
3. Use an electric water heater (usually connected to a desuperheater on the heat pump) as the only source of water heating.
4. Receive prior approval of the equipment from RPU. Note that equipment must be rated by the Air-Conditioning, Heating, and Refrigeration Institute (AHRI)* and at the time of installation, meet the minimum efficiency requirements found on the Commercial Heat Pumps Rebate Application in effect at the time. The current application is available at www.rpu.org.
5. Service under this rate must be separately metered from other facility loads.

*For air source and ground source heat pumps the efficiency ratings are determined using the Air-Conditioning, Heating and Refrigeration Institute's (AHRI) directory, which may be found at www.ahridirectory.org.

Note: Other all-electric HVAC systems may be considered for this rate if they meet the stated efficiency standards. To have a system considered, customers must submit an engineering analysis documenting the efficiency of the system.

APPLICATION:

To commercial, industrial, governmental, and other types of Medium General Service customers reconfiguring their current electric service, or adding a new service, to separately meter their high efficiency HVAC equipment. Not applicable to standby service.

CHARACTER OF SERVICE:

Single or three phase 60 Hertz, alternating current at any one of the standard secondary service voltages as described in RPU's published Electric Service Rules and Regulations.

RATE:

	2026	2027
Demand Charge		
Non-Summer / kW	\$18.44	
Summer / kW	\$23.06	
Energy Charge		
Non-Summer / kWh	5.630¢	
Summer / kWh	7.009¢	
Definition of Season:	Summer months are June through September. Non-summer months are January through May and October through December.	

POWER COST ADJUSTMENT:

Bills computed under this rate schedule are subject to adjustment in accordance with the Power Cost Adjustment (PCA).

POWER FACTOR ADJUSTMENT:

The customer agrees to maintain an average power factor of 0.95 or greater for the billing period and to prevent a leading power factor. If the customer's average power factor is less than 0.95 for the billing period, the billing demand will be determined by multiplying the measured demand by 0.95 and dividing the results by the customer's average power factor. The average power factor is defined to be the quotient obtained by dividing the kWh used during the month by the square root of the sum of the squares of the kWh used and the lagging reactive kilovolt-ampere hours supplied during the same period. The customer's average power factor will be determined by means of permanently installed meters.

DETERMINATION OF DEMAND:

Measured demand is defined as the maximum rate at which energy is used for any period of fifteen consecutive minutes during the billing period. The billing demand shall be the greater of the measured demand for the billing period adjusted for power factor, or 50% of the ratcheted demand. The ratcheted demand is the maximum measured demand adjusted for power factor of four consecutive billing cycles during the most recent May through October billing periods depending on the billing cycle. Billing periods may not coincide with calendar months.

For an existing facility reconfiguring its current electric service to come under this rate by separately metering its high efficiency HVAC equipment, the ratchet will be removed from the current electric service. The ratchet will be effective beginning in October following the first separately metered high efficiency HVAC service during one of the May through October billing periods described above. At that time the ratchet will be reapplied to the current electric service and will be applied for the first time to the high-efficiency HVAC service.

MINIMUM BILL:

The minimum bill shall not be less than the billing demand, as provided above, whether or not energy is used.

PAYMENT:

Payments are due on or before the due date.

CONDITIONS OF DELIVERY:

1. Service under this rate is only for air source or ground source heat pumps and any other all-electric HVAC systems that meet the stated efficiency requirements as explained in the Availability subhead of this rate schedule.
2. Service under this rate must be separately metered from other facility loads.
3. Since the HVAC system must be separately metered for this rate, the customer is responsible for any rewiring and its associated costs.
4. Service provided under this rate is subject to applicable provisions of RPU's published Electric Service Rules and Regulations.
5. Energy provided under this rate shall not be resold.
6. RPU shall not be liable for any damage or loss sustained by the customer resulting from interruptions, deficiencies, or imperfections of service provided under this rate.
7. Unless authorized by a separate written agreement, standby electric generating equipment installed by the customer shall not be interconnected, or operated in parallel, with the RPU system. Customer shall own, install, operate, and maintain electrical interlocking equipment, which will prevent parallel operation, and such equipment shall be approved by RPU prior to installation.

*Approved by Rochester Public Utility Board:
Effective Date:*

*October 28, 2025
January 1, 2026*

MEDIUM GENERAL SERVICE SECONDARY- TIME-OF-USE

AVAILABILITY:

At all locations for loads where the demand is at least 25 kW or more for three or more billing periods in a given calendar year, but less than 10,000 kW, and where facilities of adequate capacity and suitable voltage are adjacent to the premises to be served. For loads where the service desired by the customer is not adjacent to the premises to be served, additional contract arrangements may be required prior to service being furnished. RPU reserves the right to limit both the number of customers and the amount of load taken under this rate schedule.

APPLICATION:

To commercial, industrial, and governmental customers taking delivery at a voltage compliant with RPU's published Electric Rules and Regulations, with all service taken at one point under 13.8 kV, and measured through one meter, including both Single and Three phase voltage. Also applicable to temporary service in accordance with RPU's published Electric Service Rules and Regulations. Not applicable to standby service.

CHARACTER OF SERVICE:

Single or three phase, 60 Hertz, alternating current at any one of the standard secondary service voltages as described in RPU's published Electric Service Rules and Regulations.

RATE:

Meter Charge: Any additional meter charge for costs above RPU's standard MGS meter costs.

	2026	2027
Non-Summer:		
On-peak Demand / kW	\$19.93	
Off-peak Demand / kW	\$2.16	
Energy Charge / kWh	6.952¢	
Summer:		
On-peak Demand / kW	\$26.88	
Off-peak Demand / kW	\$2.16	
Energy Charge / kWh	6.952¢	
Definition of Season:	Summer months are June through September. Non-summer months are January through May and October through December.	
Definition of On-peak Demand:	The maximum kW used by the customer in any fifteen-minute period between the hours of 10:00 a.m. and 10:00 p.m. Monday through Friday.	
Definition of Off-peak Demand:	The maximum kW used by the customer in any fifteen-minute period during the off-peak period.	
Off-peak holidays:	New Years Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.	

POWER COST ADJUSTMENT:

Bills computed under this rate schedule are subject to adjustment in accordance with the Power Cost Adjustment (PCA).

POWER FACTOR ADJUSTMENT:

The customer agrees to maintain an average power factor of 0.95 or greater for the billing period and to prevent a leading power factor. If the customer's average power factor is less than 0.95 for the billing period, the billing demand will be determined by multiplying the measured demand by 0.95 and dividing the results by the customer's average power factor. The average power factor is defined to be the quotient obtained by dividing the kWh used during the month by the square root of the sum of the squares of the kWh used and the lagging reactive kilovolt-ampere hours supplied during the same period. The customer's average power factor will be determined by means of permanently installed meters.

DETERMINATION OF DEMAND:

Measured demand is defined as the maximum rate at which energy is used for any period of fifteen consecutive minutes during the billing period.

BILLING DEMAND:

The on-peak billing demand shall be the greater of the measured on-peak demand for the billing period adjusted for power factor, or 50% of the ratcheted on-peak demand. The ratcheted on-peak demand is the maximum measured on-peak demand adjusted for power factor of four consecutive billing cycles during the most recent May through October billing periods depending on the billing cycle. Billing periods may not coincide with calendar months.

The off-peak billing demand shall be the measured off-peak demand for the billing period adjusted for power factor less the on-peak billing demand for the billing period.

The total billing demand shall be the sum of the on-peak billing demand and the off-peak billing demand.

MINIMUM BILL:

The minimum bill shall not be less than the billing demand, as provided above, whether or not energy is used plus any meter charge.

PAYMENT:

Payments are due on or before the due date.

CONDITIONS OF DELIVERY:

1. Service under this rate will be made available at the option of the medium general service customer, subject to the availability of the necessary TOU metering equipment.
2. Customers converting to the MGS-TOU rate from the MGS rate shall make a one-time payment to RPU for any conversion cost above the normal cost to install MGS-TOU metering.
3. A customer may switch back to the MGS rate providing the customer gives RPU at least 60 days' notice and agrees to pay any metering conversion costs.
4. Service furnished under this rate schedule is subject to applicable provisions of RPU's published Electric Service Rules and Regulations.
5. Unless authorized by a separate written agreement, standby electric generating equipment installed by the customer shall not be interconnected or operated in parallel with the RPU system. Customer shall own, install, operate, and maintain electrical interlocking equipment, which will prevent parallel operation, and such equipment shall be approved by RPU prior to installation.
6. RPU shall not be liable for any damage or loss sustained by customer resulting from interruptions, deficiencies, or imperfections of service provided under this rate.
7. Energy furnished under this rate shall not be resold.

Approved by Rochester Public Utility Board:
Effective Date:

October 28, 2025
January 1, 2026

LARGE GENERAL SERVICE PRIMARY

AVAILABILITY:

At all locations for loads where the measured demand is at least 25 kW or more for three or more billing periods in a given calendar year, but less than 10,000 kW, and where facilities of adequate capacity and suitable voltage are adjacent to the premises to be served. For loads where the service desired by the customer is not adjacent to the premises to be served, additional contract arrangements may be required prior to service being furnished.

APPLICATION:

To commercial, industrial, and governmental customers taking delivery at a voltage compliant with RPU's published Electric Rules and Regulations, with all service taken through one meter. The electric service shall be three-phase and the delivery voltage shall nominally be 13.8kV GRDY / 7.97kV. Also applicable to temporary service in accordance with RPU's published Electric Service Rules and Regulations. Not applicable to standby service.

CHARACTER OF SERVICE:

Three phase, 60 Hertz, alternating current at any one of the standard primary service voltages as described in RPU's published Electric Service Rules and Regulations.

RATE:

	2026	2027
Demand Charge / kW	\$22.51	
Energy Charge / kWh	6.733¢	

POWER COST ADJUSTMENT:

Bills computed under this rate schedule are subject to adjustment in accordance with the Power Cost Adjustment (PCA).

POWER FACTOR ADJUSTMENT:

The customer agrees to maintain an average power factor of 0.95 or greater for the billing period and to prevent a leading power factor. If the customer's average power factor is less than 0.95 for the billing period, the billing demand will be determined by multiplying the measured demand by 0.95 and dividing the results by the customer's average power factor. The average power factor is defined to be the quotient obtained by dividing the kWh used during the month by the square root of the sum of the squares of the kWh used and the lagging reactive kilovolt-ampere hours supplied during the same period. The customer's average power factor will be determined by means of permanently installed meters.

PRIMARY METER DISCOUNT:

Customers approved for metering at 13.8 kV will receive a discount of 1.25% on base rate charges for measured demand and energy.

TRANSFORMER OWNERSHIP CREDIT:

Customers owning transformers will receive a credit on each month's measured demand.

	2026	2027
Credit per kW	\$0.50	\$0.50

DETERMINATION OF DEMAND:

Measured demand is defined as the maximum rate at which energy is used for any period of fifteen consecutive minutes during the billing period. The billing demand shall be the greater of the measured demand for the billing period adjusted for power factor, or 50% of the ratcheted demand. The ratcheted demand is the maximum measured demand adjusted for power factor of four consecutive billing cycles during the most recent May through October billing periods depending on the billing cycle. Billing periods may not coincide with calendar months.

MINIMUM BILL:

The minimum bill shall not be less than the billing demand, as provided above, whether or not energy is used.

PAYMENT:

Payments are due on or before the due date.

CONDITIONS OF DELIVERY:

1. Service furnished under this rate schedule is subject to applicable provisions of RPU's published Electric Service Rules and Regulations.
2. Unless authorized by a separate written agreement, standby electric generating equipment installed by the customer shall not be interconnected or operated in parallel with the RPU system. Customer shall own, install, operate, and maintain electrical interlocking equipment, which will prevent parallel operation, and such equipment shall be approved by RPU prior to installation.
3. RPU shall not be liable for any damage or loss sustained by customer resulting from interruptions, deficiencies, or imperfections of service provided under this rate.
4. Energy furnished under this rate shall not be resold.
5. A separate electric service agreement may be required for service under this rate schedule.

LARGE GENERAL SERVICE PRIMARY- TIME-OF-USE

AVAILABILITY:

At all locations for loads where the measured demand is at least 25 kW or more for three or more billing periods in a given calendar year, but less than 10,000 kW, and where facilities of adequate capacity and suitable voltage are adjacent to the premises to be served. For loads where the service desired by the customer is not adjacent to the premises to be served, additional contract arrangements may be required prior to service being furnished.

APPLICATION:

To commercial, industrial, and governmental customers taking delivery at a voltage compliant with RPU's published Electric Rules and Regulations, with all service taken through one meter. The electric service shall be three-phase and the delivery voltage shall nominally be 13.8 kV GRDY / 7.97 kV. Also applicable to temporary service in accordance with RPU's published Electric Service Rules and Regulations. Not applicable to standby service.

CHARACTER OF SERVICE:

Three phase, 60 Hertz, alternating current at the Primary service voltage of 13.8 kV GRDY / 7.97 kV as described in RPU's published Electric Service Rules and Regulations.

RATE:

Meter Charge: Any additional meter charge for costs above RPU's standard LGS meter costs.

	2026	2027
Non-Summer:		
On-peak Demand / kW	\$19.93	
Off-peak Demand / kW	\$2.16	
Energy Charge / kWh	6.952¢	
Summer:		
On-peak Demand / kW	\$26.88	
Off-peak Demand / kW	\$2.16	
Energy Charge / kWh	6.952¢	
Definition of Season:	Summer months are June through September. Non-summer months are January through May and October through December.	
Definition of On-peak Demand:	The maximum kW used by the customer in any fifteen-minute period between the hours of 10:00 a.m. and 10:00 p.m. Monday through Friday.	
Definition of Off-peak Demand:	The maximum kW used by the customer in any fifteen-minute period during the off-peak period.	
Off-peak holidays:	New Years Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.	

POWER COST ADJUSTMENT:

Bills computed under this rate schedule are subject to adjustment in accordance with the Power Cost Adjustment (PCA).

POWER FACTOR ADJUSTMENT:

The customer agrees to maintain an average power factor of 0.95 or greater for the billing period and to prevent a leading power factor. If the customer's average power factor is less than 0.95 for the billing period, the billing demand will be determined by multiplying the measured demand by 0.95 and dividing the results by the customer's average power factor. The average power factor is defined to be the quotient obtained by dividing the kWh used during the month by the square root of the sum of the squares of the kWh used and the lagging reactive kilovolt-ampere hours supplied during the same period. The customer's average power factor will be determined by means of permanently installed meters.

PRIMARY METER DISCOUNT:

Customers approved for metering at 13.8 kV will receive a discount of 1.25% on base rate charges for measured demand and energy.

TRANSFORMER OWNERSHIP CREDIT:

Customers owning transformers will receive a credit on each month's measured demand.

	2026	2027
Credit per kW	\$0.50	\$0.50

DETERMINATION OF DEMAND:

Measured demand is defined as the maximum rate at which energy is used for any period of fifteen consecutive minutes during the billing period.

BILLING DEMAND:

The on-peak billing demand shall be the greater of the measured on-peak demand for the billing period adjusted for power factor, or 50% of the ratcheted on-peak demand. The ratcheted on-peak demand is the maximum measured on-peak demand adjusted for power factor of four consecutive billing cycles during the most recent May through October billing periods depending on the billing cycle. Billing periods may not coincide with calendar months.

The off-peak billing demand shall be the measured off-peak demand for the billing period adjusted for power factor less the on-peak billing demand for the billing period.

The total billing demand shall be the sum of the on-peak billing demand and the off-peak billing demand.

MINIMUM BILL:

The minimum bill shall not be less than the billing demand, as provided above, whether or not energy is used plus any meter charge.

PAYMENT:

Payments are due on or before the due date.

CONDITIONS OF DELIVERY:

1. Service under this rate will be made available at the option of the large general service customer, subject to the availability of the necessary TOU metering equipment.
2. Customers converting to the LGS-TOU rate from the LGS rate shall make a one-time payment to RPU for any conversion cost above the normal cost to install LGS-TOU metering.
3. A customer may switch back to the LGS rate providing the customer gives RPU at least 60 days' notice and agrees to pay any metering conversion costs.
4. Service furnished under this rate schedule is subject to applicable provisions of RPU's published Electric Service Rules and Regulations.
5. Unless authorized by a separate written agreement, standby electric generating equipment installed by the customer shall not be interconnected or operated in parallel with the RPU system. Customer shall own, install, operate, and maintain electrical interlocking equipment, which will prevent parallel operation, and such equipment shall be approved by RPU prior to installation.
6. RPU shall not be liable for any damage or loss sustained by customer resulting from interruptions, deficiencies, or imperfections of service provided under this rate.
7. Energy furnished under this rate shall not be resold.

*Approved by Rochester Public Utility Board:
Effective Date:*

*October 28, 2025
January 1, 2026*

LARGE INDUSTRIAL SERVICE

AVAILABILITY:

At all locations for loads with measured demands in excess of 10,000 kW for three or more billing periods in a given calendar year, and where facilities of adequate capacity and voltage are adjacent to the premises to be served. For loads where the service desired by the customer is not adjacent to the premises to be served, contract arrangements may be required prior to service being furnished.

APPLICATION:

To industrial customers with all service taken at one point and measured through one meter or meter totalizer. Not applicable to stand-by service.

CHARACTER OF SERVICE:

Three phase, 60 Hertz alternating current at 13.8 kV GRDY / 7.97 kV.

RATE:

	2026	2027
Demand Charge / kW	\$22.53	
Energy Charge / kWh	6.100¢	

POWER COST ADJUSTMENT:

Bills computed under this rate schedule are subject to adjustment in accordance with the Power Cost Adjustment (PCA).

POWER FACTOR ADJUSTMENT:

The customer agrees to maintain an average power factor of 0.95 or greater for the billing period and to prevent a leading power factor. If the customer's average power factor is less than 0.95 for the billing period, the billing demand will be determined by multiplying the measured demand by 0.95 and dividing the results by the customer's average power factor. The average power factor is defined to be the quotient obtained by dividing the kWh used during the month by the square root of the sum of the squares of the kWh used and the lagging reactive kilovolt-ampere hours supplied during the same period. The customer's average power factor will be determined by means of permanently installed meters.

DETERMINATION OF DEMAND:

Measured demand is defined as the maximum rate at which energy is used for any period of fifteen consecutive minutes during the billing period. The billing demand shall be the greater of the measured demand for the billing period adjusted for power factor, or 50% of the ratcheted demand. The ratcheted demand is the maximum measured demand adjusted for power factor of four consecutive billing cycles during the most recent May through October billing periods depending on the billing cycle. Billing periods may not coincide with calendar months.

MINIMUM BILL:

The minimum bill shall not be less than the billing demand, as provided above, whether or not energy is used.

PAYMENT:

Payments are due on or before the due date.

CONDITIONS OF DELIVERY:

1. Service furnished under this rate schedule is subject to applicable provisions of RPU's published Electric Service Rules and Regulations.
2. Unless authorized by a separate written agreement, stand-by electric generating equipment installed by the customer shall not be interconnected or operated in parallel with the RPU system: Customer shall own, install, operate, and maintain electrical interlocking equipment which will prevent parallel operation, and such equipment shall be approved by RPU prior to installation.
3. RPU shall not be liable for any damage or loss sustained by customer resulting from interruptions, deficiencies or imperfections of service provided under this rate.
4. Energy furnished under this rate shall not be resold.
5. Customer agrees to manage its utilization equipment so as not to unbalance the current per phase by more than 10%.
6. RPU may require a separate electric service agreement for service under this rate schedule.

*Approved by Rochester Public Utility Board:
Effective Date:*

*October 28, 2025
January 1, 2026*

INTERRUPTIBLE SERVICE - Closed

AVAILABILITY:

At all locations for customers who qualify and where facilities of adequate capacity and suitable voltage are adjacent to the premises to be served. Additional contractual arrangements may be required prior to service being furnished. RPU reserves the right to limit the amount of interruptible load taken by a customer and the total amount of interruptible load on the RPU system.

APPLICATION:

To commercial, industrial, and governmental customers contracting for electrical service for a period of one (1) year or more and having an interruptible load with a measured demand of 100 kW or more.

The INTR interruptible rate schedule is used in conjunction with the MGS, LGS, and LIS firm power rate schedules. To qualify for the INTR rate schedule, customers must have a minimum of 100 kW of interruptible demand. RPU reserves the right to limit the amount of interruptible load, which may be nominated.

Customers who qualify for the INTR rate shall either nominate an interruptible demand amount or a firm demand amount. Customers nominating an interruptible demand amount shall be required to interrupt at least the amount nominated, or their total load if their total load is less than the amount nominated. Customers nominating a firm demand amount shall be required to interrupt an amount sufficient to bring their load to or below the firm demand nominated. In no case shall the INTR rate be made available to customers with less than 100 kW of interruptible load.

All interruptible loads recognized under the INTR rate schedule shall be electrical loads that are coincident with RPU's system peak. Customers' electrical loads occurring outside this peak period shall not qualify for the INTR rate schedule. Any generation equipment used by the customer to qualify for the INTR rate shall be located at the site of the interruptible load such that RPU does not have to use its electrical facilities to transmit power for the customer.

CHARACTER OF SERVICE

Three phase, 60 Hertz, alternating current at one of the standard secondary service voltages as described in RPU's published Electric Service Rules and Regulations. Service is subject to interruption at the sole discretion of RPU at any time during the year. There will be no more than 175 hours or 35 interruptions per year.

RATE:

MGS, LGS, and LIS customers are billed for interruptible power at the following rates:

	2026	2027
Demand Charge per kW:		
MGS	\$15.29	
LGS	\$14.14	
LIS	\$13.93	

The Energy Charge per kWh shall be equal to the appropriate customer class energy rate defined in the rate tariffs for the MGS, LGS, and LIS customer classes.

POWER COST ADJUSTMENT:

Bills computed under this rate schedule are subject to adjustment in accordance with the Power Cost Adjustment (PCA).

POWER FACTOR ADJUSTMENT:

The customer agrees to maintain an average power factor of 0.95 or greater for the billing period and to prevent a leading power factor. If the customer's average power factor is less than 0.95 for the billing period, the billing demand will be determined by multiplying the measured demand by 0.95 and dividing the results by the customer's average power factor. The average power factor is defined to be the quotient obtained by dividing the kWh used during the month by the square root of the sum of the squares of the kWh used and the lagging reactive kilovolt-ampere hours supplied during the same period. The customer's average power factor will be determined by means of permanently installed meters.

PRIMARY METER DISCOUNT:

Customers approved for metering at 13.8 kV will receive a discount of 1.25% on base rate charges for measured demand and energy.

TRANSFORMER OWNERSHIP CREDIT:

Customers owning transformers will receive a credit on each month's measured demand.

	2026	2027
Credit per / kW	\$0.50	\$0.50

SURCHARGE:

Customers whose service is taken outside the Rochester City limits are subject to a 10% surcharge on their bills (excluding charges computed under the Power Cost Adjustment).

PENALTY:

Unauthorized use of electricity during a peak period of service interruption ordered by RPU will require the customer to pay a penalty (in addition to standard charges) which is reflective of the uninterrupted load's cost impact on RPU's wholesale power cost from SMMPA over the ensuing 12 months:

- A. No impact - No penalty
- B. Occurs on monthly peak - Uninterrupted kW contribution to RPU's peak is billed at SMMPA rate.
- C. Occurs on annual peak (as determined by analysis from October 1 analysis of summer demands) - Uninterrupted kW contribution to RPU's annual peak is additionally penalized at two times SMMPA rate and added to participants October billing.

Exception for first-time participants in an RPU peak reduction rate who have interruptible nominations of less than 500KW: The penalty for failure to interrupt will be waived during the initial 24 months.

DETERMINATION OF DEMAND:

Measured demand is defined as the maximum rate at which energy is used for any period of fifteen (15) consecutive minutes during the billing period.

BILLING DEMAND:

Customers nominating an amount of interruptible demand are required to interrupt at least their nominated interruptible demand. Customers may interrupt demand greater than their nominated interruptible demand. The billed interruptible demand for the month shall be the hourly integrated demand interrupted during the peak period of a service interruption requested by RPU. This interruptible demand will be billed at the appropriate interruptible rate for that month. Where no RPU requested interruption occurs during the month, all demand above the nominated interruptible demand shall be billed at the firm demand rate under the appropriate MGS, LGS, or LIS firm rate schedule.

Customers nominating an amount of firm demand are required to interrupt all demand over their firm service level.

Customers may interrupt demand below the firm service level. When peak metered demand for the billing period is equal to or greater than the firm service level, the Firm Billing Demand shall be equal to the actual metered demand during the RPU-requested service interruption concurrent with the system peak for the billing period. When peak metered demand for the billing period is less than the firm service level, the Firm Billing Demand will be the greater of either the peak metered demand for the billing period minus the actual demand reduction during the RPU-requested service interruption concurrent with the RPU system peak for the billing period, or 50% of the Firm Demand Nomination for the most current June-September months minus the actual demand reduction during the RPU-requested service interruption concurrent with the RPU system peak for the billing period. All demand above the firm service level for the month shall be billed at the appropriate interruptible rate. Where no RPU requested interruption occurs during the month, all demand up to the firm demand nomination shall be billed at the appropriate firm demand rate.

Both firm and interruptible billing demands shall be adjusted for power factor.

There is no ratchet provision for interruptible demand.

MINIMUM BILL:

The minimum bill shall not be less than the adjusted billing demand, as provided above, whether or not energy is used.

PAYMENT:

Payments are due on or before the due date.

CONDITIONS OF DELIVERY:

1. Service furnished under this rate schedule is subject to applicable provisions of RPU's published Electric Service Rules and Regulations.
2. The Customer shall install, own, operate, and maintain the equipment necessary to interrupt its load.
3. In certain cases, the interruptible portion of the customer's load may have to be metered separately.
4. The Customer shall pay in advance of construction, all costs estimated by RPU for facilities located on Customer's premises which are necessary to serve the interruptible portion of the Customer's load and which duplicate other RPU facilities which are utilized to deliver electric service under other schedules. This includes any special metering needed for RPU to administer the INTR rate. Upon completion of the installation of such facilities by RPU, the actual cost of such facilities shall be charged to the Customer with the Customer's advance payment being applied as credit to such actual costs. The cost of major renewal and replacement of RPU-owned electric facilities located on the Customer's premises which are utilized for interruptible service and which duplicate other RPU facilities, shall be borne by the Customer.
5. When notified by RPU, the Customer shall remove the interruptible portion of its load from RPU's system in two (2) hours or less.
6. Upon one year's notice to the Customer, RPU may modify the hours and frequency of interruption specified herein to reflect changes in RPU's electric system load characteristics.
7. Interruptions of service caused by fire, accident, explosion, flood, strike, acts of God, or causes other than intentional interruptions ordered by RPU shall not be considered in determining the hours or frequency of interruption specified herein.
8. RPU, at its sole discretion, may immediately terminate service under this rate schedule upon the repeated unauthorized use of electricity by the customer during periods of interruption ordered by RPU.
9. Interruptible service shall not be used as standby for any other forms of energy or fuel.
10. Unless authorized by a separate written agreement, standby electric generating equipment installed by the Customer shall not be interconnected or operated in parallel with the RPU system. Customer shall own, install, operate, and maintain electrical interlocking equipment, which will prevent parallel operation, and such equipment shall be approved by RPU prior to installation. RPU shall have the right to inspect the Customer's interrupting facilities as often as deemed prudent by RPU to verify their operating condition and proper interconnection.
11. RPU shall not be liable for any damage or loss sustained by Customer resulting from interruptions, deficiencies or imperfections of service provided under this rate.
12. Energy furnished under this rate shall not be resold.
13. Customers shall provide RPU with sufficient advance notice of their intention to use the INTR rate to allow RPU time to provide any necessary supplemental equipment and metering.
14. Customers using the INTR rate shall notify RPU in writing of their intention to use either the interruptible demand nomination or the firm demand nomination and the amount of their interruptible or firm loads.
15. Customers may change their method of nomination or level of nomination or both no more frequently than once per year with 60 days written notice and approval from RPU.

*Approved by Rochester Public Utility Board:
Effective Date:*

*October 28, 2025
January 1, 2026*

POWER COST ADJUSTMENT

APPLICATION:

Applicable to all rate schedules where there is a kWh charge.

1. The Power Cost Adjustment will be determined monthly, with application to the first revenue cycle each month.
2. The Power Cost Adjustment is determined by calculating the average actual cost per kWh of retail power supply from all sources, and subtracting the Established Power Supply Cost. All calculations will be carried out to \$.00001 per kWh. Power supply costs include the cost of purchased power including charges for energy, demand, capacity, generation, transmission, cost adjustments, fees for regional power grid services, power supply revenues including capacity sales agreements of less than 5 years, and gross margin on wholesale generation sales.
3. The Established Power Supply Cost Base of \$0.07285 was determined by the 2014 cost of service study. The base will be adjusted as subsequent reviews identify a permanent and substantial change in the cost of power. The Power Supply Cost Base will be adjusted to retain the expected SMMPA rate adjustments for retirement of debt service and to retain the current average wholesale generation gross margin.
4. The Power Cost Adjustment will be the difference between the actual amount per kWh calculated in #2 above and the Established Power Supply Cost Base/kWh. This dollar amount per kWh will be added (subtracted) to each kWh of sales.

*Approved by Rochester Public Utility Board:
Effective Date:*

*October 28, 2025
January 1, 2026*

CITY STREET LIGHTING

AVAILABILITY:

To the City of Rochester for the illumination of public thoroughfares by means of RPU owned overhead street lighting facilities.

RATE:

	2026	2027
Per kWh for all kWh Billed		
LED RPU Owned (All Sizes)	65.176¢	
LED (All Sizes)	51.568¢	

POWER COST ADJUSTMENT:

Bills computed under this rate schedule are subject to adjustment in accordance with the Power Cost Adjustment (PCA).

CONDITIONS OF DELIVERY:

1. This rate is based on lamps being lighted every night from approximately 30 minutes after sunset to 30 minutes before sunrise, providing dusk to dawn operation.
2. RPU will replace inoperative lamps and otherwise maintain luminaires during regular daytime hours. No credit will be allowed for periods during which the lamps are out of service. Routine lamp replacement will be made on a group replacement schedule.
3. RPU will determine the amount of energy used during any month by multiplying the rated kilowatt capacity of all lamps and accessory equipment by 350 hours for the month.
4. RPU shall not be liable for any damage or loss sustained by customer resulting from interruptions, deficiencies, or imperfections of service provided under this rate.

Approved by Rochester Public Utility Board:
Effective Date:

October 28, 2025
January 1, 2026

TRAFFIC SIGNALS

AVAILABILITY:

To governmental units for electric service to customer-owned traffic signal systems on public streets.

RATE:

Monthly Fixed charge: per traffic signal control cabinet served:

	2026	2027
Fixed Charge	\$38.07	
Energy Charge / kWh	11.815¢	

MINIMUM BILL:

The minimum bill is per traffic signal control cabinet served for any month or portion of a month.

	2026	2027
Minimum Bill	\$38.07	

POWER COST ADJUSTMENT:

Bills computed under this rate schedule are subject to adjustment in accordance with the Power Cost Adjustment (PCA).

CONDITIONS OF DELIVERY:

1. RPU shall not be liable for any damage or loss sustained by customer resulting from interruptions, deficiencies, or imperfections of service provided under this rate.

SECURITY LIGHTING

AVAILABILITY:

At all locations whenever the service can be provided with overhead wiring on an existing RPU owned pole.

APPLICATION:

To all classes of customers contracting for security lighting.

RATE:

Monthly Charge

	2026	2027
<u>Mercury Vapor Lights (Closed)</u>		
Size: 175 Watt Mercury Vapor	\$12.05	
250 Watt Mercury Vapor	\$14.73	
400 Watt Mercury Vapor	\$20.92	
<u>High Pressure Sodium Vapor Lights (Closed)</u>		
Size: 70 Watt	\$10.48	
100 Watt	\$12.49	
150 Watt (Roadway)	\$14.05	
250 Watt	\$17.49	
400 Watt	\$22.93	
<u>Light Emitting Diode (LED) Lights</u>		
Size: LED Area Light	\$12.49	
LED Roadway Light	\$17.49	

PAYMENT:

Bills will be rendered monthly; payments are due on or before the due date.

CONDITIONS OF DELIVERY:

1. RPU will furnish, install, own, and maintain a standard lighting unit consisting of a luminaire, complete with lamp and control device wired for operation, supported by a bracket mounted on an RPU owned pole, and will supply all electrical energy necessary for the operation of the unit.
2. When RPU does not have a suitable pole or secondary service available at the desired location and it is necessary to install a transformer or a pole or to extend secondary lines a distance greater than 150 feet, the customer shall pay RPU the actual costs for installing the transformer or pole and/or making such line extensions.
3. Service under this rate is not available underground or in underground areas unless the customer pays RPU the complete cost of the necessary underground facilities.
4. Lamps will automatically be switched on approximately 30 minutes after sunset and off 30 minutes before sunrise, providing dusk to dawn operation of approximately 4,200 hours per year.
5. RPU will make every attempt to replace inoperative lamps and maintain luminaries during regular daytime work hours within 3 working days after notification. No credit will be allowed for periods during which the lamp was out of service.
6. RPU will, at the customer's expense, relocate or change the position of any lamp or pole as requested in writing by the customer.
7. Service furnished under this rate is subject to applicable provisions of RPU's published Electric Service Rules and Regulations.
8. RPU shall not be liable for any damage or loss sustained by customer resulting from interruptions, deficiencies, or imperfections of service provided under this rate.

Approved by Rochester Public Utility Board:
Effective Date:

October 28, 2025
January 1, 2026

UNMETERED DEVICE RATE

AVAILABILITY:

At all locations where facilities of adequate capacity and suitable voltage are adjacent to the location of the device to be served.

APPLICATION:

To commercial customers where the estimated monthly kWh required does not exceed 300kWh and is determined by RPU to not warrant a meter.

CHARACTER OF SERVICE:

Single of three phase, 60 Hertz, alternating current at any one of the standard secondary service voltages as described in RPU's published Electric Service Rules and Regulations.

RATE:

	2026	2027
Fixed Charge per device per month	\$12.65	
Energy Charge / kWh	12.947¢	

MINIMUM BILL:

The minimum bill is per device for any month or portion of a month.

	2026	2027
Minimum Bill:	\$12.65	

PAYMENT:

Bills will be rendered monthly; payments are due on or before the due date.

CONDITIONS OF DELIVERY:

1. The customer shall furnish, install, own, operate, and maintain all devices. The customer shall also furnish, install, own, and maintain any structures required for the mounting and support of devices; except where the customer specifically requests and RPU agrees to use RPU owned poles for this purpose. In such cases, RPU will assist in the installation and removal of devices and the customer shall pay RPU for the actual costs thereof.
2. When RPU does not have secondary service available at the device location and it is necessary to install a transformer or to extend secondary lines a distance greater than 150 feet, the customer shall pay RPU the actual costs for installing the transformer and/or making such line extensions.
3. RPU will make the connection and disconnection with its distribution lines.
4. Loads other than the device shall not be connected to the device's circuit.
5. The customer shall furnish RPU with a map indicating the location of sirens to be operated and shall notify RPU at least 30 days in advance of the planned addition, removal, or relocation of any siren.
6. RPU shall not be liable for any damage or loss sustained by customer resulting from interruptions, deficiencies, or imperfections of service provided under this rate.

Approved by Rochester Public Utility Board:
Effective Date:

October 28, 2025
January 1, 2026

CLEAN AIR RIDER

APPLICATION:

The Clean Air Rider (CAR) will be used to recover costs related to renewable and environmental improvement programs and projects approved by the Utility Board. Applicable to all rate classes billed in kWh.

CONDITIONS OF DELIVERY:

1. Emission Reduction Project at Silver Lake Plant:
 - a. The CAR for the Emission Reduction Project (ERP) at the Silver Lake Plant is to recover the annual debt service of the project.
 - b. The CAR for the ERP will be calculated by dividing the ERP debt service requirements by the kWh forecast for all rate classes.
 - c. The CAR will terminate for the ERP with payment of all debt service requirements.
 - d. An annual true-up will be done comparing the actual amount collected to the actual debt service requirement. The amount over or under collected will adjust future years debt service requirements used in the calculation.

*Approved by Rochester Public Utility Board:
Effective Date:*

*October 28, 2025
January 1, 2026*

ROCHESTER PUBLIC UTILITIES COGENERATION AND SMALL POWER PRODUCTION TARIFF

AVAILABILITY:

By separate written agreement only.

APPLICATION:

To residential and general service customers contracting for electric service for one year or more, with all service taken at one point and where part or all of the electrical requirements of the customer can be supplied by customer-owned electrical generating equipment which is connected for operation in parallel with RPU's system.

This rate schedule rider is to be applied in conjunction with the following schedules:

- Residential Service (RES)
- Residential TOU Service (RESTOU)
- General Service (GS)
- Medium General Service (MGS)
- Large General Service (LGS)
- Large Industrial Service (LIS)
- Power Cost Adjustment (PCA)

CHARACTER OF SERVICE:

Single or three phase, 60 Hertz alternating current at any one of the standard secondary service voltages as described in RPU's published electric Service Rules and Regulations.

RATE:

Demand Charge:

The demand charge shall be determined in accordance with the applicable rate schedule and shall be applied in accordance with the provisions of *Parts L, M and P of Rules Governing the Interconnection of Cogeneration and Small Power Production Facilities with Rochester Public Utilities.*

Energy Charge:

The energy charge shall be determined in accordance with the applicable rate schedule and shall be applied in accordance with the provisions *Parts L, M, N, O and P of Rules Governing the Interconnection of Cogeneration and Small Power Production Facilities with Rochester Public Utilities.*

Grid Access Charge:

Effective January 1, 2026 and applicable to residential and general service distributed generation customers, with system size of less than 40kW AC that are not required to utilize avoided cost and not subject to the "buy all – sell all" provision in the RPU Rules Governing the Interconnection of Cogeneration and Small Power Production Facilities with Rochester Public Utilities. Minnesota Statute 216B.164 authorizes municipal utilities to charge a cost recovery fee on distributed generation facilities, enabling recovery of some of the cost shifts that occur between distributed generators and the rest of the utility customers. The monthly charge is applied per the nameplate kW AC of the installed inverter.

RATE:	2026	2027
Residential Monthly Charge per measured kW AC:	\$2.40	
Small General Service Monthly Charge per measured kW AC:	\$2.31	

Continued...

Standby Charge:

The Standby charge shall be applicable to customers with new or repowered cogeneration facilities with a planned high-capacity factor. This charge will be based on the nameplate capacity of the generation facilities installed per kW AC. When standby service is required, energy and demand will be charged at the rate of the appropriate customer class. If a facility that is subject to a standby charge is offline for an extended period of time resulting in the customer being charged energy and demand at the appropriate customer class, the utility may adjust the standby charge at its sole discretion.

	2026	2027
Monthly Cogeneration Standby Charge / kW	\$8.84 / kW	

Minimum Charge:

The minimum charge shall be determined in accordance with the applicable rate schedule for each customer class.

Energy and Capacity Credits:

The energy and capacity credits shall be calculated and approved in accordance with Part C of Rules Governing the Interconnection of Cogeneration and Small Power Production Facilities with Rochester Public Utilities and published annually as Schedule 1 and Schedule 2. The energy and capacity credits shall be applied in accordance with the provisions of Parts L, M, N, O and P of Rules Governing the Interconnection of Cogeneration and Small Power Production Facilities with Rochester Public Utilities.

POWER COST ADJUSTMENT:

The energy credit computed under this rate schedule rider is subject to a Power Cost Adjustment.

PAYMENT:

Payments are due on or before the due date.

CONDITIONS OF DELIVERY:

1. Service furnished under this rate schedule rider is subject to applicable provisions of RPU's published Rules Governing the Interconnection of Cogeneration and Small Power Production Facilities with Rochester Public Utilities.
2. Service under this rate schedule rider will be furnished only to customers whose electrical generating capacity meet the requirements documented in Rules Governing the Interconnection of Cogeneration and Small Power Production Facilities with Rochester Public Utilities; such service may be limited at the sole discretion of RPU, to those customers who obtain "qualifying" status under FERC Regulations (18CFR Part 292) implementing section 201 of the Public Utility Regulatory Policies Act of 1978.
3. Service under this rate schedule rider will be furnished only after the customer and RPU have entered into a separate written agreement which specifies the type of metering and interconnection facilities to be employed, the responsibilities for installation, ownership, and maintenance of these facilities, and the procedures required for safe and technically acceptable operation of parallel electrical generating equipment.
4. RPU shall not be liable for any damage or loss sustained by the customer resulting from the parallel operation of the customer's electrical generating equipment, or resulting from interruptions, deficiencies, or imperfections of service provided under this rate schedule rider.
5. Energy furnished under this rate schedule rider shall not be resold.

Approved by Rochester Public Utility Board:
Effective Date:

October 28, 2025
January 1, 2026

ELECTRIC VEHICLE CHARGING TIME-OF-USE RATE

AVAILABILITY:

Available to Residential Service Customers for service only to electric vehicle loads including battery charging and accessory usage. Customer must provide RPU approved documentation verifying possession through ownership or lease of an electric vehicle as defined in Section 169.011 subdivision 26a of Minnesota law. RPU reserves the right to limit both the number of customers and the amount of load taken under this rate schedule.

APPLICATION:

To electric service required for Electric Vehicles in individual private dwellings and in individually metered apartments where such service is supplied at one point of delivery and measured through one meter with a second meter to measure EV-TOU consumption. Residential Customer Charge will be billed at the appropriate Residential rate for the first meter with an additional EV-TOU Customer Charge for the second meter. kWh usage measured through the second meter will be billed at the EV-TOU rate and excluded from the main meter's measurement of kWh.

CHARACTER OF SERVICE:

Single phase, 60 Hertz, 120/240 volts alternating current.

RATE:

	2026	2027
Additional Customer Charge (for second meter):	\$9.04	
Energy Charge:		
Non-Summer Energy:		
On-peak Energy / kWh	20.465¢	
Off-peak Energy / kWh	8.295¢	
Summer Energy:		
On-peak Energy / kWh	28.333¢	
Off-peak Energy / kWh	8.295¢	
Definition of Season:	Summer months are June through September. Non-summer months are January through May and October through December.	
Definition of On-Peak Energy:	All energy used by the customer between the hours of 8:00 a.m. and 10:00 p.m. (14 hours) Monday through Friday.	
Definition of Off-Peak Energy:	All energy used by the customer for all other hours, including weekends and holidays.	
Off-peak holidays:	New Years Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.	

POWER COST ADJUSTMENT:

Bills computed under this rate schedule are subject to adjustment in accordance with the Power Cost Adjustment (PCA).

MINIMUM BILL

	2026	2027
Per Month (for second meter):	\$9.04	

PAYMENT

Payments are due on or before the due date.

CONDITIONS OF DELIVERY:

1. Service furnished under this rate schedule is subject to applicable provisions of RPU's published Electric Service Rules and Regulations.
2. RPU shall not be liable for any damage or loss sustained by customer resulting from interruptions, deficiencies, or imperfections of service provided under this rate.
3. Energy furnished under this rate shall not be resold.
4. Service under this rate will be made available at the option of the residential service customer, subject to the availability of the necessary time-of-use metering equipment.
5. A customer may cancel participation in this rate providing the customer gives RPU at least 45 days' notice.
6. This tariff requires the use of metering technology capable of being read using automated equipment.

Approved by Rochester Public Utility Board:
Effective Date:

October 28, 2025
January 1, 2026

LINE EXTENSIONS

AVAILABILITY:

Available to all customers and developers in RPU's Service Territory.

APPLICATION:

The Rules and rates for Line Extensions in this schedule apply to all existing and prospective customers requesting new line extensions or changes of existing service within subdivisions.

RATE:

	2026	2027
<u>Residential</u>	\$1,400	\$1,485 / Standard Service***
<u>Commercial, Industrial and Multi-Family Housing</u>		
<u>Installed Transformer Capacity</u>		
Up to 25 kVA	\$1,680	\$1,780 / Standard Service*
25 kVA up to 10,000 kVA	Total cost of Standard Service less a credit of \$63/kVA of installed transformer Capacity**	
<u>Above 10,000 kVA and/or Non-Standard Service</u>	Negotiated	

*Single Phase Service is assumed. If three phase service is requested, the customer must also pay the difference between three phase and single phase service. If the actual Line Extension cost exceeds \$5,000.00 per lot, the Line Extension charge will be negotiated.

**In cases where the installed transformer credit offsets the total cost of the Standard Service, no additional amount will be charged.

***For the purposes of this rate schedule, Standard Residential Service is considered to be a single lot or single structure with three or fewer dwelling units. If the actual Line Extension cost exceeds \$5,000.00 per lot, the Line Extension charge will be negotiated.

PAYMENT:

Payments must be received before work on the line extension or enhancement will begin.

Approved by Rochester Public Utility Board:
Effective Date:

October 28, 2025
January 1, 2026

ECONOMIC DEVELOPMENT CREDIT - Closed

AVAILABILITY:

To all qualifying commercial or industrial customers within the Rochester Public Utilities (RPU) Service Territory.

APPLICABILITY:

Customers taking service under schedules MGS, MGS-HEF, MGS-TOU, LGS, or LIS that meet the following criteria may be eligible for an economic development energy credit:

- New commercial or industrial customers with a load of 250 kW or greater
- Existing commercial or industrial customers with at least twelve months of billing history adding new incremental connected load of 250 kW or greater.
- Existing commercial or industrial customers in economic distress that have legitimate opportunities to move operations out of RPU's service territory with a total load across all facilities located within the RPU service territory of 1,000 kW

QUALIFICATIONS:

- The customer must have received no less than \$25,000 in local, county, State of Minnesota and/or federal financial assistance for economic development or economic stimulus.
- For load retention, the customer must have received \$50,000 in local, county, State of Minnesota and/or federal financial assistance for economic development assistance within the 24 months prior to applying for this rate.
- The customer must sign an affidavit attesting to the fact that "but for" the rate credits, either on their own or in combination with a package of economic development or job creation incentives from local, county, State of Minnesota, and/or federal programs the customer would not have located operations, added load or would have significantly reduced its energy consumption or shut down its facilities in the RPU service territory.
- The customer must meet all conditions set forth by the City of Rochester for economic development assistance.
- No credit is available to customers or potential commercial or industrial customers transferring load from a city that is a current member of the Southern Minnesota Municipal Power Agency.
- The customer must meet with RPU and review the energy efficiency program opportunities available prior to approval of the application for the credit.

QUALIFYING LOAD:

- New Load
 - All electric load from the customer's new facilities served by RPU qualifies as new load.
 - If a qualifying customer falls below the designated demand and/or energy consumption level, the customer will no longer qualify for any further credits within the five-year term.

QUALIFYING LOAD (continued)

- Incremental Load
 - For incremental load, the base level of load is the customer's peak demand and energy consumption for the twelve months prior to adding the new load.
 - If the customer's energy consumption for a month in the current year exceeds the customer's energy consumption for the same month of the base year, the additional kilowatt-hours are incremental load that qualifies for the credit.
 - The customer need not have incremental energy use every month of the year, but at the end of each 12-month period the customer's entire twelve month energy use must exceed the base level and the customer must meet the minimum incremental peak demand requirements in at least one hour of the first twelve month period.
 - If a qualifying customer falls below the designated demand and/or energy consumption level, the customer will no longer qualify for any further credits within the five-year term.
- Load Retention
 - RPU will designate how much load qualifies for the credit based on the facts and circumstances related to the customer.
 - If a qualifying customer falls below the designated demand and/or energy consumption level, the customer will no longer qualify for any further credits within the five-year term.

CREDITS:

- The credit will apply to all qualifying new, incremental or retained load taken under applicable rate schedules. The Economic Development Rate Credit for customers beginning participation on or after March 1, 2021, shall be applied to the wholesale energy charge at a rate of:
 - 40% of all qualifying energy charges in year one
 - 20% of all qualifying energy charges in year two
 - 10% of all qualifying energy charges in year three
 - 5% of all qualifying energy charges in year four
 - 2.5% of all qualifying energy charges in year five
 - No credit beginning in year six
- The credit levels listed above will be in effect for the full five-year term for customers commencing participation on or before March 1, 2021.
- Credits will be calculated and applied based on energy consumption in the current billing month.

MONTHLY FIXED CHARGE:

A fixed charge of \$185.00 per month will be applied during the term of this rate to cover on-going administrative costs. The monthly fixed charge is subject to change annually based on RPU labor rate changes approved during the annual budget process.

TERM:

Qualifying customers will be eligible for Economic Development Credits for a five-year period

- For new customers, the credits will begin on the first day of the first full month after a participating new customer begins taking service and meets the demand requirements.
- For incremental load, the credits will begin on the first day of the first full month after the equipment driving incremental load is installed and meets the minimum incremental demand requirements.
- For retained load, the credits will begin on the date specified by RPU.

METERING:

RPU reserves the right to impose a one-time charge on participating commercial or industrial customers for any new and/or additional metering infrastructure required to measure qualifying load and energy.

MISCELLANEOUS FEES – ELECTRIC UTILITY

<u>Applicable to All Charges and Amounts Due on RPU Invoices</u>	
Not Sufficient Funds (NSF) Check	\$ 30.00
<u>Copies</u>	
Black & white, single side, per page.....	\$ 0.25
Black & white, duplex, per page	\$ 0.50
Color, single side, per page (from color printer, not copier)	\$ 0.35
<u>House Move Investigation</u>	\$ 350.00
<u>Infraview Service</u> (Per Hour)	\$ 120.00
<u>Meter Connections After Hours:</u>	
Workdays, 5:00 PM - 9:00 PM	\$ 75.00
Workdays, 9:00 PM – 8:00 AM	\$ 160.00
Non-Workdays	\$ 160.00
Holidays	\$ 160.00
<u>Meter Tampering</u>	\$ 240.00
<u>Meter Service Call</u>	\$ 70.00
<u>Meter Test – Residential</u> (2nd request within the past 12 months)	\$ 100.00
<u>Meter Test – Commercial</u> (2nd request within the past 12 months)	\$ 210.00
<u>Non-Pay Disconnection/Reconnection</u> (Workdays, 8:00 AM- 5:00PM)	\$ 70.00
(Additional reconnection fees apply for after-hours reconnections)	
<u>Outage Call</u> (The problem is with the customer's equipment, and this is the second request within the past twelve months.)	\$ 100.00
<u>Pole Disconnection/Reconnection</u> (Commercial)	\$ 295.00
<u>Pole Disconnection/Reconnection</u> (Residential)	\$ 210.00
<u>Temporary Meter Installation Fee</u> (Residential)	\$ 100.00
<u>Temporary Meter Installation Fee</u> (Commercial)	\$ 760.00
Interconnection Fees	
<u>Application Fees: Process Track</u>	
Simplified	\$ 100.00
Fast Track Certified System.....	\$ 100.00 + \$1.00/ kW
Fast Track Non-Certified System	\$ 100.00 + \$2.00/ kW
	<u>2026</u> <u>2027</u>
<u>Administrative Fee</u>	\$ 416.00
<u>Pre-Application Report</u>	\$ 300.00
<u>Study Down Payment</u> (Additional fees may apply)	\$ 1,000.00 + \$2.00/ kW
<u>Testing Certified System:</u>	
40 kW or less.....	No Fee
40 kW to 1MW.....	\$ 300.00
Greater than 1MW.....	Actual Cost
<u>Metering Fee</u>	
Net Metered Under 40 kW	No Fee
Not Net Metered	Actual Cost

Pole Attachment Fees

Non-refundable Administrative Fee (For new Joint Use Agreements)	\$ 10,000.00
Permit Review (For all new attachments up to 200 poles)	\$ 200.00 + \$50.00/Pole
Annual Attachment Fee	\$ 23.76/attachment
Unauthorized Attachment.....	3x Annual Attachment Fee
Failure to Timely Transfer, Abandon, or Remove Facilities	\$ 5.00/Pole per day
(Fee starts day following deadline in written notice)	

Telecomm Charges

Macro Site Fees

Escrow.....	\$ 7,850.00
Non-refundable Application fees	\$ 1,500.00

Small Cell Fees: (For all agreements executed after January 1, 2021)

Non-refundable Master Agreement Fee:	\$ 5,000.00
Supplement License Fee (up to 5 nodes):	\$ 500.00
Additional nodes (over 5).....	\$ 100.00 / node
	<u>2026</u> <u>2027</u>

Rent per premise (Annual).....	\$ 286.44 295.04
(3% escalator)	

Convenience Fee (per card payment on Utility bill)

Residential	\$ 2.95
Commercial	\$ 15.95

Approved by Rochester Public Utility Board:
Effective Date:

October 21, 2025
January 1, 2026

SERVICE ASSURED® Utility Service Repair Coverage

AVAILABILITY:

Coverage is available to RPU residential Electric customers living in single-family homes, single-owner duplexes, and some townhome associations, individual twin homes, and triplexes where each has its own service line. Electric Service Assured® will be applied to all Electric Service customers effective January 1, 2025. Customers wishing to not receive Service Assured® protection may opt out by calling the RPU Service Center to request removal from the program. Customers may request to have their water service protected under the Water Service Assured® program without the Electric Service Assured® program, or in combination with the Electric Service Assured® program.

CONDITIONS OF SERVICE:

Conditions of Service will be governed by the Service Assured® Terms and Conditions Agreement.

MONTHLY RATE:

<u>Customer Charge:</u>	Amount
Water	\$ 1.99
Electric.....	\$ 1.99
Water and Electric.....	\$ 3.00

PAYMENT:

Payments are due on or before the due date.

Approved by Rochester Public Utility Board:
Effective Date:

October 29, 2024
January 1, 2025

WATER SERVICE

AVAILABILITY:

At all locations within the Rochester City limits and at locations external to the City limits, that have been authorized by the Rochester Common Council.

MONTHLY RATE:

	2026	2027
Customer Charge:		
Size of Meter	Amount	Amount
5/8"	\$ 12.75	\$ 13.71
3/4"	\$ 16.65	\$ 17.90
1"	\$ 24.19	\$ 26.00
1-1/2"	\$ 43.44	\$ 46.70
2"	\$ 66.59	\$ 71.58
3"	\$ 120.88	\$ 129.95
4"	\$ 198.27	\$ 213.14
6"	\$ 392.20	\$ 421.62
8"	\$ 697.87	\$ 750.21
Commodity Charge Rate/CCF:		
Residential 0 - 7 CCF	\$ 1.166	\$ 1.291
7.01 - 12 CCF	\$ 1.301	\$ 1.464
12.01 and over CCF	\$ 1.486	\$ 1.683
Commercial	\$ 1.172	\$ 1.304
Industrial	\$ 1.172	\$ 1.304
Interdepartmental	\$ 1.172	\$ 1.304
Irrigation Meter (All Classes)	\$ 1.486	\$ 1.683

NOTE: Customers whose service is taken outside the Rochester city limits with individual water systems not connected to the City water system shall have a rate of 2.0 times the customer and commodity charges.

MINIMUM BILL:

Applicable monthly customer charge according to size of meter provided.

PAYMENT:

Payments are due on or before the due date.

CONDITIONS OF DELIVERY:

1. Service furnished under this rate schedule is subject to connection policies of the Rochester City Council.
2. Service furnished under this rate schedule is subject to provisions of RPU's Water Service Rules and Regulations.
3. RPU shall not be liable for damage or loss sustained by customers in conjunction with taking service under this rate.
4. Water furnished under this rate shall not be resold.
5. This tariff assumes use of metering technology capable of being read using automated equipment.

Approved by Rochester Public Utility Board:
Effective Date:

October 28, 2025
January 1, 2026

SERVICE ASSURED®

AVAILABILITY:

Coverage is available to RPU residential water customers living in single-family homes, single-owner duplexes, and some townhome associations, individual twin homes, and triplexes where each has its own service line. Water Service Assured® will be applied to all Water Service customers effective January 1, 2022. Customers wishing to not receive Service Assured® protection may opt out by calling the RPU Service Center to request removal from the program. Customers may request to have their electric service protected under the Electric Service Assured® program without the Water Service Assured® program, or in combination with the Water Service Assured® program.

CONDITIONS OF SERVICE:

Conditions of Service will be governed by the Service Assured® Terms and Conditions Agreement.

MONTHLY RATE:

<u>Customer Charge:</u>	<u>Amount</u>
Water	\$ 1.99
Electric	\$ 1.99
Water and Electric	\$ 3.00

PAYMENT:

Payments are due on or before the due date.

Approved by Rochester Public Utility Board:
Effective Date:

October 26, 2021
January 1, 2022

FIRE HYDRANT FACILITIES CHARGE

APPLICABILITY:

To all residential and commercial and industrial water utility customers.

MONTHLY RATE:

<u>Customer Class</u>	2026	2027
Residential	\$1.15	\$1.19
Commercial/Industrial	\$4.77	\$4.93

BILLINGS:

Billings will be on a monthly basis.

PAYMENT:

Payments are due on or before the due date.

CONDITIONS OF DELIVERY:

1. RPU shall not be liable for any damage or loss sustained by customer resulting from interruptions, deficiencies, or imperfections of service provided under this rate.
2. The rate will not be applied to water service meters that are used exclusively for irrigation purposes.
3. The rate will not be applied to water service meters that are not connected to the City's central water system.
4. The rate will be applied regardless of the property's water service status (active or non-active).

Approved by Rochester Public Utility Board: *October 28, 2025*
Effective Date: *January 1, 2026*

MISCELLANEOUS FEES – WATER UTILITY

<u>Applicable to All Charges and Amounts Due on RPU Invoices</u>	
Not Sufficient Funds (NSF) Check	\$ 30.00
<u>Curb Box Operation</u>	\$ 60.00
<u>Frozen Meter Repair</u>	\$ 100.00
<u>Frozen Pipes</u> (Per Hour Labor)	\$ 90.00
<u>Meter</u>	
Installation Fee	\$ 50.00
Removal Fee	\$ 50.00
<u>Hydrant Meter Rental</u>	
Flat Fee for Installation and Retrieval (Plus Tax)	\$ 130.00
Addition for 1" Meter	\$ 45.00
Addition for 2-3" Meter	\$ 85.00
<u>State Mandated Water Charge</u>	\$ 1.27
<u>Tower Access</u> (After Hours)	\$ 140.00
<u>Unauthorized Use – Valve or Hydrant</u> (Per Occurrence)	\$ 500.00
<u>Water Leak Detection</u>	
1 person	\$ 170.00
2 people	\$ 320.00
<u>Water Main Tapping Fees</u>	
3/4"	\$ 230.00
1"	\$ 230.00
4"	\$ 760.00
6"	\$ 760.00
8"	\$ 760.00
10"	\$ 760.00
12"	\$ 760.00
<u>Convenience Fee (per card payment on Utility bill)</u>	
Residential	\$ 2.95
Commercial	\$ 15.95

Approved by Rochester Public Utility Board: October 28, 2025
Effective Date: January 1, 2026

RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve fee and tariff adjustments for the Water Utility according to the attached tariffs, effective on or about January 1, 2026 and January 1, 2027, respectively.

BE IT FURTHER RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, that the Common Council of the said City is requested to approve the rate, fee and tariff adjustments for the Water Utility according to the attached tariffs, to take effect on or about January 1, 2026, and January 1, 2027, respectively

PASSED AND ADOPTED BY THE PUBLIC UTILITY BOARD OF THE CITY OF ROCHESTER,
MINNESOTA, THIS 28TH DAY OF OCTOBER 2025.

President

Secretary

RESOLUTION

WHEREAS the Public Utility Board of the City of Rochester, Minnesota approved the publication of proposed rate and fee changes that were published on October 4, 2025, reflecting an overall general rate adjustment of 6.0% in both 2026 and 2027, and

WHEREAS Southern Minnesota Municipal Power Association (SMMPA), the primary wholesale power provider to the Utility, approved an additional 4.0% reduction in wholesale power rates beyond what was projected for 2026 on October 17, 2025, to be effective in February 2026.

THEREFORE, BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve fee and tariff adjustments for the Electric Utility according to the attached tariffs, reflecting a general overall rate adjustment of 4.0% effective on or about January 1, 2026, and a general overall rate adjustment of 6.0% effective on or about January 1, 2027.

BE IT FURTHER RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, that management may adjust the approved standard rate of the power cost adjustment from time to time to retain any reduction in wholesale power costs from SMMPA that is directly associated with the retirement of debt on the Sherco 3 generation facility.

BE IT FURTHER RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, that the Common Council of the said City is requested to approve the rate, fee and tariff adjustments for the Electric Utility according to the attached tariffs, to take effect on or about January 1, 2026, and January 1, 2027, respectively

PASSED AND ADOPTED BY THE PUBLIC UTILITY BOARD OF THE CITY OF ROCHESTER,
MINNESOTA, THIS 28TH DAY OF OCTOBER 2025.

President

Secretary



REQUEST FOR ACTION

2026 - 2027 Electric Utility Budget

MEETING DATE:

October 28, 2025

ORIGINATING DEPT:

Rochester Public Utilities

AGENDA SECTION:

Regular Agenda

PRESENTER:

**Peter Hogan, Director of
Corporate Services**

Action Requested:

Approve the 2026 and 2027 Electric Utility capital, including multi-year projects and operating budgets as submitted, and request that the Rochester City Council approve the Electric Utility capital, including multi-year projects and operating budgets.

Report Narrative:

The recommended 2026–2027 **Electric Utility Budget** was presented to the Board on **August 5, 2025**, and included in subsequent **City Council budget review sessions**. The public had opportunities to comment at the **August, September, and October Board meetings**.

Following **Board direction on September 30, 2025**, and in consultation with the Board President and Vice President acting as an ad hoc group, management has updated the budget to reflect:

- The anticipated **245 MW wind Power Purchase Agreements (PPAs)**, and
- A **4.0 percent general retail rate adjustment in 2026** and a **6.0 percent adjustment in 2027**, replacing the previously proposed 6.0 and 6.0 percent adjustments.

This budget supports the Board's reaffirmation of the **100 percent net renewable energy by 2030 goal**, while recognizing the **market and timing risks** associated with advancing renewable PPAs **two years earlier than originally planned** to leverage expiring federal incentives.

Key Budget Drivers:

- **Rate Adjustments:** 4.0 percent overall electric revenue adjustment in 2026 and 6.0 percent in 2027, reflecting SMMPA's finalized 2026 wholesale rate reduction and RPU's adjusted retail pathway.
- **Sales & Customer Growth:** (1.0 percent) and +1.7 percent change in kWh sales; +1.9 percent and +1.8 percent customer growth in 2026 and 2027, respectively.
- **Bond Issuance:** \$241 million in 2027 to support power resource plan investments, including \$31 million for transmission.
- **Resource Transition:** Replacement of energy and capacity currently supplied under the **SMMPA contract**, which expires in **April 2030**.

Staffing:

- **2026:** Eight limited-term positions for the Enterprise Resource Planning (ERP) project, one limited-term Engineering Project Manager (2 years), and one partially grant-funded limited-term Benchmarking position (1 year). Two full-time positions, Data Performance Manager, Senior

Financial Analyst

- **2027:** One limited-term position, Project Engineer – Communications (2 years). Two full-time positions, Graphic Design & Digital Communications Coordinator, Commercial Energy Advisor.

City Contributions:

- **PILOT increases** of \$446K (2026) and \$332K (2027).
- **Shared services fee increases** of \$420K (2026) and \$840K (2027).

Major Capital Projects:

- **The Advanced Metering Project:** \$7.54M (2026), \$1.88M (2027), Total \$16.75M.
- **Enterprise Resource Planning (ERP) Replacement:** \$5.38M (2026), \$7.70M (2027), with an anticipated \$3.9M (25%) contingency request in the 2027 update.
- **Land for Future NE Substation:** \$2.8M (2026).
- **Mount Simon Station:** multi-year capital project anticipated at \$175M in 2024-2029

Financial Performance:

- **SMMPA Wholesale Rates:** The final SMMPA 2026 budget, adopted October 17, 2025, includes a **10 percent wholesale rate decrease**, applied as 10.812 percent to energy and demand charges. This larger reduction, compared to the 6 percent projected earlier in 2025, is possible because SMMPA can recognize a greater portion of the **Sherco Unit 3 debt service savings in 2026** than previously assumed due to improved budget conditions and stronger financial performance. For RPU, this represents roughly **\$4 million in additional wholesale cost relief** in 2026. Those savings allow the retail rate adjustment to be reduced from 6.0 to 4.0 percent without impacting financial stability.
- **Revenue Alignment:** Continued alignment of fixed and variable revenues and costs consistent with the 2023 Cost-of-Service Study. Progress continues toward full revenue requirement by customer class.
- **Cash and Reserves:** Strong cash reserve management will maintain credit quality during the transition from SMMPA resources.
- **Debt Service Coverage (excluding PILOT):** 2.7× in both 2026 and 2027, exceeding the minimum policy target of 3.0× prior to the 2027 bond issuance.
- **Target Income and Reserves:** Reserves will fluctuate as RPU invests up to \$50 million in capital and takes on additional renewable PPAs in advance of the end of the current SMMPA contract in April 2030.

Note on Final Budget Book

Because of the short timeline between the **adjusted electric rate recommendation** and the **publication of this Board packet**, the **Electric Utility Budget Book** will be revised following this meeting to reflect the Board's intent as established in the attached resolution. The **final budget book** will incorporate the **4.0 and 6.0 percent electric rate trajectory** if supported by the Board.

All **expense assumptions** in the recommended budget remain **unchanged** from what was previously proposed, **except for the reduction in wholesale power expense** consistent with SMMPA's final 2026 wholesale rate decrease.

The **updated Electric Utility Budget Book** will be presented to the Board in November for review and record.

Staff will be available to answer questions.

Policy Considerations & DEI Impact:

Compliance with the Rochester Home Rule Charter Chapter 15.09 requiring the RPU Board to prepare an annual budget to be approved by the Common Council.

Prior Legislative Actions & Community Engagement:

The RPU Board reviewed the recommended Electric Utility budget at the August 5, 2025, board meeting.

The RPU Board reviewed the results of the customer survey regarding the proposed budget and instructed management to publish the proposed rate tariff at the September 30, 2025, Board meeting.

The RPU Board was available for public comment on the recommended budget during the August, September, and October Board meetings.

Fiscal & Resource Impact:

Note on shared services fee increases:

The new shared service fee represents RPU's contribution to Citywide resources that support utility operations, including Human Resources, City Attorney's Office, Information Technology, Finance, Clerk's Office and Administration.

The primary goal of this allocation is to align the costs of enterprise fund services within the enterprise funds. In prior years, there was no shared city services cost allocation, and those costs were fully absorbed by the tax levy-funded side of the City. This approach ensures that RPU now directly funds its fair share of common support functions, consistent with best practices for enterprise fund management.

The fee is phasing in over two years and represents the cost of approximately 5.0 full-time equivalent (FTE) positions allocated across those functional areas, with the majority of the cost attributed to shared Human Resources services. The HR costs are distributed on a headcount basis, while the other shared service costs are allocated based on RPU's share of services provided within each functional area.

RPU represents approximately 22 percent of the City's total FTE count, and the shared service fee ensures that the utility contributes equitably to the cost of common administrative and support functions while maintaining operational efficiency within the broader City organization. This fee also replaces several previous direct transfers that supporting specific shared functions.

Prepared By:

Peter Hogan

Attachments:

[Exhibit - 2026 - 2027 Budget Book Recommended - Board Packet Electric](#)

[20251028 - Resolution - 2026 2027 Electric Utility Budget](#)



ROCHESTER PUBLIC UTILITIES
RECOMMENDED

2026 - 2027
ELECTRIC UTILITY
OPERATING BUDGET

**ROCHESTER PUBLIC UTILITIES
ELECTRIC UTILITY
2026 - 2027 OPERATING BUDGET**

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**ROCHESTER PUBLIC UTILITIES
ELECTRIC UTILITY
2026 - 2027 OPERATING BUDGET**

ASSUMPTIONS

	<u>2026</u>	<u>2027</u>
• Interest Earnings Rate:	3.0%	3.0%
• Average Salary Expense Change: (excluding headcount additions)	0.0%	0.0%
	(consists of COLA, merit and promotion increases)	
• Anticipated Bonding	None	\$240.7 Million
• Change in Full-time Equivalents:	2	2
• SMMPA Wholesale Power Cost:	6.0% decrease	10.0% decrease
• SMMPA CROD Level:	216 MW	216 MW
• Minimum Cash Reserve Requirement:	\$67,875,344	\$58,185,244
• In Lieu of Tax	\$11,585,988	\$11,917,972

RETAIL REVENUES / SALES

	<u>2026</u>	<u>2027</u>
• Revenue Adjustment:	6.0% Proposed General Rate Change	6.0% Proposed General Rate Change
• Electric KWH Sales Forecast:	1.0% Decrease from 2025 F2 Projected Sales	1.7% Increase from 2026 Projected Sales
• Total Electric Utility Customers:	1.9% Increase over Y/E 2025 F2 Projected Customers	1.8% Increase over Y/E 2026 Projected Customers
• Forecast Assumes Normal Weather :	30 Yr Average Heating/Cooling Degree Days per Year	

WHOLESALE FUEL COSTS

	<u>2026</u>	<u>2027</u>
• Estimated Cost of Fuel:	\$5.18/mcf	\$4.97/mcf

POWER SUPPLY RESOURCE PLAN

New Resources	
2028 - 2030	245 MW Wind Power Purchase Agreement (Renewable Energy/Capacity)
2028 - 2030	30 MW Repair / Replace GT1 (Capacity)
2029 - 2030	50 MW Mt Simon Station (Capacity)
2029 - 2030	50 MW Battery Power Purchase Agreement (Capacity)
2029 - 2030	50 MW Capacity Power Purchase Agreement (Capacity)

**ROCHESTER PUBLIC UTILITIES
ELECTRIC UTILITY
Management Reporting P&L**

		Historical Data		2025 F2					
		2023	2024		2026	2027	2028	2029	2030
in 000's									
RPU Rate Increase		2.5%	3.2%	4.0%	6.0%	6.0%	6.0%	6.0%	6.0%
Plus AMI Customer Charge			\$1.94						
1	Revenue								
2	Retail Electric	\$164,508	\$172,251	\$174,575	\$180,098	\$191,909	\$199,842	\$221,487	\$234,529
3	Wholesale Electric	\$7,562	\$5,847	\$8,843	\$7,631	\$5,836	\$5,836	\$6,031	\$8,787
4	Wholesale Renewables	-	-	-	\$4,729	\$4,483	\$18,303	\$18,311	\$18,323
5	Wholesale Steam	\$5,383	\$4,735	\$4,920	\$5,061	\$4,930	\$2,422	-	-
6	Transmission	\$6,433	\$5,801	\$6,008	\$6,008	\$8,363	\$8,363	\$8,363	\$8,363
7	Other Services & Fees	\$4,149	\$4,175	\$4,394	\$4,537	\$4,571	\$4,624	\$4,679	\$4,733
8	Total Revenue	\$188,035	\$192,809	\$198,741	\$208,064	\$220,092	\$239,389	\$258,872	\$274,736
9	Cost of Revenue								
10	Power Supply	\$99,424	\$100,982	\$97,399	\$90,726	\$82,165	\$71,584	\$84,332	\$73,033
11	Power Supply - Renewables	-	-	-	\$5,317	\$5,460	\$33,488	\$33,640	\$33,796
12	Power Supply Batteries	-	-	-	-	-	-	-	\$18,600
13	Generation Fuel	\$5,632	\$3,966	\$5,965	\$6,323	\$6,083	\$4,507	\$3,119	\$4,183
14	Total Cost of Revenue	\$105,056	\$104,948	\$103,364	\$102,366	\$93,709	\$109,579	\$121,091	\$129,612
15	Gross Margin								
16	Retail Electric	\$65,083	\$71,270	\$77,176	\$89,372	\$109,743	\$128,257	\$137,156	\$161,496
17	Wholesale	\$7,313	\$6,615	\$7,798	\$6,369	\$4,684	\$3,751	\$2,912	(\$13,996)
18	Wholesale Renewables	-	-	-	(\$588)	(\$978)	(\$15,185)	(\$15,329)	(\$15,472)
19	Transmission	\$6,433	\$5,801	\$6,008	\$6,008	\$8,363	\$8,363	\$8,363	\$8,363
20	Other Services & Fees	\$4,149	\$4,175	\$4,394	\$4,537	\$4,571	\$4,624	\$4,679	\$4,733
21	TOTAL GROSS MARGIN	\$82,979	\$87,861	\$95,377	\$105,698	\$126,383	\$129,810	\$137,781	\$145,124
22	Controllable Costs								
23	Salaries & Benefits	\$27,650	\$27,582	\$30,465	\$35,330	\$37,874	\$38,560	\$40,374	\$42,845
24	Other Operating Expenses	\$9,756	\$12,897	\$12,479	\$12,716	\$13,254	\$13,633	\$14,515	\$15,806
25	Major Maintenance	\$3,808	\$2,694	\$5,793	\$8,479	\$5,507	\$5,694	\$6,232	\$6,358
26	Non-Bonded Capital Projects	\$21,120	\$26,156	\$42,509	\$32,204	\$34,104	\$21,072	\$19,770	\$19,646
27	TOTAL CONTROLLABLE COSTS	\$62,334	\$69,329	\$91,245	\$88,729	\$90,739	\$78,960	\$80,891	\$84,655
28	Depreciation & Amortization	\$15,721	\$15,751	\$16,940	\$18,251	\$18,417	\$18,780	\$20,846	\$23,201
29	Subscription Amortization	\$441	\$534	\$699	\$1,087	\$2,171	\$3,789	\$3,833	\$3,872
30	Less Non Bonded Projects (capitalized)	(\$21,120)	(\$26,156)	(\$42,509)	(\$32,204)	(\$34,104)	(\$21,072)	(\$19,770)	(\$19,646)
31	Less Total Internal Costs (capitalized)	(\$4,579)	(\$4,725)	(\$7,803)	(\$7,251)	(\$8,171)	(\$6,353)	(\$6,385)	(\$5,741)
32	Interutility Allocation	(\$1,956)	(\$2,146)	(\$1,775)	(\$2,150)	(\$2,333)	(\$2,565)	(\$2,633)	(\$2,703)
33	Total Operating Expenses	\$50,841	\$52,587	\$56,798	\$66,462	\$66,718	\$71,538	\$76,782	\$83,638
34	Net Operating Income (Loss)	\$32,138	\$35,274	\$38,579	\$39,236	\$59,665	\$58,272	\$60,999	\$61,486
35	Financing & Other Non-Operating Items:								
36	Bond & Interest Related Expenses	(\$5,373)	(\$5,280)	(\$5,105)	(\$4,958)	(\$19,340)	(\$18,894)	(\$18,410)	(\$17,900)
37	Interest Income	\$6,547	\$6,437	\$4,979	\$3,453	\$8,022	\$6,397	\$4,625	\$4,632
38	Misc Non-Operating Income (Expense)	(\$249)	(\$242)	(\$20)	(\$424)	(\$873)	(\$916)	(\$961)	(\$1,008)
39	Total Financing & Non-Operating Items	\$925	\$914	(\$146)	(\$1,929)	(\$12,191)	(\$13,413)	(\$14,746)	(\$14,277)
40	Income Before Transfers or Capital Contributions	\$33,063	\$36,189	\$38,433	\$37,307	\$47,475	\$44,859	\$46,253	\$47,209
41	Transfers (In Lieu of Taxes)	(\$9,629)	(\$10,868)	(\$11,140)	(\$11,586)	(\$11,918)	(\$11,378)	(\$11,186)	(\$11,194)
42	Capital Contributions/Intercompany	\$7,069	\$11,562	\$13,790	\$1,426	\$1,893	\$750	\$750	\$750
43	Special Items	-	(\$1,277)	-	-	-	-	-	-
44	NET INCOME	\$30,502	\$35,605	\$41,082	\$27,147	\$37,449	\$34,231	\$35,818	\$36,765
45	NET INCOME (Excluding Capital Contributions)			\$ 27,293	\$ 25,721	\$ 35,557	\$ 33,481	\$ 35,068	\$ 36,015
46	TARGET NET INCOME			\$ 21,346	\$ 24,474	\$ 19,760	\$ 26,354	\$ 29,430	\$ 31,051
47	Excess (Deficit) from Target			\$ 5,947	\$ 1,247	\$ 15,797	\$ 7,127	\$ 5,637	\$ 4,964
48	1/01 Cash Balance	\$ 117,149	\$ 130,383	\$ 130,383	\$ 122,275	\$ 92,346	\$ 89,061	\$ 101,522	\$ 118,747
49	Change in Net Assets	\$35,605	\$41,082	\$41,082	\$27,147	\$37,449	\$34,231	\$35,818	\$36,765
50	Depreciation & Amortization	\$15,751	\$16,940	\$16,940	\$18,251	\$18,417	\$18,780	\$20,846	\$23,201
51	Capital Additions/Service Territory Comp	(\$30,502)	(\$58,840)	(\$58,840)	(\$68,337)	(\$122,024)	(\$140,891)	(\$62,270)	(\$26,627)
52	Bond Principal Payments	(\$7,730)	(\$8,005)	(\$8,005)	(\$8,305)	(\$11,670)	(\$12,207)	(\$12,771)	(\$13,336)
53	Bond Proceeds	-	-	-	-	\$240,700	-	-	-
54	Net Change in Other Assets/Liabilities	\$110	\$714	\$714	\$1,315	(\$166,157)	\$112,548	\$35,602	\$569
55	Net Changes in Cash	\$13,234	(\$8,109)	(\$8,109)	(\$29,929)	(\$3,285)	\$12,461	\$17,225	\$20,572
56	12/31 Cash Balance	\$ 130,383	\$ 122,275	\$ 122,275	\$ 92,346	\$ 89,061	\$ 101,522	\$ 118,747	\$ 139,319
57	Minimum Cash Reserve	\$ 62,629	\$ 66,647	\$ 66,647	\$ 67,875	\$ 58,185	\$ 58,654	\$ 62,456	\$ 66,494
58	Excess (Deficit) from Minimum Cash Reserve	\$ 67,754	\$ 55,627	\$ 55,627	\$ 24,471	\$ 30,876	\$ 42,868	\$ 56,290	\$ 72,825
59	Debt Service Coverage Ratio	4.2	4.4	4.4	4.4	2.7	2.7	2.8	2.8

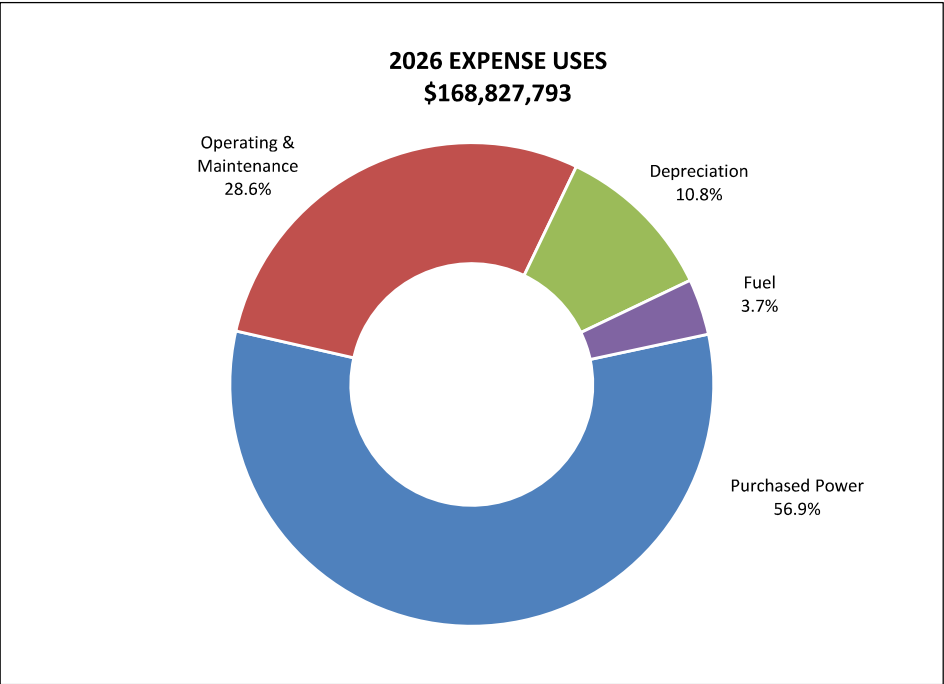
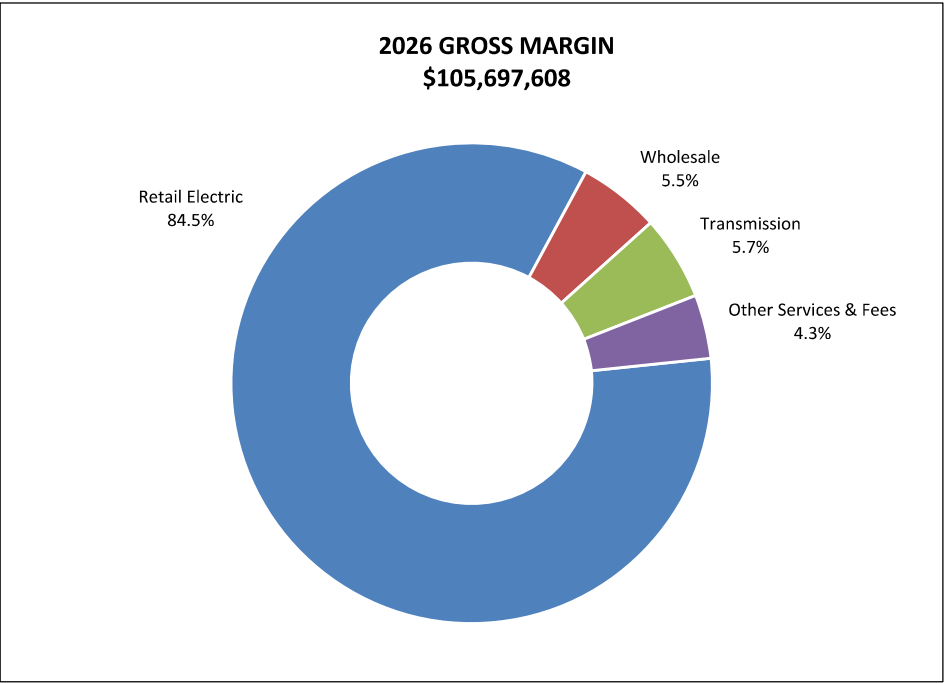
**ROCHESTER PUBLIC UTILITIES
ELECTRIC UTILITY
Management Reporting P&L**

	Historical Data		2025		2026		2026	%
	2023	2024	Orig Bdgt	2025 F2	2026	Orig Bdgt	Variance to Orig Bdgt	
in 000's								
1 <u>Revenue</u>								
2 Retail Electric	\$164,508	\$172,251	\$177,983	\$174,575	\$180,098	\$180,787	(\$689)	-0.4%
3 Wholesale Electric	\$7,562	\$5,847	\$6,570	\$8,843	\$7,631	\$6,505	\$1,126	17.3%
4 Wholesale Renewables	-	-	-	-	\$4,729	-	\$4,729	0.0%
5 Wholesale Steam	\$5,383	\$4,735	\$5,602	\$4,920	\$5,061	\$5,580	(\$520)	-9.3%
6 Transmission	\$6,433	\$5,801	\$6,063	\$6,008	\$6,008	\$6,063	(\$55)	-0.9%
7 Other Services & Fees	\$4,149	\$4,175	\$4,493	\$4,394	\$4,537	\$4,539	(\$2)	0.0%
8 Total Revenue	\$188,035	\$192,809	\$200,711	\$198,741	\$208,064	\$203,475	\$4,589	2.3%
9 <u>Cost of Revenue</u>								
10 Power Supply	\$99,424	\$100,982	\$99,429	\$97,399	\$90,726	\$88,289	\$2,438	2.8%
11 Power Supply - Renewables	-	-	-	-	\$5,317	-	\$5,317	0.0%
12 Generation Fuel	\$5,632	\$3,966	\$6,612	\$5,965	\$6,323	\$7,564	(\$1,241)	-16.4%
13 Total Cost of Revenue	\$105,056	\$104,948	\$106,041	\$103,364	\$102,366	\$95,853	\$6,513	6.8%
14 <u>Gross Margin</u>								
15 Retail Electric	\$65,083	\$71,270	\$78,554	\$77,176	\$89,372	\$92,498	(\$3,126)	-3.4%
16 Wholesale	\$7,313	\$6,615	\$5,560	\$7,798	\$6,369	\$4,521	\$1,848	40.9%
17 Wholesale Renewables	-	-	-	-	(\$588)	-	(\$588)	0.0%
18 Transmission	\$6,433	\$5,801	\$6,063	\$6,008	\$6,008	\$6,063	(\$55)	-0.9%
19 Other Services & Fees	\$4,149	\$4,175	\$4,493	\$4,394	\$4,537	\$4,539	(\$2)	0.0%
20 TOTAL GROSS MARGIN	\$82,979	\$87,861	\$94,670	\$95,377	\$105,698	\$107,622	(\$1,924)	-2.2%
21 <u>Controllable Costs</u>								
22 Salaries & Benefits	\$27,650	\$27,582	\$32,155	\$30,465	\$35,330	\$35,443	(\$113)	-0.3%
23 Other Operating Expenses	\$9,756	\$12,897	\$12,568	\$12,479	\$12,716	\$13,130	(\$414)	-3.2%
24 Major Maintenance	\$3,808	\$2,694	\$6,474	\$5,793	\$8,479	\$6,073	\$2,406	39.6%
25 Non-Bonded Capital Projects	\$21,120	\$26,156	\$19,100	\$42,509	\$32,204	\$26,835	\$5,369	20.0%
26 TOTAL CONTROLLABLE COSTS	\$62,334	\$69,329	\$70,297	\$91,245	\$88,729	\$81,481	\$7,248	8.9%
27 Depreciation & Amortization	\$15,721	\$15,751	\$18,403	\$16,940	\$18,251	\$17,280	\$971	5.6%
28 Subscription Amortization	\$441	\$534	\$880	\$699	\$1,087	\$1,325	(\$238)	-18.0%
29 Less Non Bonded Projects (capitalized)	(\$21,120)	(\$26,156)	(\$19,100)	(\$42,509)	(\$32,204)	(\$26,835)	(\$5,369)	20.0%
30 Less Total Internal Costs (capitalized)	(\$4,579)	(\$4,725)	(\$9,087)	(\$7,803)	(\$7,251)	(\$8,986)	\$1,735	-19.3%
31 Interutility Allocation	(\$1,956)	(\$2,146)	(\$1,766)	(\$1,775)	(\$2,150)	(\$1,819)	(\$331)	18.2%
32 Total Operating Expenses	\$50,841	\$52,587	\$59,627	\$56,798	\$66,462	\$62,446	\$4,015	6.4%
33 Net Operating Income (Loss)	\$32,138	\$35,274	\$35,043	\$38,579	\$39,236	\$45,175	(\$5,939)	-13.1%
34 <u>Financing & Other Non-Operating Items:</u>								
35 Bond & Interest Related Expenses	(\$5,373)	(\$5,280)	(\$5,076)	(\$5,105)	(\$4,958)	(\$6,161)	\$1,203	-19.5%
36 Interest Income	\$6,547	\$6,437	\$3,468	\$4,979	\$3,453	\$2,921	\$531	18.2%
37 Misc Non-Operating Income (Expense)	(\$249)	(\$242)	(\$21)	(\$20)	(\$424)	(\$22)	(\$401)	1820.0%
38 Total Financing & Non-Operating Items	\$925	\$914	(\$1,629)	(\$146)	(\$1,929)	(\$3,262)	\$1,333	-40.9%
39 Income Before Transfers or Capital Contributions	\$33,063	\$36,189	\$33,415	\$38,433	\$37,307	\$41,914	(\$4,607)	-11.0%
40 Transfers (In Lieu of Taxes)	(\$9,629)	(\$10,868)	(\$11,337)	(\$11,140)	(\$11,586)	(\$11,401)	(\$185)	1.6%
41 Capital Contributions/Intercompany	\$7,069	\$11,562	\$3,395	\$13,790	\$1,426	\$624	\$802	128.4%
42 Special Items	-	(\$1,277)	-	-	-	-	-	0.0%
43 NET INCOME	\$30,502	\$35,605	\$25,473	\$41,082	\$27,147	\$31,138	(\$3,990)	-12.8%
44 1/01 Cash Balance	\$ 117,149		\$ 110,413	\$ 130,383	\$ 122,275	\$ 105,284	\$ 16,990	16.1%
45 Change in Net Assets		\$35,605	\$25,473	\$41,082	\$27,147	\$31,138	(\$3,990)	-12.8%
46 Depreciation & Amortization		\$15,751	\$18,403	\$16,940	\$18,251	\$17,280	\$971	5.6%
47 Capital Additions/Service Territory Comp		(\$30,502)	(\$40,620)	(\$58,840)	(\$68,337)	(\$91,676)	\$23,339	-25.5%
48 Bond Principal Payments		(\$7,730)	(\$8,005)	(\$8,005)	(\$8,305)	(\$8,305)	-	0.0%
49 Bond Proceeds		-	-	-	-	\$16,700	(\$16,700)	-100.0%
50 Net Change in Other Assets/Liabilities		\$110	(\$381)	\$714	\$1,315	\$2,972	(\$1,658)	-55.8%
51 Net Changes in Cash		\$13,234	(\$5,129)	(\$8,109)	(\$29,929)	(\$31,891)	\$1,962	-6.2%
52 12/31 Cash Balance	\$ 130,383		\$ 105,284	\$ 122,275	\$ 92,346	\$ 73,393	\$ 18,953	25.8%
53 Minimum Cash Reserve	\$ 62,629		\$ 66,647	\$ 66,647	\$ 67,875	\$ 64,781	\$ 3,094	4.8%
54 Excess (Deficit) from Minimum Cash Reserve	\$ 67,754		\$ 38,637	\$ 55,627	\$ 24,471	\$ 8,612	\$ 15,858	184.1%

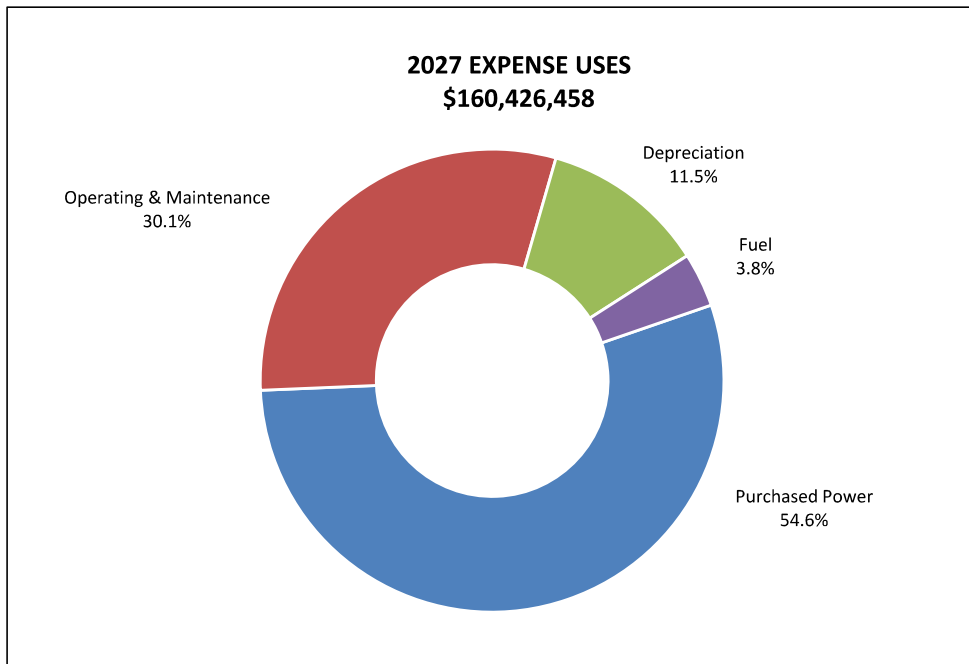
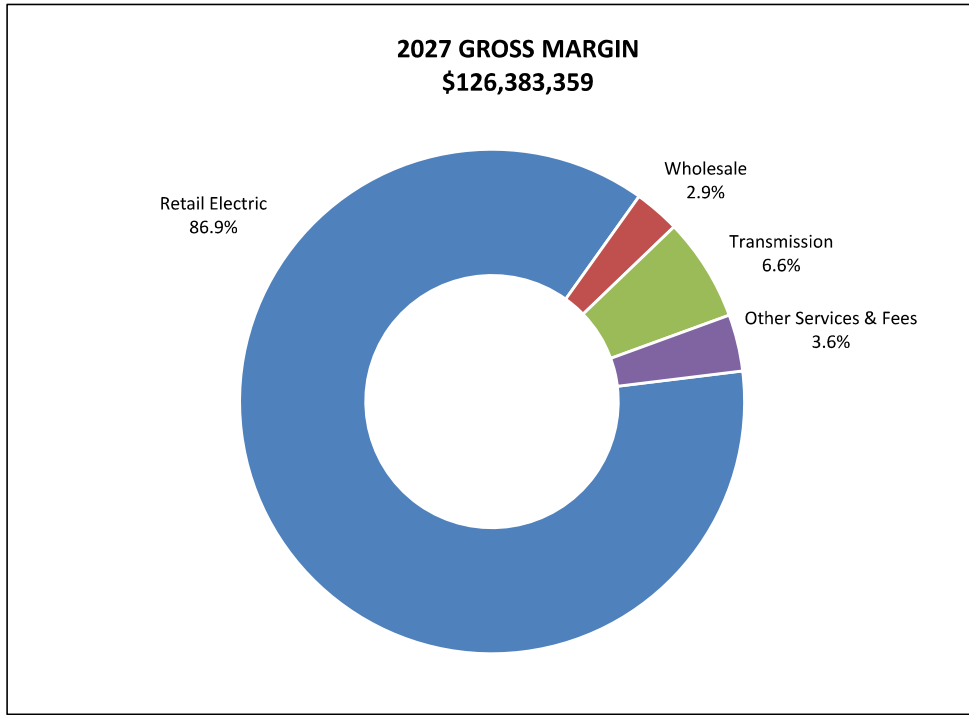
**ROCHESTER PUBLIC UTILITIES
ELECTRIC UTILITY
Management Reporting P&L**

	Historical Data		2025		2027		2027	%
	2023	2024	Orig Bdgt	2025 F2	2027	Orig Bdgt	Variance to Orig Bdgt	
in 000's								
1 <u>Revenue</u>								
2 Retail Electric	\$164,508	\$172,251	\$177,983	\$174,575	\$191,909	\$187,461	\$4,448	2.4%
3 Wholesale Electric	\$7,562	\$5,847	\$6,570	\$8,843	\$5,836	\$6,505	(\$669)	-10.3%
4 Wholesale Renewables	-	-	-	-	\$4,483	-	\$4,483	0.0%
5 Wholesale Steam	\$5,383	\$4,735	\$5,602	\$4,920	\$4,930	\$5,580	(\$650)	-11.7%
6 Transmission	\$6,433	\$5,801	\$6,063	\$6,008	\$8,363	\$8,418	(\$55)	-0.7%
7 Other Services & Fees	\$4,149	\$4,175	\$4,493	\$4,394	\$4,571	\$4,585	(\$14)	-0.3%
8 Total Revenue	\$188,035	\$192,809	\$200,711	\$198,741	\$220,092	\$212,549	\$7,543	3.5%
9 <u>Cost of Revenue</u>								
10 Power Supply	\$99,424	\$100,982	\$99,429	\$97,399	\$82,165	\$84,995	(\$2,830)	-3.3%
11 Power Supply - Renewables	-	-	-	-	\$5,460	-	\$5,460	0.0%
12 Generation Fuel	\$5,632	\$3,966	\$6,612	\$5,965	\$6,083	\$7,569	(\$1,486)	-19.6%
13 Total Cost of Revenue	\$105,056	\$104,948	\$106,041	\$103,364	\$93,709	\$92,564	\$1,145	1.2%
14 <u>Gross Margin</u>								
15 Retail Electric	\$65,083	\$71,270	\$78,554	\$77,176	\$109,743	102,466	\$7,278	7.1%
16 Wholesale	\$7,313	\$6,615	\$5,560	\$7,798	\$4,684	\$4,517	\$167	3.7%
17 Wholesale Renewables	-	-	-	-	(\$978)	-	(\$978)	0.0%
18 Transmission	\$6,433	\$5,801	\$6,063	\$6,008	\$8,363	\$8,418	(\$55)	-0.7%
19 Other Services & Fees	\$4,149	\$4,175	\$4,493	\$4,394	\$4,571	\$4,585	(\$14)	-0.3%
20 TOTAL GROSS MARGIN	\$82,979	\$87,861	\$94,670	\$95,377	\$126,383	\$119,985	\$6,398	7.3%
21 <u>Controllable Costs</u>								
22 Salaries & Benefits	\$27,650	\$27,582	\$32,155	\$30,465	\$37,874	\$37,090	\$784	2.1%
23 Other Operating Expenses	\$9,756	\$12,897	\$12,568	\$12,479	\$13,254	\$13,690	(\$436)	-3.2%
24 Major Maintenance	\$3,808	\$2,694	\$6,474	\$5,793	\$5,507	\$5,157	\$350	6.8%
25 Non-Bonded Capital Projects	\$21,120	\$26,156	\$19,100	\$42,509	\$34,104	\$23,625	\$10,480	44.4%
26 TOTAL CONTROLLABLE COSTS	\$62,334	\$69,329	\$70,297	\$91,245	\$90,739	\$79,562	\$11,177	14.0%
27 Depreciation & Amortization	\$15,721	\$15,751	\$18,403	\$16,940	\$18,417	\$17,755	\$662	3.7%
28 Subscription Amortization	\$441	\$534	\$880	\$699	\$2,171	\$1,700	\$471	27.7%
29 Less Non Bonded Projects (capitalized)	(\$21,120)	(\$26,156)	(\$19,100)	(\$42,509)	(\$34,104)	(\$23,625)	(\$10,480)	44.4%
30 Less Total Internal Costs (capitalized)	(\$4,579)	(\$4,725)	(\$9,087)	(\$7,803)	(\$8,171)	(\$10,842)	\$2,671	-24.6%
31 Interutility Allocation	(\$1,956)	(\$2,146)	(\$1,766)	(\$1,775)	(\$2,333)	(\$1,874)	(\$459)	24.5%
32 Total Operating Expenses	\$50,841	\$52,587	\$59,627	\$56,798	\$66,718	\$62,677	\$4,041	6.4%
33 Net Operating Income (Loss)	\$32,138	\$35,274	\$35,043	\$38,579	\$59,665	\$57,309	\$2,357	4.1%
34 <u>Financing & Other Non-Operating Items:</u>								
35 Bond & Interest Related Expenses	(\$5,373)	(\$5,280)	(\$5,076)	(\$5,105)	(\$19,340)	(\$21,241)	\$1,901	-8.9%
36 Interest Income	\$6,547	\$6,437	\$3,468	\$4,979	\$8,022	\$8,196	(\$174)	-2.1%
37 Misc Non-Operating Income (Expense)	(\$249)	(\$242)	(\$21)	(\$20)	(\$873)	(\$23)	(\$850)	3741.2%
38 Total Financing & Non-Operating Items	\$925	\$914	(\$1,629)	(\$146)	(\$12,191)	(\$13,067)	\$877	-6.7%
39 Income Before Transfers or Capital Contributions	\$33,063	\$36,189	\$33,415	\$38,433	\$47,475	\$44,241	\$3,233	7.3%
40 Transfers (In Lieu of Taxes)	(\$9,629)	(\$10,868)	(\$11,337)	(\$11,140)	(\$11,918)	(\$11,540)	(\$378)	3.3%
41 Capital Contributions/Intercompany	\$7,069	\$11,562	\$3,395	\$13,790	\$1,893	\$615	\$1,277	207.7%
42 Special Items	-	(\$1,277)	-	-	-	-	-	0.0%
43 NET INCOME	\$30,502	\$35,605	\$25,473	\$41,082	\$37,449	\$33,316	\$4,133	12.4%
44 1/01 Cash Balance	\$ 117,149		\$ 110,413	\$ 130,383	\$ 92,346	\$ 73,393	\$ 18,953	25.8%
45 Change in Net Assets	\$35,605		\$25,473	\$41,082	\$37,449	\$33,316	\$4,133	12.4%
46 Depreciation & Amortization	\$15,751		\$18,403	\$16,940	\$18,417	\$17,755	\$662	3.7%
47 Capital Additions/Service Territory Comp	(\$30,502)		(\$40,620)	(\$58,840)	(\$122,024)	(\$175,467)	\$53,443	-30.5%
48 Bond Principal Payments	(\$7,730)		(\$8,005)	(\$8,005)	(\$11,670)	(\$9,170)	(\$2,500)	27.3%
49 Bond Proceeds	-		-	-	\$240,700	\$301,200	(\$60,500)	-20.1%
50 Net Change in Other Assets/Liabilities	\$110		(\$381)	\$714	(\$166,157)	(\$159,643)	(\$6,515)	4.1%
51 Net Changes in Cash	\$13,234		(\$5,129)	(\$8,109)	(\$3,285)	\$7,992	(\$11,277)	-141.1%
52 12/31 Cash Balance	\$ 130,383		\$ 105,284	\$ 122,275	\$ 89,061	\$ 81,386	\$ 7,676	9.4%
53 Minimum Cash Reserve	\$ 62,629		\$ 66,647	\$ 66,647	\$ 58,185	\$ 56,763	\$ 1,422	2.5%
54 Excess (Deficit) from Minimum Cash Reserve	\$ 67,754		\$ 38,637	\$ 55,627	\$ 30,876	\$ 24,623	\$ 6,253	25.4%

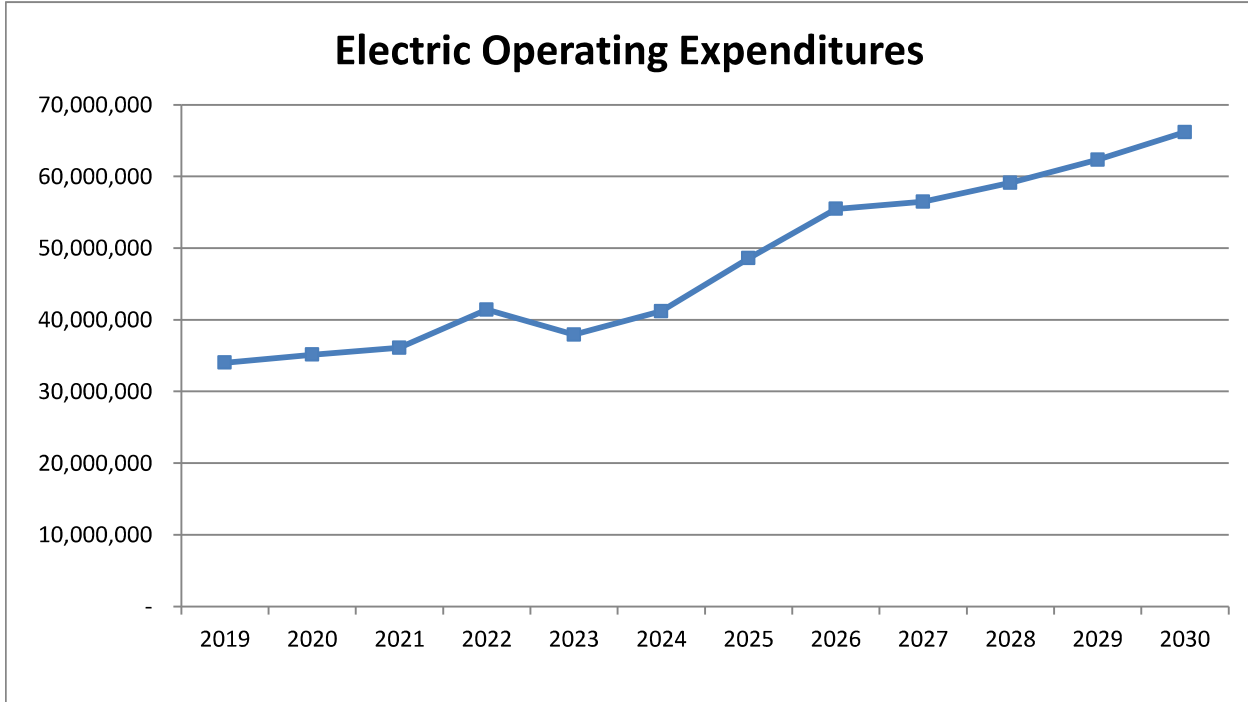
**ROCHESTER PUBLIC UTILITIES
ELECTRIC UTILITY
2026 - 2027 Operating Budget**



**ROCHESTER PUBLIC UTILITIES
ELECTRIC UTILITY
2026 - 2027 Operating Budget**



**ROCHESTER PUBLIC UTILITIES
ELECTRIC UTILITY
2026 - 2027 Operating Budget**



ROCHESTER PUBLIC UTILITIES
PRODUCTION & SALES STATISTICS FORECAST
ELECTRIC UTILITY
2026 - 2027 Operating Budget

	2025 F2	2026	2027	2028	2029	2030
1 Peak MW						
2 SMMPA	216	216	216	216	216	216
3 Market	61	62	64	50	51	52
4 Total Peak MW	277	278	280	266	267	268
5 % Change	-4.8%	0.5%	0.6%	-4.8%	0.2%	0.4%
6 Retail MWH	1,150,640	1,138,759	1,157,764	1,102,475	1,083,659	1,084,530
7 % Change	1.0%	-1.0%	1.7%	-4.8%	-1.7%	0.1%
8 Purchased Power MWH						
9 SMMPA	1,161,959	1,157,816	1,162,412	1,109,261	1,090,100	260,668
10 Other	4,147	4,106	4,126	3,935	3,904	834,224
11 Total Purchased Power MWH	1,166,106	1,161,923	1,166,538	1,113,196	1,094,004	1,094,892
12 % Change	0.3%	-0.4%	0.4%	-4.6%	-1.7%	0.1%
13 Generation MWH						
14 Total Generation MWH	82,650	81,130	81,130	81,130	81,130	81,130
15 % Change	7.9%	-1.8%	0.0%	0.0%	0.0%	0.0%
16 Number of Service Points						
17 Residential	57,196	58,358	59,456	60,372	61,222	62,237
18 Small General Service	4,225	4,257	4,290	4,322	4,353	4,385
19 Medium General Service	997	1,011	1,026	1,042	1,057	1,074
20 Large General Service	13	13	13	13	13	12
21 Large Industrial Service	1	1	1	1	1	1
22 Street & Hwy Lightings	3	3	3	3	3	3
23 Interdepartmental	1	1	1	1	1	1
24 Total Customers	62,436	63,644	64,790	65,754	66,650	67,713
25 % Change	2.8%	1.9%	1.8%	1.5%	1.4%	1.6%
26 Blended cost per MWH for retail supply	\$ 83.52	\$ 78.08	\$ 70.44	\$ 64.30	\$ 77.09	\$ 89.22
27 Steam Generation MLBS	376,948	400,300	400,300	200,150	-	-
28 % Change	-5.6%	6.2%	0.0%	-50.0%	-100.0%	0.0%



ROCHESTER PUBLIC UTILITIES
RECOMMENDED

2026 - 2027
ELECTRIC UTILITY CAPITAL
IMPROVEMENT & MAJOR
MAINTENANCE BUDGET

**ROCHESTER PUBLIC UTILITIES
ELECTRIC UTILITY
2026 - 2027 CAPITAL IMPROVEMENT AND
MAJOR MAINTENANCE BUDGET**

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<u>Title</u>	<u>Pages</u>
5 Year Project List:	
Major Maintenance Projects	1
Capital Projects	2 - 4

**Rochester Public Utilities
Electric Utility
2026 - 2030 Major Maintenance Plan**

		Multi-Year						
		Project Total	2026	2027	2028	2029	2030	5-Yr Total
Power Delivery								
1	Vegetation Mgmt Program Improvements	75,000	-	-	-	-		75,000
2	Asbestos Mitigation in Manholes	100,000	100,000	100,000	100,000	100,000		500,000
3	T&D Inspection Services	100,000	100,000	100,000	100,000	100,000		500,000
4	Service Assured-Electric	178,720	184,082	189,604	195,292	201,151		948,849
5	Tree Trimming	1,920,000	1,957,691	2,095,193	2,298,157	2,399,104		10,670,145
6	Allocation - New Services	392,500	490,225	343,182	351,377	359,819		1,937,102
7	Transmission Lines & Equipment Maintenance	135,000	225,000	70,000	70,000	70,000		570,000
8	Distribution Lines & Equipment Maintenance	257,500	265,225	273,182	281,377	289,819		1,367,102
9	Load Management Tool Removal	156,000	156,000	-	-	-		312,000
10	Allocation - Substation Asset Management (Maint)	204,000	273,500	162,000	167,000	172,000		978,500
11	Downtown Reconfiguration Study	-	50,000	150,000	-	-		200,000
12	Downtown Automation Study	-	-	-	100,000	-		100,000
13	DER Hosting Capacity Study	-	-	-	-	200,000		200,000
14	Trans Syst Reactive Pwr Study	100,000	-	-	-	-		100,000
15	Trans Facility Age Assess/Replac Study	-	-	-	-	250,000		250,000
16	Total Power Delivery	3,226,220	3,311,498	3,139,979	3,311,826	3,782,073		16,771,596
Customer Relations								
18	Cayenta Upgrade	292,680	-	-	-	292,680		585,360
19	Cayenta Application Enhancements	70,000	100,000	100,000	100,000	100,000		470,000
20	Phone Tech Upgrade	85,000	-	-	-	-		85,000
21	Total Customer Relations	447,680	100,000	100,000	100,000	392,680		1,140,360
Corporate Services								
23	Rates Modeling	20,000	22,000	22,000	24,000	24,000		112,000
24	Elec Cost-of-Srvc/Rate Design Study	100,000	-	-	110,000	-		210,000
25	Vena Support - RVNA	80,000	110,000	63,000	63,000	66,000		382,000
26	Total Corporate Services	200,000	132,000	85,000	197,000	90,000		704,000
Information Services								
28	Data Goveranance & Security	55,000	55,000	55,000	55,000	55,000		275,000
29	ERP Support Contract	75,000	80,000	150,000	150,000	150,000		605,000
30	SAP Technical Upgrade	100,000	-	-	-	-		100,000
31	Data Analytics	100,000	120,000	123,600	127,308	131,127		602,035
32	PRI to SIP Conversion	40,000	-	-	-	-		40,000
33	Cayenta Managed Services	85,000	85,000	85,000	85,000	85,000		425,000
34	Allocation - Technology	300,000	158,600	163,500	211,500	166,500		1,000,100
35	Info Risk & Security/City Shared Infrastructure	142,000	83,600	88,500	91,500	91,500		497,100
36	Business Systems/Applications	158,000	75,000	75,000	120,000	75,000		503,000
37	Total Information Services	755,000	498,600	577,100	628,808	587,627		3,047,135
Power Resources								
39	SLP Decommissioning Work	400,000	180,000	350,000	225,000	250,000		1,405,000
40	Silver Lake Dam Modification	2,000,000	-	-	-	-		2,000,000
41	Hydro DNR Analysis	175,000	-	-	-	-		175,000
42	GT2 Generator Inspection	-	-	500,000	-	-		500,000
43	Hydro Debris & Silt Removal	-	-	25,000	250,000	250,000		525,000
44	Allocation - Power Resources	697,000	695,000	315,000	905,000	380,000		2,992,000
45	Allocation - Facilities	208,000	210,000	212,000	214,000	216,000		1,060,000
46	Total Power Resources	3,480,000	1,085,000	1,402,000	1,594,000	1,096,000		8,657,000
General Management								
48	Operating Contingency Fund	370,000	380,000	390,000	400,000	410,000		1,950,000
49	Total General Management	370,000	380,000	390,000	400,000	410,000		1,950,000
50	Total Major Maintenance Plan - External Expenditures	8,478,900	5,507,098	5,694,079	6,231,634	6,358,380		32,270,091

**Rochester Public Utilities
Electric Utility
2026 - 2030 Capital Improvement Plan**

		Multi-Year					5-Yr Total	
		Project Total	2026	2027	2028	2029		2030
1	Power Delivery							
2	Video Wall Controller & Monitor Replacement		-	-	250,000	-	-	250,000
3	Backyard Aerial Lift		261,500	-	-	-	-	261,500
4	GPS Enabled Locators		32,500	-	-	-	-	32,500
5	Line Garage T&D Storage	141,400	11,000	130,400	-	-	-	141,400
6	Pole Replacement		-	-	230,000	305,000	505,000	1,040,000
7	Allocation - New Services		1,405,863	1,435,342	1,483,940	1,534,367	1,579,076	7,438,589
8	New Service Installations		880,572	883,950	910,466	937,780	958,297	4,571,064
9	Distribution Lines & Equipment - Capital		349,583	367,062	385,415	404,686	424,920	1,931,665
10	Property Damage - Repair/Replace		120,709	124,330	128,060	131,902	135,859	640,860
11	T&D Equipment Upgrade/Replace		55,000	60,000	60,000	60,000	60,000	295,000
12	Web-Based Service Application		25,000	25,000	25,000	25,000	25,000	125,000
13	Substation/Shop Test Equipment Upgrade/Replace		40,000	40,000	40,000	50,000	40,000	210,000
14	Substation Spares and Replacements		20,000	20,000	-	20,000	20,000	80,000
15	MAC-TS4 Vacuum Interrupter Tester		50,500	-	-	-	-	50,500
16	Allocation - Substation Asset Management		220,000	215,000	222,500	232,500	242,500	1,132,500
17	Metering/Shop Test Equipment Upgrade/Replace		80,000	65,000	50,000	50,000	50,000	295,000
18	Upgrade to Legacy Comm Equipment	290,000	10,000	70,000	70,000	70,000	70,000	290,000
19	Production Meter Socket Rewires	360,000	10,000	150,000	200,000	-	-	360,000
20	Advanced Metering Modules		-	-	210,000	144,000	168,000	522,000
21	Advanced Metering Project	18,482,740	7,539,956	1,880,808	-	-	-	9,420,764
22	AMI Meter Installation Service	10,852,330	5,834,336	977,744	-	-	-	6,812,080
23	AMI General Implementation Services	4,927,013	557,650	903,064	-	-	-	1,460,714
24	AMI Headend Subscription	1,754,595	575,260	-	-	-	-	575,260
25	AMI MDM Subscription	948,802	572,710	-	-	-	-	572,710
26	Meter Shop - Allocation		370,000	370,000	370,000	370,000	370,000	1,850,000
27	FDR 1731 Extension 65 ST NW 3868		-	-	375,000	-	-	375,000
28	6th St SE Bridge	1,900,000	350,000	600,000	400,000	400,000	-	1,750,000
29	CSAH 44 and Hwy 14 Interchange	1,258,020	525,000	325,000	-	-	-	850,000
30	N Broadway between Elton Hills & the Bridge		25,000	-	-	-	-	25,000
31	Mayo Downtown Feeder Rework	4,545,001	300,000	300,000	500,000	1,300,000	1,500,000	3,900,000
32	Q6 Galloping Dampers		20,000	-	-	-	-	20,000
33	FDR 803 & 812 Recon at 18th Ave		-	-	-	100,000	300,000	400,000
34	Fiber Replacement Silver Lake	571,843	100,000	100,000	-	-	-	200,000
35	DMC - BRT Route Corridor	1,200,000	300,000	350,000	-	-	-	650,000
36	DMC - BRT West Transit Village	650,000	300,000	200,000	-	-	-	500,000
37	Grid North Partners-N Roch 345kV Line (BONDED)	31,230,000	2,490,000	1,720,000	10,180,000	15,600,000	1,240,000	31,230,000
38	Feeder 1913 Install	600,259	100,000	500,000	-	-	-	600,000
39	Feeder 1405 Installation	700,000	100,000	500,000	100,000	-	-	700,000
40	65th St - 50th to 60th Ave		300,000	-	-	-	-	300,000
41	IBM Subst Property Purch	150,000	50,000	100,000	-	-	-	150,000
42	IBM Subst & Trans Lines	75,000	-	50,000	25,000	-	-	75,000
43	20th St SW - 1st Ave to Mayowood Rd		-	-	-	-	50,000	50,000
44	Eastwood Rd - Marion to Harbor Dr	900,000	-	100,000	400,000	400,000	-	900,000
45	13th & 14th St NW - 11th Ave to Broadway		-	-	-	-	50,000	50,000
46	25th St SW		-	-	-	-	50,000	50,000
47	11th Ave E - 4th St SE to Silver Creek Bridge		-	-	-	-	25,000	25,000
48	Feeder 306 Install		-	-	-	50,000	200,000	250,000
49	Feeder 615 Install	700,000	-	200,000	300,000	200,000	-	700,000
50	Feeder 913 Install		-	-	200,000	200,000	300,000	700,000
51	Feeder 914 Install		-	-	600,000	200,000	-	800,000
52	Feeder 1315 Install		-	-	-	50,000	350,000	400,000
53	Feeder 1602 Install		-	-	300,000	250,000	250,000	800,000
54	Feeder 1914 Install		-	-	300,000	400,000	1,200,000	1,900,000
55	Downtown New Duct Systems	3,100,000	100,000	500,000	1,000,000	1,000,000	500,000	3,100,000
56	Q2 Rebuild from Bear Creek - RCTC		-	-	-	-	200,000	200,000
57	Q4 Rebuild from BV Sub to Salem Rd	900,000	-	100,000	300,000	300,000	200,000	900,000
58	Q7 Rebuild to Grade B		-	-	200,000	300,000	200,000	700,000
59	Volt/VAR Optimization		-	-	-	-	50,000	50,000
60	Fiber - Marion to Cty PW/St Bridget Twr to WC	550,000	50,000	500,000	-	-	-	550,000
61	EV Bus Charging Expansion		-	-	100,000	150,000	250,000	500,000
62	50th Ave NW - 19th St to Valleyhigh	950,000	-	150,000	800,000	-	-	950,000
63	TH 14E and S Broadway Intersection	1,350,000	50,000	800,000	300,000	200,000	-	1,350,000
64	Replace 20kA, 161kV Circuit Breakers	1,065,000	200,000	205,000	210,000	220,000	230,000	1,065,000
65	Bamber Valley Sub Capacitor Bank	150,000	50,000	100,000	-	-	-	150,000
66	NE Substation		2,800,000	-	-	-	500,000	3,300,000
67	18th Ave SW - Mayowood to 40th	2,295,000	550,000	1,100,000	570,000	-	-	2,220,000
68	Replace 161kV Disconnect Switches	690,000	110,000	115,000	120,000	125,000	130,000	600,000
69	55th St NW Feeder W of 60th Ave		-	-	100,000	350,000	300,000	750,000
70	Zumbro River Sub - T1 Repl	1,900,000	800,000	700,000	300,000	100,000	-	1,900,000
71	Willow Creek Sub Expansion		-	200,000	100,000	100,000	250,000	650,000
72	Feeder 401 Temp Reroute to 4th Ave SW		75,000	-	-	-	-	75,000
73	Feeder 401 Reinstall to 3rd Ave SW	250,000	50,000	200,000	-	-	-	250,000
74	SLP Decommissioning Prep		-	100,000	-	-	-	100,000
75	Feeder 714 - Rejuvenate Cable	370,000	-	20,000	350,000	-	-	370,000

**Rochester Public Utilities
Electric Utility
2026 - 2030 Capital Improvement Plan**

		Multi-Year						
		Project Total	2026	2027	2028	2029	2030	5-Yr Total
76	CC Sub - Line Trap (SMMPA Project)	140,000	80,000	50,000	-	-	-	130,000
77	Hydro Line Sub - Padmount Repl		-	-	-	-	10,000	10,000
78	Center St Ramp Trans Repl		-	-	50,000	250,000	-	300,000
79	Silver Lake Sub - Reactor		-	-	50,000	300,000	350,000	700,000
80	SCADA OSI Version Upgrades w/I.T.		-	-	300,000	300,000	-	600,000
81	RTU and RTAC Replacements	175,000	50,000	125,000	-	-	-	175,000
82	Westside Sub New T2		-	-	-	-	100,000	100,000
83	Bamber Valley 161kV Disconnect Switch	220,000	-	110,000	110,000	-	-	220,000
84	Marion Rd T Wall Continuations	100,000	-	50,000	50,000	-	-	100,000
85	Fiber to Downtown Dist Relays		-	-	-	50,000	85,000	135,000
86	Leased Line Retirement & Repl	90,000	10,000	80,000	-	-	-	90,000
87	MH 99 Relocation Mayo		100,000	-	-	-	-	100,000
88	Mayo West Logistics		-	-	100,000	131,743	50,000	281,743
89	60th Ave NW from 19th St to 55th St	2,220,000	20,000	100,000	600,000	600,000	900,000	2,220,000
90	E Center St	500,000	100,000	200,000	100,000	-	-	400,000
91	3rd Ave SE Duct/Manhole Rebuild to 9th St SE		-	-	-	-	50,000	50,000
92	Century Link Pole Remediation	2,500,000	50,000	300,000	550,000	750,000	850,000	2,500,000
93	FDR 813 Rebuild, Assisi-Elton Hills	400,000	50,000	350,000	-	-	-	400,000
94	Elton Hills Dr NW FDR 805		-	-	-	-	10,000	10,000
95	13th St & 2nd Ave NW Rebuild	150,000	50,000	100,000	-	-	-	150,000
96	4010 19th St NW, PCS Takeover		-	100,000	-	-	-	100,000
97	Westside Feeder Duct	600,000	50,000	400,000	150,000	-	-	600,000
98	Mayo Superior Dr Asset Sale		-	220,000	-	-	-	220,000
99	New Feeder at Airport	2,554,779	54,779	850,000	750,000	900,000	-	2,554,779
100	Allocation - Distribution Expansion	6,729,133	3,667,500	3,682,770	3,064,521	3,160,000	3,150,000	16,724,791
101	Feeder Extensions		130,000	140,000	150,000	175,000	190,000	785,000
102	Feeder Rebuilds		120,000	130,000	140,000	150,000	165,000	705,000
103	Transmission Projects		47,500	50,000	55,000	60,000	65,000	277,500
104	Substation Projects		190,000	200,000	205,000	210,000	220,000	1,025,000
105	Road Projects		90,000	120,000	180,000	200,000	-	590,000
106	Road Projects - DMC		55,000	80,000	120,000	130,000	-	385,000
107	Manhole Switch Replacements		500,000	500,000	200,000	100,000	100,000	1,400,000
108	Cable Replacement		250,000	260,000	270,000	275,000	285,000	1,340,000
109	Manhole Repair/Replace		255,000	275,000	280,000	290,000	300,000	1,400,000
110	Fiber Optic Projects		-	100,000	100,000	100,000	100,000	400,000
111	Distribution Transformers	6,729,133	1,550,000	1,322,770	719,521	700,000	800,000	5,092,291
112	Overhead to Underground Conversion		350,000	360,000	380,000	400,000	400,000	1,890,000
113	Pole Replacements		60,000	65,000	65,000	70,000	75,000	335,000
114	Upgrades Due to Electrification		70,000	80,000	200,000	300,000	450,000	1,100,000
115	Designer XI Implementation	950,000	350,000	600,000	-	-	-	950,000
116	Dual Sensor Drone		-	-	40,000	-	-	40,000
117	Survey GPS Replacement		-	-	-	40,000	-	40,000
118	Fiber Manager Replacement		80,000	-	-	-	-	80,000
119	AMI OMS Integration		-	100,000	-	-	-	100,000
120	OMS Replacement		-	1,050,000	-	-	-	1,050,000
121	Small Drone Replacement		25,000	-	-	-	30,000	55,000
122	PCPA Compensation Payment		362,513	398,452	455,516	535,868	643,022	2,395,371
123	PCPA - SMMPA Reimbursement		(180,874)	(197,404)	(225,068)	(264,265)	(316,696)	(1,184,307)
124	Total Power Delivery	94,653,175	24,790,237	22,905,367	27,426,410	31,549,213	17,305,902	123,977,129
125	Customer Relations							
126	DSM Rebate Software		-	30,000	-	-	-	30,000
127	DSM Rebate Software Subscription		-	825,000	-	-	-	825,000
128	Payment Kiosk	59,406	6,995	7,345	-	-	-	14,340
129	Add't Kiosk Locations		-	41,400	106,900	13,895	14,340	176,535
130	Customer Portal Subscription		515,000	-	-	-	-	515,000
131	Total Customer Relations	59,406	521,995	903,745	106,900	13,895	14,340	1,560,875
132	Information Services							
133	Business Intelligence/Reporting		45,000	45,000	45,000	45,000	45,000	225,000
134	Call Quality Assurance		45,000	-	-	-	-	45,000
135	SCADA Upgrade		-	-	100,000	500,000	-	600,000
136	Repl of Connectivity at Wtr Sites & Hydro dam		135,000	-	-	-	-	135,000
137	EACMS Simplivity Replacement		200,000	-	-	-	-	200,000
138	Vmware Host Server DS Cluster	216,000	99,000	117,000	-	-	-	216,000
139	HP Nimble SAM SC Cluster		-	189,000	-	-	-	189,000
140	Repl of Connectivity at Wtr Sites		-	450,000	-	-	-	450,000
141	Microsoft Fabric		33,000	55,000	55,000	55,000	55,000	253,000
142	Data Analytics Subscription		50,000	-	-	-	-	50,000
143	Allocation - Technology		627,000	782,000	572,000	615,000	750,000	3,346,000
144	Network Management		164,000	141,000	131,000	209,000	144,000	789,000
145	Output Management		18,000	18,000	18,000	18,000	18,000	90,000
146	Server Management		138,000	228,000	183,000	138,000	138,000	825,000
147	Workstation Management		135,000	140,000	140,000	150,000	150,000	715,000
148	Backup/DR		-	150,000	-	-	-	150,000
149	Operation Technology		172,000	105,000	100,000	100,000	300,000	777,000
150	Total Information Services	216,000	1,234,000	1,638,000	772,000	1,215,000	850,000	5,709,000

**Rochester Public Utilities
Electric Utility
2026 - 2030 Capital Improvement Plan**

		Multi-Year		2026	2027	2028	2029	2030	5-Yr Total
		Project Total							
151	Corporate Services								
152	SAP ERP/HCM	7,014,139	4,795,008	2,219,131	-	-	-	-	7,014,139
153	SAP ERP Subscription	6,059,781	582,500	5,477,281	-	-	-	-	6,059,781
154	Racking Replacement in Stockyard		25,000	26,000	28,000	29,000	30,000		138,000
155	Total Corporate Services	13,073,920	5,402,508	7,722,412	28,000	29,000	30,000		13,211,920
156	Power Resources								
157	Hydro Trans Protection, Switchgear Repl, PT/CT Repl		-	500,000	-	-	-	-	500,000
158	Westside Personnel Space (BONDED)	1,750,000	-	1,750,000	-	-	-	-	1,750,000
159	Hydro Line Pole Replacement		140,000	145,000	155,000	160,000	170,000		770,000
160	2030 RESOURCE PLAN	235,049,881	26,392,000	76,278,000	103,286,000	20,515,000	-	-	226,471,000
161	Westside Substation Expansion (BONDED)	5,000,000	-	-	5,000,000	-	-	-	5,000,000
162	Peaker (BONDED)	170,049,881	19,507,000	56,379,000	72,646,000	15,164,000	-	-	163,696,000
163	Firm Dispatchable Generation (BONDED)	60,000,000	6,885,000	19,899,000	25,640,000	5,351,000	-	-	57,775,000
164	Allocation - Power Resources		270,000	275,000	410,000	400,000	400,000		1,755,000
165	Allocation - Fleet	4,488,131	851,179	622,960	1,077,002	904,490	1,032,500		4,488,131
166	BUCC CRAC Unit Replacement		-	80,000	-	-	-	-	80,000
167	SCADA CRAC Unit Replacement		-	-	80,000	-	-	-	80,000
168	Substation HVAC Syst Phase 1		-	-	168,000	-	-	-	168,000
169	Garage Acoustics		88,000	-	-	-	-	-	88,000
170	Exhaust Water Shop		35,000	-	-	-	-	-	35,000
171	Concrete Stockyard		95,000	-	-	-	-	-	95,000
172	EV Charges		45,000	-	-	-	-	-	45,000
173	Directors Offices		-	65,000	-	-	-	-	65,000
174	UPS #4		-	85,000	-	-	-	-	85,000
175	Service Center Windows		-	-	115,000	-	-	-	115,000
176	Office Furniture		-	-	-	150,000	-	-	150,000
177	Substation HVAC Sys Phase 2		-	-	-	-	120,000	-	120,000
178	Cargo Trailer (Tech Svcs)		15,000	-	-	-	-	-	15,000
179	Allocation - Facilities Management		31,000	32,000	34,000	36,000	38,000		171,000
180	Total Power Resources	241,288,012	27,962,179	79,832,960	105,325,002	22,165,490	1,760,500		237,046,131
181	General Management								
182	Project Contingency Fund		825,000	850,000	875,000	900,000	925,000		4,375,000
183	Mayo Bold Forward Unbound Contingency		350,000	-	-	-	-	-	350,000
184	AED's (Safety)		-	-	5,000	12,500	-	-	17,500
185	Total General Management	-	1,175,000	850,000	880,000	912,500	925,000		4,742,500
186	Total External Expenditures	349,290,513	61,085,919	113,852,484	134,538,312	55,885,098	20,885,742		386,247,555
187	Less: Bonding		(28,882,000)	(79,748,000)	(113,466,000)	(36,115,000)	(1,240,000)		(259,451,000)
188	Less: Non-cash Subscription Assets		(2,245,470)	(6,302,281)					
189	Less: Contributions in Aid of Construction		(1,426,250)	(1,892,500)	(750,000)	(750,000)	(750,000)		(5,568,750)
190	Net Capital External Expenditures (Rate Funded)		28,532,199	25,909,703	20,322,312	19,020,098	18,895,742		112,680,054
191	Total Internal Expenditures (Capital Labor)		7,250,998	8,171,497	6,353,071	6,384,541	5,740,979		33,901,086
192	Net Capital Expenditures		35,783,197	34,081,200	26,675,383	25,404,640	24,636,721		146,581,140



ROCHESTER PUBLIC UTILITIES
RECOMMENDED

2026 - 2027 PERSONNEL BUDGET

**ROCHESTER PUBLIC UTILITIES
2026 - 2027 PERSONNEL BUDGET**

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<u>Title</u>	<u>Pages</u>
Full-Time Staff Per Customer Served/Retail Sales	1
Full-Time and Temporary Staffing Comparison	2

**ROCHESTER PUBLIC UTILITIES
2026 - 2027 PERSONNEL BUDGET
Regular Staff Per Customer Served
And Dollars of Retail Sales**

<u>Year</u>	<u>Total Service Points</u>	<u>Retail Sales \$'s</u>	<u>Authorized Number of Utility Employees</u>	<u># Customers Served Per Employee</u>	<u>\$'s of Retail Sales Per Employee</u>
2027	108,212 ⁽¹⁾	208,054,279 ⁽¹⁾	228 ⁽²⁾	475	838,958
2026	106,674 ⁽¹⁾	195,006,271 ⁽¹⁾	226 ⁽²⁾	472	846,441
2025	105,071 ⁽¹⁾	188,756,441 ⁽¹⁾	223	471	830,159
2024	102,749	185,125,557	219	469	845,322
2023	101,261	176,967,937	211	480	838,711
2022	99,950	160,465,198	211	474	760,499
2021	99,386	157,782,929	208	478	758,572

NOTES: Numbers include combined water and electric utilities.

For Electric Utilities, APPA 2023 Retail Customers per Non-Power-Generation Employee for customer size class of 50K-100K customers, is 294. RPU comparison using this criteria and 2024 data is 349.

(1) Forecasted

(2) Staff changes:

2026

- Sixteen potential reclassifications
- Adding three new positions:
 - Data Performance Manager
 - Sr. Financial Analyst
 - Project Coordinator - Water

2027

- Two potential reclassifications
- Adding two new positions:
 - Graphic Design & Digital Communications Coordinator
 - Commercial Energy Advisor

**ROCHESTER PUBLIC UTILITIES
2026 - 2027 PERSONNEL BUDGET
Regular and Temporary Staffing
Total Costs**

<u>Year</u>	<u>2025 Original Budget</u>	<u>2025 Projected</u>	<u>2026 Estimated</u>	<u>2027 Estimated</u>	<u>Difference 2025 Original Budget to 2026 Estimated</u>	<u>% Change</u>	<u>Difference 2026 Estimated to 2027 Estimated</u>	<u>% Change</u>
Regular Employees	\$ 34,993,385	\$ 34,355,031	\$ 37,279,309	\$ 39,941,679	\$2,285,924	6.5%	\$2,662,370	7.1%
Limited-Term Employees	\$526,912	\$556,863	\$1,845,998	\$2,101,259	\$1,319,086	250.3%	\$255,261	13.8%
Temporary/Contract Labor	<u>\$485,646</u>	<u>\$421,022</u>	<u>\$510,850</u>	<u>\$526,175</u>	<u>\$25,204</u>	<u>5.2%</u>	<u>\$15,325</u>	<u>3.0%</u>
Total	\$36,005,943	\$35,332,916	\$39,636,157	\$42,569,113	\$3,630,214	10.1%	\$2,932,956	7.4%

NOTE: Estimated cost include base salaries, salary increases, overtime, RPU's share of employee pensions, payroll taxes, and benefits. Excludes accrual adjustment for unfunded PERA liability.



ROCHESTER PUBLIC UTILITIES
RECOMMENDED

2026 - 2027
SUPPLEMENTAL DATA
CAPITAL/OPERATING BUDGETS

**ROCHESTER PUBLIC UTILITIES
2026 - 2027 SUPPLEMENTAL DATA
CAPITAL / OPERATING BUDGETS**

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Year End Cash Balances	2
RPU Tax and Tax Equivalents	3

**ROCHESTER PUBLIC UTILITIES
2026 - 2027 CAPITAL / OPERATING BUDGETS
ELECTRIC AND WATER REVENUE CHANGE
VERSUS INFLATION**

<u>Year</u>	<u>Inflation %</u> ⁽¹⁾	<u>Electric Rates %</u>	<u>Water Rates %</u>	<u>SMMPA Rates %</u>
2025*	2.1%	4.0%	5.5% ***	0.0%
2024	2.9%	3.2% **	5.5% ***	0.0%
2023	4.1%	2.5%	5.0%	10.0%
2022	8.0%	1.5%	2.5%	0.0%
2021	4.7%	0.0%	0.0%	0.0%
2020	1.2%	0.0%	3.5%	(4.0%)
2019	1.8%	1.9%	6.0%	0.0%
2018	2.4%	1.5%	6.0%	2.0%
2017	2.1%	3.7%	6.0%	6.0%
2016	1.3%	1.7%	6.0%	0.0%
10-Year Annualized Average	3.1%	2.0%	4.6%	1.4%
2026*	3.0%	6.0%	9.0%	(6.0%)
2027*	3.0%	6.0%	9.0%	(10.0%)

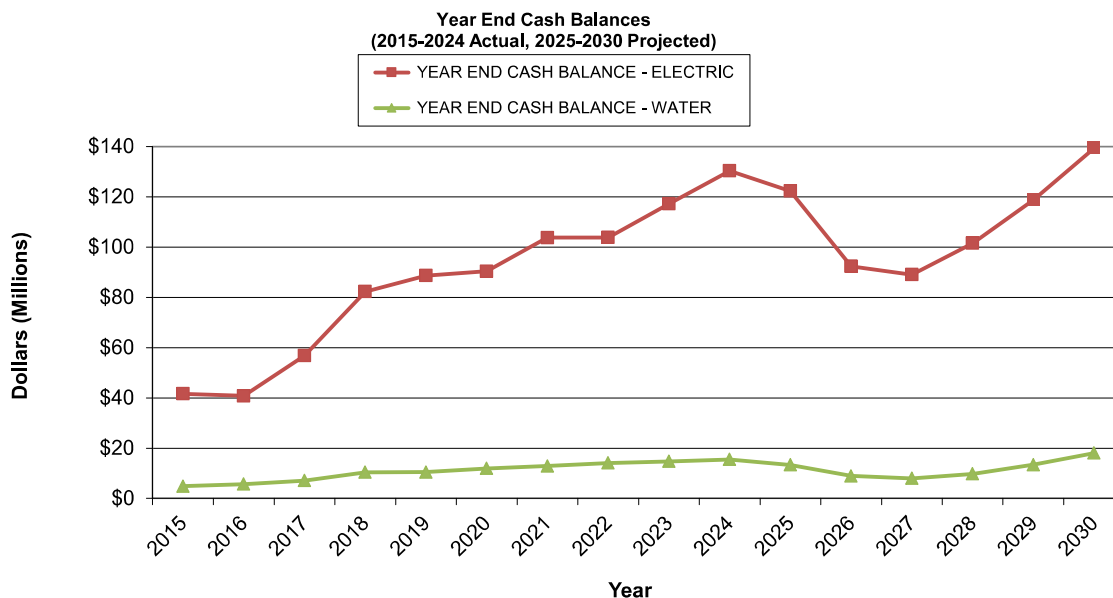
*Estimated Yearly Values

**Plus Advanced Metering project Customer Charge of \$1.94 for 2024

***Plus Advanced Metering project Customer Charge of \$1.32 for 2024 and 2025

⁽¹⁾ U.S. Bureau of Labor Statistics (<https://www.bls.gov>)

**ROCHESTER PUBLIC UTILITIES
2025 - 2027 CAPITAL / OPERATING BUDGETS
YEAR END CASH BALANCES**



(Millions of Dollars)

Year	YEAR END CASH BALANCE - ELECTRIC	YEAR END REMAINING DEBT PROCEEDS ELECTRIC	YEAR END CASH BALANCE - WATER	YEAR END REMAINING DEBT PROCEEDS WATER
2015 *	41.7	3.1	4.9	
2016 *	40.8		5.7	
2017 *	56.8	23.1	7.1	
2018	82.3		10.4	
2019	88.7		10.5	
2020	90.4		12.0	
2021 *	103.8		12.9	
2022	103.9		14.1	
2023	117.2		14.8	
2024	130.4		15.5	
2025	122.3		13.4	
2026 *	92.3		9.0	
2027 *	89.1	150.8	8.0	
2028 *	101.5	37.4	9.8	
2029 *	118.7	1.3	13.4	
2030 *	139.3		18.1	

* The Electric Utility has had debt financings of \$34 million in December 2000, \$9.9 million in August 2002, \$5.7 million in March 2005, \$76.7 million in March 2007 which included an advance refunding of the 2000 bond issue in the amount of \$30.2 million, \$6.7 million in September 2009, \$4.0 million in February 2013 to refinance the remaining 2002 issue, \$38.4 million in May 2013, \$39.97 in November 2015 to advance refund the new money portion of the 2007C bond issue, a \$25.0 million temporary borrowing in April 2016, \$108.3 in February 2017, which included \$23.6 million to refund the remaining portion of the 2007C bond issue and \$20.9 million to pay off the 2016 temporary borrowing, and \$37.17 in February 2021 to advance refund the 2013B bond issue. The Water Utility has had debt financings of \$1.5 million in August 2006. There is a proposed future debt financing for the Electric Utility of \$240.7 million in long-term borrowing in 2027 for the Grid North Partners transmission investment and 2030 Resource Plan. There is a proposed short-term borrowing for the Water Utility of approximately \$12.0 million in 2026 for the Advanced Metering project.

**ROCHESTER PUBLIC UTILITIES
2026 - 2027 CAPITAL / OPERATING BUDGETS
RPU ESTIMATED TAX AND TAX EQUIVALENTS**

	<u>2026</u>	<u>2027</u>
Utility Licenses, Permits & Penalties	199,688	352,832
Water Appropriation Fees	82,100	84,563
Payment to General Fund		
Electric	11,585,988	11,917,972
Water	517,000	538,020
Total	<u>12,102,988</u>	<u>12,455,992</u>
Sales Tax - Electric & Water	2,171,112	1,801,553
SMMPA Property Taxes ¹	<u>3,590,509</u>	<u>3,626,414</u>
Total Tax & Tax Equivalents	<u><u>18,146,397</u></u>	<u><u>18,321,354</u></u>
Electric/Water Retail Sales	<u><u>195,751,846</u></u>	<u><u>209,121,108</u></u>
% of Electric/Water Retail Sales	9.3%	8.8%

¹Value represents RPU's 42% membership share in SMMPA.

RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve 2026 and 2027 Electric Utility capital, including multi-year projects and operating budgets as submitted.

BE IT FURTHER RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, that the Common Council of the said City is requested to approve the Electric Utility capital, including multi-year projects and operating budgets.

PASSED AND ADOPTED BY THE PUBLIC UTILITY BOARD OF THE CITY OF ROCHESTER,
MINNESOTA, THIS 28TH DAY OF OCTOBER 2025.

President

Secretary



REQUEST FOR ACTION

2026 - 2027 Water Utility Budget

MEETING DATE:

October 28, 2025

ORIGINATING DEPT:

Rochester Public Utilities

AGENDA SECTION:

Regular Agenda

PRESENTER:

Peter Hogan, Director of
Corporate Services

Action Requested:

Approve the 2026 and 2027 Water Utility capital, including multi-year projects and operating budgets as submitted, and request that the Rochester City Council approve the Water Utility capital, including multi-year projects and operating budgets.

Report Narrative:

The recommended 2026–2027 **Water Utility Budget** was presented to the Board on **August 5, 2025**, and included in subsequent **City Council budget review sessions**. The public had opportunities to comment at the **August, September, and October Board meetings**.

Following the **Board's direction at the September 30, 2025**, meeting, management has updated the budget to reflect:

- A 9.0% general rate increase in both 2026 and 2027.

Key Budget Drivers:

- **Rate Adjustments:** 9.0% overall revenue increase in both 2026 and 2027.
- **Sales & Customer Growth:** 0.9% change in CCF sales in both 2026 and 2027; 0.9% and 0.8% customer growth in 2026 and 2027, respectively.
- **Bond Issuance:** \$12 million and \$7 million in 2026 and 2027, respectively, to support cashflow needs of the water portion of the advanced metering project.
- **Weather Assumptions:** 30-year average of 538 cooling degree days and 27.85 inches of rainfall.

Staffing:

- 2026: One Project Engineer – Water
- 2027: No additional position

City Contributions:

- **PILOT increases:** \$ 16K (2026) and \$21K (2027)
- **Shared service fee increases:** \$93K (2026) and \$105K (2027)

Major Projects:

- **Advanced metering project:** \$6,037K (2026), \$3,867K (2027) \$17,732K Total
- **Citywide coordinated road projects:** \$1,790K (2026), \$1,835K (2027)
- **Tower tank coating:** \$715K (2026), \$715K (2027)
- **Master plan update:** \$695K (2026), \$ - (2027), \$1,080K Total

- **Lead service line replacement:** \$11,956K (2026), \$6,948K (2027), \$22,907K Total
-

Financial Performance:

- Continued alignment of fixed/variable revenues and costs. Progress toward the revenue requirement by customer class based on the 2025 cost of service study.
- Target cash reserves and change in net assets to fund operations and future capital replacements is being distorted by the timing of the expenses and revenues related to the lead service line replacement. The financial projection shows a return to expected levels in 2029.

Summary financial sheets are attached reflecting the recommended budget.

Staff will be available to answer questions.

Policy Considerations & DEI Impact:

Compliance with Rochester Home Rule Charter Chapter, Section 15.09 requiring the RPU Board preparation of an annual budget to be approved by the Common Council.

Prior Legislative Actions & Community Engagement:

The RPU Board reviewed the recommended Water Utility budget at the August 5, 2025, Board meeting. The RPU Board approved a notification to publish proposed rates at the September 30, 2025, Board meeting.

The RPU Board was available for public comment on the recommended budget during the August, September, and October Board meetings.

Prepared By:

Peter Hogan

Attachments:

[Exhibit - 2026 - 2027 Budget Book Recommended - Board Packet Water](#)
[20251028 - Resolution - 2026 2027 Water Utility Budget](#)



ROCHESTER PUBLIC UTILITIES
RECOMMENDED

2026 - 2027 WATER UTILITY OPERATING BUDGET

**ROCHESTER PUBLIC UTILITIES
WATER UTILITY
2026 - 2027 OPERATING BUDGET**

INDEX

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Operating Expenditures Graph	7
Production & Sales Statistics Forecast	8

**ROCHESTER PUBLIC UTILITIES
WATER UTILITY
2026 - 2027 OPERATING BUDGET**

ASSUMPTIONS

	<u>2026</u>	<u>2027</u>
• Interest Earnings Rate:	3.0%	3.0%
• Average Salary Expense Change: (excluding headcount additions)	4.5% (consists of COLA, merit and promotion increases)	3.4%
• Anticipated Bonding	\$12.0 Million	None
• Change in Full-time Equivalents:	1	0
• Minimum Cash Reserve Requirement:	\$9,208,000	\$8,501,800
• In Lieu of Tax	\$517,000	\$538,020

RETAIL REVENUES / SALES

	<u>2026</u>	<u>2027</u>
• Revenue Adjustment:	9.0% Proposed General Rate Change	9.0% Proposed General Rate Change
• Water CCF Sales Forecast:	0.9% Increase from 2025 F2 Projected Sales	0.8% Increase from 2026 Projected Sales
• Total Water Utility Customers:	0.9% Increase over Y/E 2025 F2 Projected Customers	0.9% Increase over Y/E 2026 Projected Customers
• Forecast Assumes Normal Weather :	538 Cooling Degree Days, 27.85 Inches Summer Rainfall	

**ROCHESTER PUBLIC UTILITIES
WATER UTILITY
Management Reporting P&L**

	Historical Data		2025 F2					
	2023	2024		2026	2027	2028	2029	2030
in 000's								
RPU Rate Increase	5.0%	5.5%	5.5%	9.0%	9.0%	7.0%	7.0%	5.0%
		\$1.32	\$1.32					
1 Revenue								
2 Retail Water	\$12,460	\$12,874	\$14,182	\$15,654	\$17,213	\$18,611	\$20,160	\$21,404
3 Other Services & Fees	\$2,148	\$2,122	\$2,102	\$2,140	\$2,190	\$2,239	\$2,289	\$2,341
4 Total Revenue	\$14,609	\$14,996	\$16,284	\$17,794	\$19,403	\$20,850	\$22,450	\$23,744
5 Cost of Revenue								
6 Water Supply	\$2,380	\$2,431	\$2,399	\$2,347	\$2,388	\$2,439	\$2,501	\$2,568
7 Total Cost of Revenue	\$2,380	\$2,431	\$2,399	\$2,347	\$2,388	\$2,439	\$2,501	\$2,568
8 Gross Margin								
9 Retail Water	\$10,080	\$10,443	\$11,783	\$13,307	\$14,825	\$16,172	\$17,659	\$18,836
10 Other Services & Fees	\$2,148	\$2,122	\$2,102	\$2,140	\$2,190	\$2,239	\$2,289	\$2,341
11 TOTAL GROSS MARGIN	\$12,228	\$12,565	\$13,885	\$15,447	\$17,015	\$18,411	\$19,948	\$21,176
12 Controllable Costs								
13 Salaries & Benefits	\$3,495	\$3,031	\$3,838	\$4,306	\$4,695	\$5,048	\$5,074	\$5,454
14 Other Operating Expenses	\$1,291	\$1,350	\$1,540	\$1,579	\$1,633	\$1,690	\$1,749	\$1,811
15 Major Maintenance	\$396	\$505	\$2,230	\$13,042	\$7,355	\$3,401	\$471	\$443
16 Non-Bonded Capital Projects	\$3,397	\$4,769	\$8,249	\$10,842	\$8,044	\$5,982	\$5,734	\$5,414
17 TOTAL CONTROLLABLE COSTS	\$8,581	\$9,655	\$15,857	\$29,769	\$21,727	\$16,120	\$13,028	\$13,121
18 Depreciation & Amortization	\$2,916	\$2,976	\$3,231	\$4,151	\$4,053	\$4,317	\$4,527	\$4,760
19 Subscription Amortization	-	-	\$189	\$195	\$195	\$195	\$195	\$195
20 Less Non Bonded Projects (capitalized)	(\$3,397)	(\$4,769)	(\$8,249)	(\$10,842)	(\$8,044)	(\$5,982)	(\$5,734)	(\$5,414)
21 Less Total Internal Costs (capitalized)	(\$324)	(\$638)	(\$624)	(\$874)	(\$387)	(\$221)	(\$255)	(\$207)
22 Interutility Allocation	\$1,956	\$2,146	\$1,775	\$2,150	\$2,333	\$2,565	\$2,633	\$2,703
23 Total Operating Expenses	\$9,731	\$9,370	\$12,179	\$24,549	\$19,878	\$16,994	\$14,393	\$15,158
24 Net Operating Income (Loss)	\$2,497	\$3,196	\$1,706	(\$9,102)	(\$2,863)	\$1,417	\$5,555	\$6,019
25 Financing & Other Non-Operating Items:								
26 Bond & Interest Related Expenses	(\$2)	(\$4)	(\$29)	(\$341)	(\$424)	(\$243)	(\$96)	(\$38)
27 Interest Income	\$775	\$864	\$1,420	\$325	\$240	\$253	\$333	\$454
28 Misc Non-Operating Income (Expense)	(\$65)	(\$7)	\$649	\$7,960	\$8,564	\$4,666	\$1,152	(\$86)
29 Total Financing & Non-Operating Items	\$709	\$852	\$2,040	\$7,943	\$8,380	\$4,676	\$1,389	\$330
30 Income Before Transfers or Capital Contributions	\$3,206	\$4,048	\$3,746	(\$1,159)	\$5,516	\$6,093	\$6,945	\$6,348
31 Transfers (In Lieu of Taxes)	(\$491)	(\$469)	(\$501)	(\$517)	(\$538)	(\$547)	(\$560)	(\$618)
32 Capital Contributions	\$3,251	\$2,487	\$1,100	\$1,103	\$1,100	\$1,100	\$1,100	\$1,100
33 Cash Transfers from City/Intercompany	-	-	-	-	-	-	-	-
34 NET INCOME	\$5,966	\$6,066	\$4,345	(\$573)	\$6,078	\$6,646	\$7,485	\$6,830
35 NET INCOME (Excluding Contrib & Cash Tfrs from City)			\$ 3,245	\$ (1,676)	\$ 4,978	\$ 5,546	\$ 6,385	\$ 5,730
36 TARGET NET INCOME			\$ 5,983	\$ 6,358	\$ 6,620	\$ 6,812	\$ 6,998	\$ 7,172
37 Excess (Deficit) from Target			\$ (2,738)	\$ (8,034)	\$ (1,641)	\$ (1,265)	\$ (613)	\$ (1,441)
38 1/01 Cash Balance	\$ 14,774	\$ 15,519	\$ 13,360	\$ 8,980	\$ 8,024	\$ 9,838	\$ 13,410	\$ 18,087
39 Change in Net Assets	\$6,066	\$4,345	(\$573)	\$6,078	\$6,646	\$7,485	\$6,830	
40 Depreciation & Amortization	\$2,976	\$3,420	\$4,346	\$4,248	\$4,512	\$4,722	\$4,955	
41 Capital Additions	(\$5,341)	(\$8,873)	(\$11,716)	(\$8,430)	(\$6,203)	(\$5,989)	(\$5,621)	
42 Non-Cash Contributions	(\$2,337)	(\$1,100)	(\$1,103)	(\$1,100)	(\$1,100)	(\$1,100)	(\$1,100)	
43 Debt Principal Payments	-	-	-	(\$1,428)	(\$1,743)	(\$1,274)	(\$144)	
44 Debt Proceeds	-	\$383	\$4,206	-	-	-	-	
45 Net Change in Other Assets/Liabilities	(\$618)	(\$334)	\$460	(\$324)	(\$298)	(\$271)	(\$243)	
46 Net Changes in Cash	\$745	(\$2,159)	(\$4,380)	(\$956)	\$1,814	\$3,572	\$4,677	
47 12/31 Cash Balance	\$ 15,519	\$ 13,360	\$ 8,980	\$ 8,024	\$ 9,838	\$ 13,410	\$ 18,087	
48 Mimimum Cash Reserve	\$ 8,971	\$ 8,630	\$ 9,208	\$ 8,502	\$ 8,262	\$ 7,996	\$ 7,882	
49 Excess (Deficit) from Miminum Cash Reserve	\$ 6,548	\$ 4,730	\$ (228)	\$ (477)	\$ 1,576	\$ 5,414	\$ 10,205	

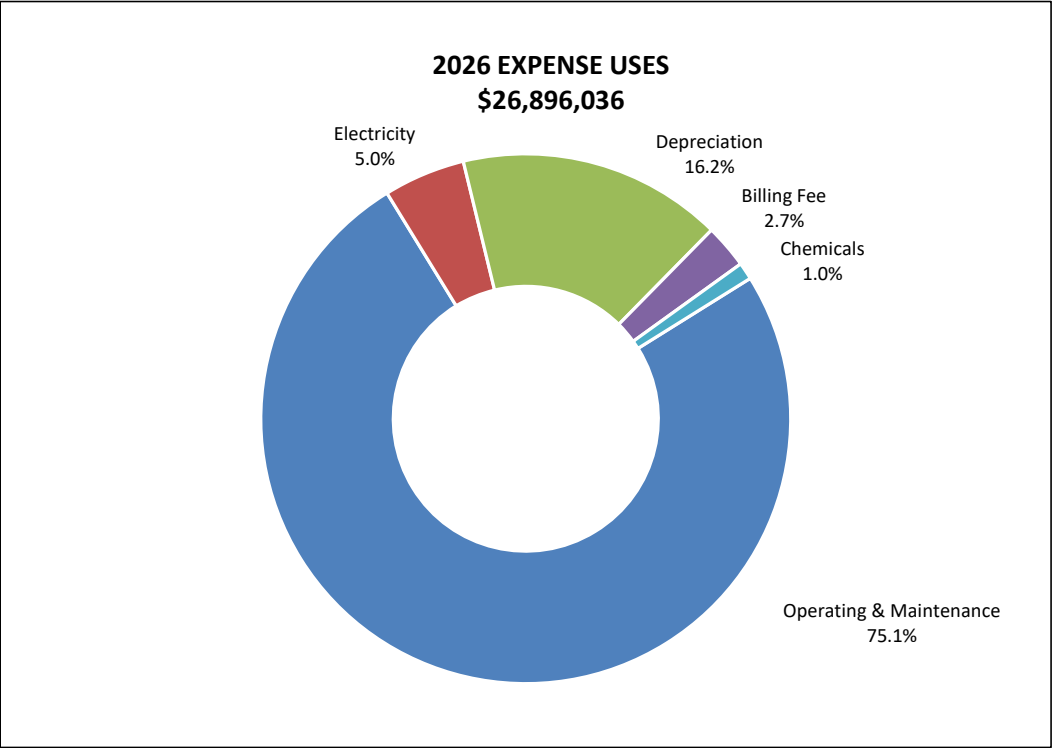
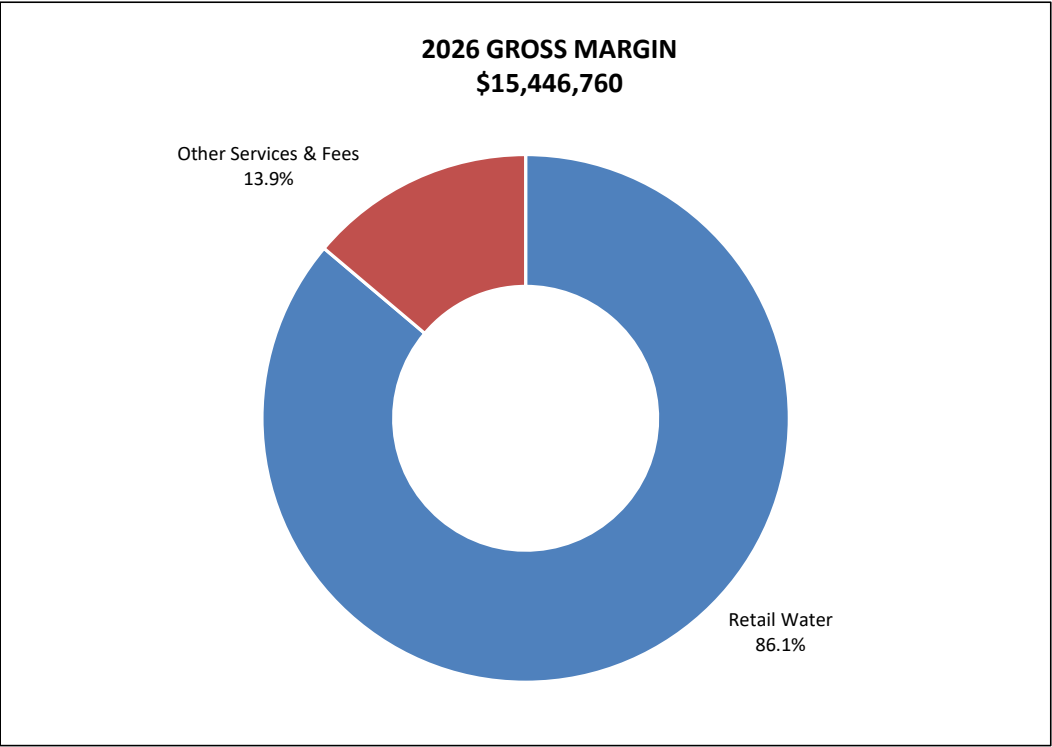
**ROCHESTER PUBLIC UTILITIES
WATER UTILITY
Management Reporting P&L**

		Historical Data		2025		2026		2026		%
in 000's		2023	2024	Orig Bdgt	2025 F2	2026	Orig Bdgt	Variance to		
								Orig Bdgt	Variance	
1	<u>Revenue</u>									
2	Retail Water	\$12,460	\$12,874	\$13,237	\$14,182	\$15,654	\$14,342	\$1,312	9.1%	
3	Other Services & Fees	\$2,148	\$2,122	\$2,138	\$2,102	\$2,140	\$2,224	(\$84)	-3.8%	
4	Total Revenue	\$14,609	\$14,996	\$15,375	\$16,284	\$17,794	\$16,566	\$1,228	7.4%	
5	<u>Cost of Revenue</u>									
6	Water Supply	\$2,380	\$2,431	\$2,465	\$2,399	\$2,347	\$2,533	(\$186)	-7.3%	
7	Total Cost of Revenue	\$2,380	\$2,431	\$2,465	\$2,399	\$2,347	\$2,533	(\$186)	-7.3%	
8	<u>Gross Margin</u>									
9	Retail Water	\$10,080	\$10,443	\$10,772	\$11,783	\$13,307	\$11,873	\$1,433	12.1%	
10	Other Services & Fees	\$2,148	\$2,122	\$2,138	\$2,102	\$2,140	\$2,160	(\$20)	-0.9%	
11	TOTAL GROSS MARGIN	\$12,228	\$12,565	\$12,910	\$13,885	\$15,447	\$14,033	\$1,414	10.1%	
12	<u>Controllable Costs</u>									
13	Salaries & Benefits	\$3,495	\$3,031	\$3,850	\$3,838	\$4,306	\$4,170	\$136	3.3%	
14	Other Operating Expenses	\$1,291	\$1,350	\$1,597	\$1,540	\$1,579	\$1,655	(\$76)	-4.6%	
15	Major Maintenance	\$396	\$505	\$2,115	\$2,230	\$13,042	\$6,853	\$6,189	90.3%	
16	Non-Bonded Capital Projects	\$3,397	\$4,769	\$8,539	\$8,249	\$10,842	\$7,211	\$3,631	50.4%	
17	TOTAL CONTROLLABLE COSTS	\$8,581	\$9,655	\$16,101	\$15,857	\$29,769	\$19,889	\$9,880	49.7%	
18	Depreciation & Amortization	\$2,916	\$2,976	\$3,349	\$3,231	\$4,151	\$3,316	\$835	25.2%	
19	Subscription Amortization	-	-	\$222	\$189	\$195	\$346	(\$152)	-43.8%	
20	Less Non Bonded Projects (capitalized)	(\$3,397)	(\$4,769)	(\$8,539)	(\$8,249)	(\$10,842)	(\$7,211)	(\$3,631)	50.4%	
21	Less Total Internal Costs (capitalized)	(\$324)	(\$638)	(\$341)	(\$624)	(\$874)	(\$633)	(\$241)	38.1%	
22	Interutility Allocation	\$1,956	\$2,146	\$1,766	\$1,775	\$2,150	\$1,819	\$331	18.2%	
23	Total Operating Expenses	\$9,731	\$9,370	\$12,558	\$12,179	\$24,549	\$17,527	\$7,022	40.1%	
24	Net Operating Income (Loss)	\$2,497	\$3,196	\$353	\$1,706	(\$9,102)	(\$3,494)	(\$5,608)	160.5%	
25	<u>Financing & Other Non-Operating Items:</u>									
26	Bond & Interest Related Expenses	(\$2)	(\$4)	(\$27)	(\$29)	(\$341)	(\$111)	(\$231)	208.7%	
27	Interest Income	\$775	\$864	\$718	\$1,420	\$325	\$653	(\$328)	-50.3%	
28	Misc Non-Operating Income (Expense)	(\$65)	(\$7)	\$653	\$649	\$7,960	\$3,769	\$4,191	111.2%	
29	Total Financing & Non-Operating Items	\$709	\$852	\$1,343	\$2,040	\$7,943	\$4,311	\$3,632	84.3%	
30	Income Before Transfers or Capital Contributions	\$3,206	\$4,048	\$1,696	\$3,746	(\$1,159)	\$817	(\$1,976)	-241.9%	
31	Transfers (In Lieu of Taxes)	(\$491)	(\$469)	(\$514)	(\$501)	(\$517)	(\$515)	(\$2)	0.4%	
32	Capital Contributions	\$3,251	\$2,487	\$1,100	\$1,100	\$1,103	\$1,100	\$3	0.3%	
33	Cash Transfers from City	-	-	\$3,000	-	-	-	-	0.0%	
34	NET INCOME	\$5,966	\$6,066	\$5,282	\$4,345	(\$573)	\$1,402	(\$1,975)	-140.9%	
35	1/01 Cash Balance	\$ 14,774		\$ 11,115	\$ 15,519	\$ 13,360	\$ 10,423	\$ 2,937	28.2%	
36	Change in Net Assets		\$6,066	\$5,282	\$4,345	(\$573)	\$1,348	(\$1,921)	-142.5%	
37	Depreciation & Amortization		\$2,976	\$3,349	\$3,420	\$4,346	\$3,662	\$684	18.7%	
38	Capital Additions/Service Territory Comp		(\$5,341)	(\$8,880)	(\$8,873)	(\$11,716)	(\$7,790)	(\$3,926)	50.4%	
39	Non-Cash Contributions		(\$2,337)	(\$1,100)	(\$1,100)	(\$1,103)	(\$1,100)	(\$3)	0.3%	
40	Debt Principal Payments		-	-	-	-	-	-	0.0%	
41	Debt Proceeds		-	\$845	\$383	\$4,206	\$3,395	\$811	23.9%	
42	Net Change in Other Assets/Liabilities		(\$618)	(\$410)	(\$334)	\$460	(\$387)	\$847	-218.7%	
43	Net Changes in Cash		\$745	(\$914)	(\$2,159)	(\$4,380)	(\$872)	(\$3,508)	402.4%	
44	12/31 Cash Balance	\$ 15,519		\$ 10,202	\$ 13,360	\$ 8,980	\$ 9,552	\$ (571)	-6.0%	
45	Mimimum Cash Reserve	\$ 8,971		\$ 8,630	\$ 8,630	\$ 9,208	\$ 8,004	\$ 1,204	15.0%	
46	Excess (Deficit) from Miminum Cash Reserve	\$ 6,548		\$ 1,572	\$ 4,730	\$ (228)	\$ 1,548	\$ (1,775)	-114.7%	

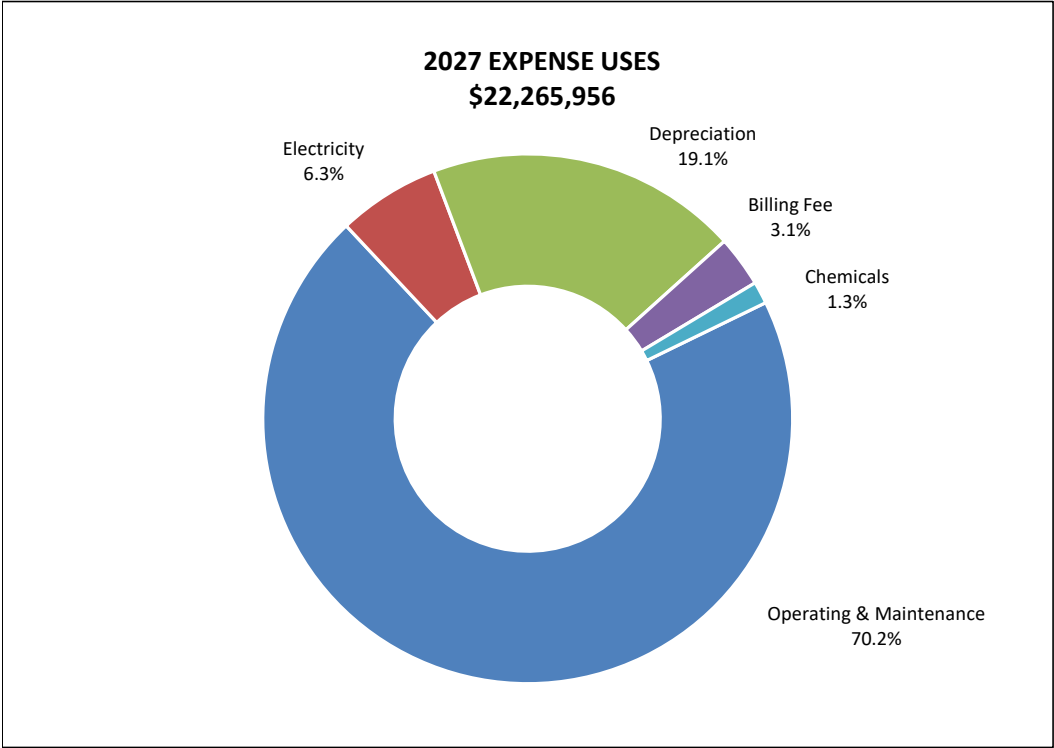
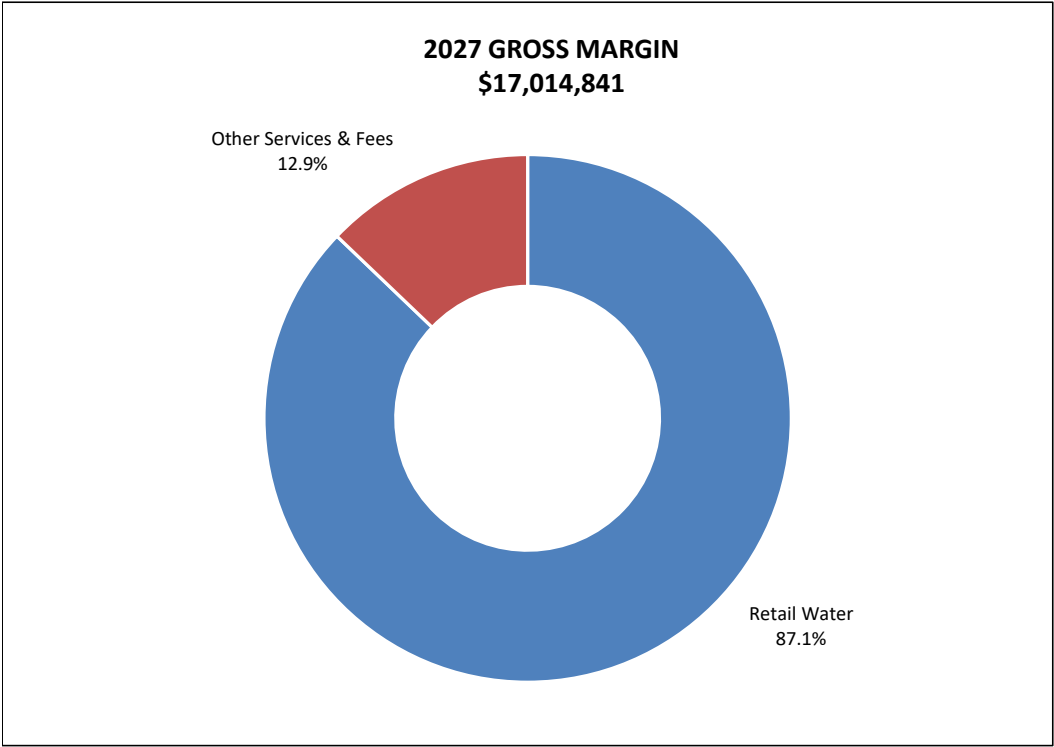
**ROCHESTER PUBLIC UTILITIES
WATER UTILITY
Management Reporting P&L**

	Historical Data		2025		2027		2027	%
	2023	2024	Orig Bdgt	2025 F2	2027	Orig Bdgt	Variance to Orig Bdgt	
(in 000's)								
1 Revenue								
2 Retail Water	\$12,460	\$12,874	\$13,237	\$14,182	\$17,213	\$15,401	\$1,811	11.8%
3 Other Services & Fees	\$2,148	\$2,122	\$2,138	\$2,102	\$2,190	\$2,405	(\$214)	-8.9%
4 Total Revenue	\$14,609	\$14,996	\$15,375	\$16,284	\$19,403	\$17,806	\$1,597	9.0%
5 Cost of Revenue								
6 Water Supply	\$2,380	\$2,431	\$2,465	\$2,399	\$2,388	\$2,625	(\$237)	-9.0%
7 Total Cost of Revenue	\$2,380	\$2,431	\$2,465	\$2,399	\$2,388	\$2,625	(\$237)	-9.0%
8 Gross Margin								
9 Retail Water	\$10,080	\$10,443	\$10,772	\$11,783	\$14,825	\$13,001	\$1,824	14.0%
10 Other Services & Fees	\$2,148	\$2,122	\$2,138	\$2,102	\$2,190	\$2,180	\$10	0.5%
11 TOTAL GROSS MARGIN	\$12,228	\$12,565	\$12,910	\$13,885	\$17,015	\$15,181	\$1,834	12.1%
12 Controllable Costs								
13 Salaries & Benefits	\$3,495	\$3,031	\$3,850	\$3,838	\$4,695	\$4,337	\$358	8.3%
14 Other Operating Expenses	\$1,291	\$1,350	\$1,597	\$1,540	\$1,633	\$1,716	(\$83)	-4.8%
15 Major Maintenance	\$396	\$505	\$2,115	\$2,230	\$7,355	\$10,061	(\$2,706)	-26.9%
16 Non-Bonded Capital Projects	\$3,397	\$4,769	\$8,539	\$8,249	\$8,044	\$7,564	\$480	6.3%
17 TOTAL CONTROLLABLE COSTS	\$8,581	\$9,655	\$16,101	\$15,857	\$21,727	\$23,678	(\$1,951)	-8.2%
18 Depreciation & Amortization	\$2,916	\$2,976	\$3,349	\$3,231	\$4,053	3,806	\$247	6.5%
19 Subscription Amortization	-	-	\$222	\$189	\$195	\$346	(\$152)	-43.8%
20 Less Non Bonded Projects (capitalized)	(\$3,397)	(\$4,769)	(\$8,539)	(\$8,249)	(\$8,044)	(\$7,564)	(\$480)	6.3%
21 Less Total Internal Costs (capitalized)	(\$324)	(\$638)	(\$341)	(\$624)	(\$387)	(\$632)	\$246	-38.9%
22 Interutility Allocation	\$1,956	\$2,146	\$1,766	\$1,775	\$2,333	\$1,874	\$459	24.5%
23 Total Operating Expenses	\$9,731	\$9,370	\$12,558	\$12,179	\$19,878	\$21,509	(\$1,631)	-7.6%
24 Net Operating Income (Loss)	\$2,497	\$3,196	\$353	\$1,706	(\$2,863)	(\$6,327)	\$3,464	-54.8%
25 Financing & Other Non-Operating Items:								
26 Bond & Interest Related Expenses	(\$2)	(\$4)	(\$27)	(\$29)	(\$424)	(\$182)	(\$242)	133.2%
27 Interest Income	\$775	\$864	\$718	\$1,420	\$240	\$577	(\$337)	-58.4%
28 Misc Non-Operating Income (Expense)	(\$65)	(\$7)	\$653	\$649	\$8,564	\$7,704	\$860	11.2%
29 Total Financing & Non-Operating Items	\$709	\$852	\$1,343	\$2,040	\$8,380	\$8,099	\$280	3.5%
30 Income Before Transfers or Capital Contributions	\$3,206	\$4,048	\$1,696	\$3,746	\$5,516	\$1,772	\$3,745	211.3%
31 Transfers (In Lieu of Taxes)	(\$491)	(\$469)	(\$514)	(\$501)	(\$538)	(\$522)	(\$16)	3.0%
32 Capital Contributions	\$3,251	\$2,487	\$1,100	\$1,100	\$1,100	\$1,100	-	0.0%
33 Cash Transfers from City	-	-	\$3,000	-	-	-	-	0.0%
34 NET INCOME	\$5,966	\$6,067	\$5,282	\$4,345	\$6,078	\$2,350	\$3,729	158.7%
35 1/01 Cash Balance	\$ 14,774		\$ 11,115	\$ 15,519	\$ 8,980	\$ 9,552	\$ (571)	-6.0%
36 Change in Net Assets	\$6,066		\$5,282	\$4,345	\$6,078	\$2,296	\$3,783	164.8%
37 Depreciation & Amortization	\$2,976		\$3,349	\$3,420	\$4,248	\$4,153	\$95	2.3%
38 Capital Additions/Service Territory Comp	(\$5,341)		(\$8,880)	(\$8,873)	(\$8,430)	(\$8,142)	(\$288)	3.5%
39 Non-Cash Contributions	(\$2,337)		(\$1,100)	(\$1,100)	(\$1,100)	(\$1,100)	-	0.0%
40 Debt Principal Payments	-		-	-	(\$1,428)	-	(\$1,428)	0.0%
41 Debt Proceeds	-		\$845	\$383	-	\$760	(\$760)	-100.0%
42 Net Change in Other Assets/Liabilities	(\$618)		(\$410)	(\$334)	(\$324)	(\$363)	\$39	-10.8%
43 Net Changes in Cash	\$745		(\$914)	(\$2,159)	(\$956)	(\$2,397)	\$1,441	-60.1%
44 12/31 Cash Balance	\$ 15,519		\$ 10,202	\$ 13,360	\$ 8,024	\$ 7,154	\$ 870	12.2%
45 Minimum Cash Reserve	\$ 8,971		\$ 8,630	\$ 8,630	\$ 8,502	\$ 7,342	\$ 1,160	15.8%
46 Excess (Deficit) from Minimum Cash Reserve	\$ 6,548		\$ 1,572	\$ 4,730	\$ (477)	\$ (188)	\$ (290)	154.2%

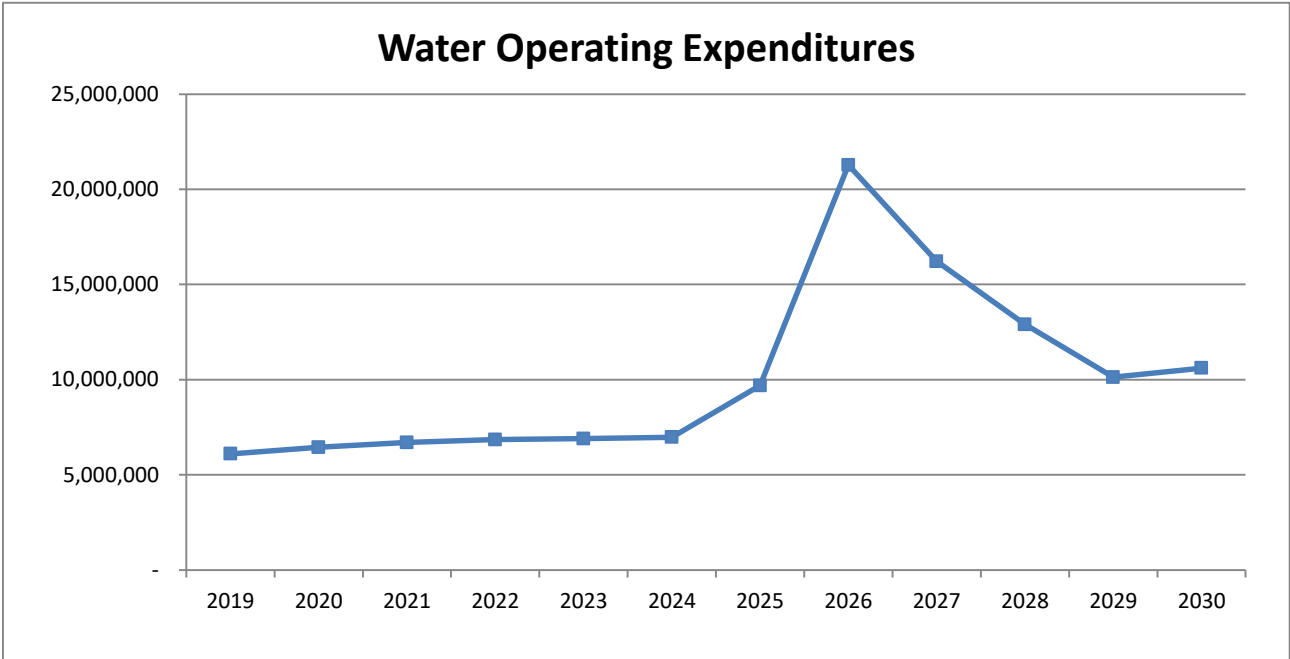
**ROCHESTER PUBLIC UTILITIES
WATER UTILITY
2026 - 2027 Operating Budget**



**ROCHESTER PUBLIC UTILITIES
WATER UTILITY
2026 - 2027 Operating Budget**



**ROCHESTER PUBLIC UTILITIES
WATER UTILITY
2026 - 2027 Operating Budget**



**ROCHESTER PUBLIC UTILITIES
PRODUCTION & SALES STATISTICS FORECAST
WATER UTILITY
2026 - 2027 Operating Budget**

	2025 F2	2026	2027	2028	2029	2030
1 CCF Pumped	6,346,717	6,382,180	6,434,120	6,514,767	6,621,868	6,712,852
2 % Change	4.6%	0.6%	0.8%	1.3%	1.6%	1.4%
3 Retail CCF	6,044,275	6,095,683	6,145,291	6,222,318	6,324,611	6,411,511
4 % Change	4.8%	0.9%	0.8%	1.3%	1.6%	1.4%
5 Number of Service Points						
6 Residential	38,663	39,016	39,366	39,713	40,058	40,400
7 Commercial	3,949	3,991	4,033	4,075	4,119	4,164
8 Industrial	22	22	22	22	22	22
9 Interdepartmental	1	1	1	1	1	1
10 Total Customers	42,635	43,030	43,422	43,811	44,200	44,587
11 % Change	1.5%	0.9%	0.9%	0.9%	0.9%	0.9%



ROCHESTER PUBLIC UTILITIES
RECOMMENDED

2026 - 2027
WATER UTILITY CAPITAL
IMPROVEMENT & MAJOR
MAINTENANCE BUDGET

**ROCHESTER PUBLIC UTILITIES
WATER UTILITY
2026 - 2027 CAPITAL IMPROVEMENT AND
MAJOR MAINTENANCE BUDGET**

INDEX

<u>Title</u>	<u>Pages</u>
5 Year Project List:	
Major Maintenance	1
Capital	2

**Rochester Public Utilities
Water Utility
2026 - 2030 Major Maintenance Plan**

		Multiple-Year					5-Yr Total		
		Project Total	2026	2027	2028	2029		2030	
1	Engineering & Distribution								
2	Operating Contingency Fund		93,000	96,000	99,000	102,000	105,000	495,000	
3	Water Cost-of-Service/Rate Design Study		-	-	55,000	-	-	55,000	
4	Wtr Master Plan Update		694,800	-	-	-	-	694,800	
5	Lead & Galvanized Wtr Main Replacement		22,878,300	11,955,700	6,947,875	2,927,025	40,425	21,871,025	
6	Service Assure - Water		268,000	281,400	289,700	298,500	307,500	1,445,100	
7	Total Engineering & Distribution		22,878,300	13,011,500	7,325,275	3,370,725	440,925	412,500	24,560,925
8	Power Resources								
9	Allocation - RPU Water Facilities		30,000	30,000	30,000	30,000	30,000	150,000	
10	Total Power Resources		30,000	30,000	30,000	30,000	30,000	150,000	
11	Total Major Maintenance Plan - External Expenditures		13,041,500	7,355,275	3,400,725	470,925	442,500	24,710,925	

**Rochester Public Utilities
Water Utility
2026 - 2030 Capital Improvement Plan**

		Multi-Year		2026	2027	2028	2029	2030	5-Yr Total
		Project Total							
1	Engineering & Distribution								
2	Water Utility Contingency Fund-Capital			185,000	190,000	195,000	200,000	205,000	975,000
3	Ponderosa Pine SW Water Pressure Improvement			375,000	-	-	-	-	375,000
4	DMC - Rochester Rapid Transit 2nd St SW			150,000	-	-	-	-	150,000
5	DMC - Broadway N, Zumbro River Bridge N			190,000	-	-	-	-	190,000
6	Center St to 11th Ave NE		900,000	450,000	450,000	-	-	-	900,000
7	Wilder Rd NW Reconstruction			-	-	435,000	435,000	-	870,000
8	S Broadway 4th St-9th St		450,000	-	50,000	200,000	200,000	-	450,000
9	Flood Mitigation 11th Ave NE & 2nd St NE			-	-	-	750,000	-	750,000
10	2nd Ave NW Relief Line			-	500,000	-	-	-	500,000
11	Goose Egg Park Relief Line			-	-	500,000	-	-	500,000
12	New Wells			-	35,000	235,000	450,000	880,000	1,600,000
13	Allocation - Water Distribution System Expansion			750,000	705,000	1,130,000	1,580,000	2,705,500	6,870,500
14	T&D City Projects			-	150,000	930,000	1,150,000	50,000	2,280,000
15	T&D Developer Projects			650,000	100,000	100,000	100,000	100,000	1,050,000
16	T&D RPU Projects			100,000	455,000	100,000	330,000	2,555,500	3,540,500
17	Install New AC Units at Wells & Boosters			36,075	37,450	38,200	39,300	40,600	191,625
18	Water PLC - 2025			30,000	30,000	26,000	27,000	28,000	141,000
19	Dual Sensor Drone Replacement			-	-	10,000	-	-	10,000
20	Survey GPS Replacement			-	-	-	20,000	-	20,000
21	TH 14 & Brdway S (MNDOT)		770,000	-	385,000	385,000	-	-	770,000
22	18th Ave SW (Mayowood to 40th St SW)		1,100,000	600,000	500,000	-	-	-	1,100,000
23	CSAH 44/TH 14 Interchange			240,000	-	-	-	-	240,000
24	TH 14 Crossing			500,000	-	-	-	-	500,000
25	Advanced Metering Project Capital - Water		17,934,554	6,037,026	3,866,841	1,580,820	577,921	-	12,062,608
26	AMI Meter Installation Services - Wtr		11,945,957	4,642,946	3,383,697	1,291,720	288,821	-	9,607,184
27	AMI General Implementation Services - Wtr		4,086,548	586,394	483,144	289,100	289,100	-	1,647,738
28	AMI Headend Subscription-Wtr		1,234,495	404,740	-	-	-	-	404,740
29	AMI MDM Subscription - Wtr		667,555	402,946	-	-	-	-	402,946
30	Allocation - Water Metering/AMR			124,256	127,469	131,993	135,842	140,035	659,595
31	Alloc - Residential Water Metering/AMR			72,800	74,440	76,262	78,275	80,490	382,267
32	Alloc - Commercial Water Metering/AMR			51,456	53,029	55,731	57,567	59,545	277,328
33	Total Engineering & Distribution		21,154,554	9,667,357	6,876,760	4,867,013	4,415,063	3,999,135	29,825,328
34	Operations & Environmental Affairs								
35	SCADA Upgrade			-	-	275,000	150,000	200,000	625,000
36	Tank Coating & Rehab		3,320,000	715,000	715,000	530,000	730,000	630,000	3,320,000
37	Well & Booster Station Metering			11,300	11,700	12,000	12,400	12,700	60,100
38	Allocation - Water Distribution System Replacement			198,200	200,600	208,000	211,000	218,300	1,036,100
39	Replacement of Pumping Units			130,000	130,000	135,000	135,000	140,000	670,000
40	Well Motor Replacements			21,600	22,700	23,800	24,900	25,000	118,000
41	Installation of Variable Frequency Drive Units			21,700	22,400	23,000	24,100	25,600	116,800
42	Replacement of Booster Pumps			24,900	25,500	26,200	27,000	27,700	131,300
43	Total Operations & Environmental Affairs		3,320,000	924,500	927,300	1,025,000	1,103,400	1,061,000	5,041,200
44	Power Resources								
45	Allocation - Fleet		1,376,126	250,000	239,600	89,850	215,640	353,410	1,148,500
46	Total Power Resources		1,376,126	250,000	239,600	89,850	215,640	353,410	1,148,500
47	Total External Expenditures		25,850,680	10,841,857	8,043,660	5,981,863	5,734,103	5,413,545	36,015,028
48	Less: Bonding			-	-	-	-	-	-
49	Less: Non-cash Subscription Assets			(807,686)	-	-	-	-	(807,686)
50	Less: Contribution in Aid of Construction			-	-	-	-	-	-
51	Less: WAC Funds			-	-	-	-	-	-
52	Net Capital External Expenditures (Rate Funded)			10,034,171	8,043,660	5,981,863	5,734,103	5,413,545	35,207,342
53	Total Internal Expenditures (Capital Labor)			873,988	386,528	221,262	255,320	207,146	1,944,243
54	Total Contributed Assets			1,103,000	1,100,000	1,100,000	1,100,000	1,100,000	5,503,000
55	Net Capital Expenditures			12,011,159	9,530,187	7,303,125	7,089,423	6,720,691	42,654,585

RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve 2026 and 2027 Water Utility capital, including multi-year projects and operating budgets as submitted.

BE IT FURTHER RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, that the Common Council of the said City is requested to approve the Water Utility capital, including multi-year projects and operating budgets.

PASSED AND ADOPTED BY THE PUBLIC UTILITY BOARD OF THE CITY OF ROCHESTER,
MINNESOTA, THIS 28TH DAY OF OCTOBER 2025.

President

Secretary



REQUEST FOR ACTION

2025 - 2026 Insurance Renewals

MEETING DATE:

October 28, 2025

ORIGINATING DEPT:

Rochester Public Utilities

AGENDA SECTION:

Regular Agenda

PRESENTER:

Peter Hogan, Director of
Corporate Services and
Shavonn Eastlee, Manager of
Purchasing and Warehouse

Action Requested:

Approve the 2025 - 2026 annual insurance renewals with North Risk Partners and the League of MN Cities Trust in the amount of \$1,744,611.46.

Report Narrative:

Commercial Auto and General Liability Insurance:

Management recommends maintaining the same structure of coverage for our mobile equipment and general liability insurance, having the League of MN Cities Insurance Trust (LMCIT) provide the primary coverage with an annual aggregate claim limit of \$3M. The deductible remains at \$50,000 aggregate with \$25,000 per occurrence for all lines. (Open Meeting Law Defense, Public Officials Errors & Omissions, Employment Liability, etc.) In 2024, RPU received a dividend from the League of \$9,494. The League distributes dividends to its members based on premiums and incurred losses for all years of membership. This includes additional Cyber coverage for Data Security Breach claims.

Cyber Liability Insurance:

Management recommends adding a Cyber Loss and Liability Policy from Great American Insurance Group with policy aggregate limit of \$3,000,000 and policy retention of \$50,000. In addition to loss expense, the policy will provide loss prevention and risk management services.

Excess Liability Insurance:

Management recommends continuing with AEGIS to provide blanket liability coverage with limits ranging from \$ 1,000,000 up to \$ 20,000,000 per occurrence. This also includes \$20M terrorism liability coverage for 3rd party damages.

All Property Insurance:

Management recommends maintaining the same combination of policies for our property coverage.

The League of MN Cities Insurance Trust provides coverage for all the non-generation facilities such as the service center, well houses, water towers, and substations. This is a blanket policy with \$200,000 deductible. Based on the 2024 property assessment, replacement values better reflect real estate values and construction costs.

Starr Technical Risks Agency, Inc. provides coverage for the Power Resource facilities at Westside,

Silver Lake and Cascade Creek. \$1,000,000 deductible with a recommended increase in the per occurrence limit from \$87,000,000 to \$120,000,000, including terrorism coverage. This increase coverage recognizes the recent increased cost of replacement for generation assets.

Travelers Boiler & Machinery provides equipment breakdown coverage for all power generation assets. \$1,000,000 deductible with a limit of \$100,000,000 per breakdown.

The total 20.5% increase for 2025-26 is comprised of the addition of the cyber liability policy, an increase in coverage for power generation assets and an increase in actual premium rates. Management recommends continuing with the current property and equipment coverage with the three carriers: League of MN Cities, Starr Tech and Travelers, as described above and the addition of the Great American cyber liability policy.

2025-26 Premium Summary:	
\$ 150,285.00	LMCIT commercial auto and general liability
\$ 44,925.44	Great American cyber liability
\$ 536,351.02	AEGIS excess liability
\$ 109,044.00	LMCIT non-generation facilities
\$ 557,500.00	Starr Tech generation facilities
\$ 346,506.00	Traveler’s equipment breakdown
<u>\$1,744,611.46</u>	<u>TOTAL</u>

Prepared By:
 Shavonn Eastlee

Attachments:
[20251028 Resolution Insurance Renewals for 2025-26](#)



RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester to approve the 2025-2026 annual insurance renewals with North Risk Partners and the League of MN Cities Trust in the amount of \$1,744,611.46.

PASSED AND ADOPTED BY THE PUBLIC UTILITY BOARD OF THE CITY OF
ROCHESTER, MINNESOTA, THIS 28th DAY OF October 2025.

PRESIDENT

SECRETARY



REQUEST FOR ACTION

Grid North Partners Project Update

MEETING DATE:

October 28, 2025

ORIGINATING DEPT:

Rochester Public Utilities

AGENDA SECTION:

Informational

PRESENTER:

Scott Nickels, Director of
Power Delivery

Action Requested:

Informational only. No action required.

Report Narrative:

Scott Nickels, Director of Power Delivery, will present a status update on the Grid North Partners transmission projects. This informational presentation will provide a project update on the Midcontinent Independent System Operator (MISO) Mankato to Mississippi River Tranche 1 transmission project, outline upcoming project tasks that will require Public Utility Board action, and discuss future MISO Tranche 2.1 transmission project ownership opportunities.

Policy Considerations & DEI Impact:

MISO Tranche 1 transmission ownership through Grid North Partners has positive impacts on 3 of the 5 R's of RPU's strategic measures, those being reliability, rates, and responsibility. The MISO Tranche 1 projects will positively impact regional transmission system reliability, create transmission capacity for new generation interconnections, and provide rate neutralization for MISO transmission costs from ownership revenue that will offset the cost allocation to the distribution providers for the MISO Tranche 1 portfolio.

Prior Legislative Actions & Community Engagement:

Informational Presentation, Public Utility Board Meeting, January 2025
Informational Presentation, Public Utility Board Meeting, November 2022

Fiscal & Resource Impact:

In MISO the Distribution Provider pays for the maintenance, operation, and expansion expenses of the transmission system through calculated zonal transmission rates. MISO Tariff Attachment FF defines a 7.66% return on equity for the Transmission Owner, as well as the postage stamp cost allocation methodology for the Distribution Provider for MISO declared Multi-Value Project (MVP) transmission lines. The revenues from RPU's ownership in a MISO Tranche 1 MVP project will offset RPU's cost allocation for the Tranche 1 transmission project portfolio. Therefore, ownerships of a Tranche 1 MVP line will have a rate neutralization impact on MISO transmission costs for RPU customers.

Prepared By:

Scott Nickels

Attachments:



REQUEST FOR ACTION

Battery Energy Storage System Opportunity

MEETING DATE:

October 28, 2025

ORIGINATING DEPT:

Rochester Public Utilities

AGENDA SECTION:

Informational

PRESENTER:

Bill Bullock, Director of
Power Resources

Action Requested:

No action required. Informational only.

Report Narrative:

Strategic Context:

Reliable capacity remains a key strategic component of RPU's long-term power supply resource plan to replace the Sherco coal plant retiring in 2030. Lithium-ion battery energy storage systems (BESS) are one of several technologies being considered to provide this capacity in the future.

Current Evaluation:

RPU staff, in collaboration with a developer, are evaluating the potential benefits and risks of advancing a 20 MW, 4-hour battery energy storage project sooner than originally planned. The developer has identified potential sites under RPU control and access to a U.S.-based battery supply, which could reduce exposure to tariff uncertainty and allow RPU to take advantage of federal investment tax credits (ITCs) available through December 31, 2025.

Preliminary Findings:

Early deployment could offer several benefits, including:

- Providing near-term accredited capacity to support reliability
- Enabling energy arbitrage and ancillary services by charging during low-cost hours and discharging during high-cost hours
- Potentially mitigating operational risks if GT1 recovery is delayed

In the first year, the capacity and energy value streams appear roughly equivalent. Over time, capacity value is expected to grow, while arbitrage and ancillary revenues may decline.

Considerations and Trade-Offs:

Staff is carefully weighing the trade-offs between acting early to secure cost and tax advantages versus waiting until additional uncertainties such as tariffs, federal policy, and contract implications are better understood.

A key enabler of any early deployment will be how behind-the-meter battery storage is treated under RPU's wholesale power agreement with SMMPA. The current contract does not explicitly contemplate operating batteries behind the meter, and a special arrangement or exception may be required to capture the full economic benefits of such a project.

Policy Considerations & DEI Impact:

The sites are in industrial zoned areas and at existing RPU sites. The batteries fit in with RPU's renewable goals.

Prior Legislative Actions & Community Engagement:

Batteries have been included in the communication of the resource plan for several years. This is a chance to get approximately 7% of RPU's capacity needs met, while helping RPU staff to develop the dispatch protocols that will be needed for additional energy storage capacity in the future.

Fiscal & Resource Impact:

The capacity from the energy storage with the tax credits and without tariffs is competitive with other capacity resource options, even with expected reductions in accreditation for lithium-ion projects. The economics are also subject to the SMMPA contract in that it is not possible to take advantage of energy arbitrage opportunities, since all of the SMMPA supply comes at a set rate, independent of locational marginal prices (LMPs).

Prepared By:

Bill Bullock

Attachments:



REQUEST FOR ACTION

Board Policy 20: Rates

MEETING DATE:

October 28, 2025

ORIGINATING DEPT:

Rochester Public Utilities

AGENDA SECTION:

Board Policy Review

PRESENTER:

Peter Hogan, Director of
Corporate Services

Action Requested:

Informational item for Board discussion.

Report Narrative:

Attached is the clean and redlined version of the Board Policy 20: Rates. Edits were reviewed by the Board's Ad Hoc group on October 20, 2025. The redline with comments includes the recommended edits from the Ad Hoc group.

In addition to several wording updates, the key changes include the incorporation by reference of the Rochester Home Rule Charter, which establishes and delegates specific rate and fee-setting authority to the RPU Board; identification of the cost causation principle within the Charter; and the inclusion of specific direction for the water utility within the City Ordinance for water connection and availability fees. Management is also recommending extending the interval for conducting a cost-of-service study from three (3) to four (4) years to align with the citywide two-year rate-setting practice and increasing the required publication period for the rate schedule from five (5) days to ten (10).

Prior Legislative Actions & Community Engagement:

The current RPU rates policy was originally adopted April 10, 1984, and is reviewed and updated periodically.

Prepared By:

Erin Henry-Loftus

Attachments:

[Exhibit - 20 Rates Policy-20251028 - Redlined Version](#)

[Exhibit - 20 Rates Policy-20251028 - Clean Version](#)

Rochester Public Utility Board Policy



POLICY 20: RATES

POLICY OBJECTIVE:

The Board's objective is to recover, through the application of rates and charges for utility services, revenues ~~which that~~ are sufficient to meet the financial obligations of each independent ~~u~~Utility enterprise in compliance with the City of Rochester Home Rule Charter Chapter XV, Section 15.05, Subd. 3 and the City of Rochester code of ordinances, Title 12 – Utilities and other public services, Chapter 12-1. Further, the Board intends to apply rates and charges ~~which that~~ are equitable and financially sustainable among customers or classes of customers based on cost causation and the Utility Basis of rate-making principles.

The Utility Basis of rate-making is designed to provide financial sustainability and stability by aligning variable and fixed costs with the variable and fixed revenues, while generating sufficient revenues to fund operations, debt service, working capital, contingency reserves and replacement of long-term long-term assets.

POLICY STATEMENT:

1. Rates and charges for utility services will be sufficient to produce that portion of total funding requirements which is to be provided by revenues from such rates and charges based on a periodic cost of service study. A cost of service study will be conducted at least every ~~three-four~~ years. The amount of revenue to be provided from rates and charges will be established in accordance with the Board's approved budget and financing plan.
2. Revenues derived from rates and charges for utility services will be applied only to the respective utility enterprise fund from which the cost of providing such service is paid.
3. Rates and charges will be based upon generally accepted industry principles (Utility Basis) to reflect an equitable distribution of costs to customers. No "free" service will be provided, including service to the municipality.
4. Within the limitations imposed by the application of generally accepted industry principles, rates and charges will be designed to encourage the end use of services in a way which will reduce the total cost of providing those services and promote financial sustainability.
5. All rates and charges for service will be set forth in writing on a schedule or tariff sheet ~~which that~~ specifies, where applicable, the type of service, its availability, conditions of delivery, and terms of payment.
6. Applicable schedules of rates and charges will be available on the RPU web-site or upon request, during regular business hours at the RPU Service Center.
7. All proposed rate schedules will be published on the RPU web-site and in the newspaper of record within ~~five-ten~~ (510) business days after the Board authorizes ~~the~~ publication of the proposed rates, with notice that the Board invites public comment at the ~~upcoming~~ meeting scheduled for the Board's formal consideration of such rates. The publication will specify the intended meeting dates, times, and locations at which the Board and Common Council will formally consider the rates for adoption.

Commented [EH1]: Edits that do not have a specific comment, are offered for reading clarity and grammar alignment with City Code and City Charter.

Commented [PH2]: This section is being added by reference to indicate that the Board policy follows the charter and is informed by other City Council actions. The key factor is rates are based on cost causation.

Commented [PH3]: Added to be in concurrence with the Charter.

Commented [EH4]: Four years is suggested as it is better aligned with the two year budget cycle and will also result in a cost reduction over time with less frequent studies being required. The number is "at least" and would not preclude the team or the board from completing needed study on a faster cycle.

Commented [EH5]: The printed newspaper is continuing to decline in circulation and this distribution channel we believe is now reducing each year in effect. The website is our primary means of getting information to our customers. We can continue to issue press releases regarding rate changes which will be covered by the papers, but we would call attention back to our website URL where customers can find a complete publishing of our RPU's intended rate tariff changes.

Commented [PH6R5]: There is a segment of our customer population that does rely on the newspaper, so this is an area where we could continue with the paper notification as well. Based on Adhoc committee feedback, we are retaining the newspaper publication.

Rochester Public Utility Board Policy



8. Each service account will be assigned to an applicable rate classification available to their customer class, ~~which is expected to result in lower cost costs to the customer.~~

9-8.

RESPONSIBILITIES:

1. The adequacy of rates and charges to produce the level of revenues established by the Board will be reviewed by the General Manager and discussed with the Board. The review will normally be conducted concurrent with ~~the~~ review of the annual budget; ~~however~~ However, the General Manager will monitor conditions and alert the Board ~~at~~ any time that the rates do not produce the anticipated level of revenues.
2. At the Board's direction, the General Manager will prepare rate studies and present the results of such studies to the Board. The General Manager is directed to develop rate design expertise ~~on~~ in the RPU staff. With the concurrence of the Board, the General Manager is authorized to retain outside consulting assistance when required or desirable.
3. The Board, following ~~a~~ review of pertinent studies and other information, will establish rates and charges for service. With the concurrence of the Common Council, the Board will direct the General Manager to implement such rates and charges as of the approved effective date.
4. The General Manager will prepare and implement those management policies and procedures ~~which that~~ are needed to carry out the administrative provisions of this policy statement.
5. The General Manager will keep the Board informed of significant developments on the subject of rates and will recommend changes in rate policy, design, and application which may be in the best interest of ~~the~~ RPU and its customers.

RELEVANT LEGAL AUTHORITY:

~~Rochester Home Rule Charter Sections: 15.05, Subd. 3. ... The Board shall, with the concurrence of the common council, fix the rates to be charged for the availability and use of the public utility commodities and services under its jurisdiction. Rates shall be reasonable and compensatory so as to cover all of the costs of the respective public utility and shall be uniform for all consumers within the same class, but different rates may be established for different classifications by the board. Rates within the city corporate limits may be less but shall be no greater than rates for the same classification outside the city limits. City of Rochester Home Rule Charter Chapter XV, Section 15.05, Subd. 3~~
[City of Rochester code of ordinances, Title 12 – Utilities and other public services, chapter 12-1.](#)

Commented [PH7]: Clean up to include by reference instead of specific provision statement.

EFFECTIVE DATE OF POLICY: April 10, 1984

DATE OF POLICY REVIEW: Month, Day, Year

POLICY APPROVAL:

Board President

Date

POLICY 20: RATES

POLICY OBJECTIVE:

The Board's objective is to recover, through the application of rates and charges for utility services, revenues that are sufficient to meet the financial obligations of each independent utility enterprise in compliance with the City of Rochester Home Rule Charter Chapter XV, Section 15.05, Subd. 3 and the City of Rochester code of ordinances, Title 12 – Utilities and other public services, Chapter 12-1. Further, the Board intends to apply rates and charges that are equitable and financially sustainable among customers or classes of customers based on cost causation and the Utility Basis of rate-making principles.

The Utility Basis of rate-making is designed to provide financial sustainability and stability by aligning variable and fixed costs, with the variable and fixed revenues, while generating sufficient revenues to fund operations, debt service, working capital, contingency reserves, and replacement of long-term assets.

POLICY STATEMENT:

1. Rates and charges for utility services will be sufficient to produce that portion of total funding requirements which is to be provided by revenues from such rates and charges based on a periodic cost of service study. A cost of service study will be conducted at least every four years. The amount of revenue to be provided from rates and charges will be established in accordance with the Board's approved budget and financing plan.
2. Revenues derived from rates and charges for utility services will be applied only to the respective utility enterprise fund from which the cost of providing such service is paid.
3. Rates and charges will be based upon generally accepted industry principles (Utility Basis) to reflect an equitable distribution of costs to customers. No free service will be provided, including service to the municipality.
4. Within the limitations imposed by the application of generally accepted industry principles, rates and charges will be designed to encourage the end use of services in a way which will reduce the total cost of providing those services and promote financial sustainability.
5. All rates and charges for service will be set forth in writing on a schedule or tariff sheet that specifies, where applicable, the type of service, its availability, conditions of delivery, and terms of payment.
6. Applicable schedules of rates and charges will be available on the RPU website or upon request, during regular business hours at the RPU Service Center.
7. All proposed rate schedules will be published on the RPU website and in the newspaper of record within ten (10) business days after the Board authorizes the publication of the proposed rates, with notice that the Board invites public comment at the meeting scheduled for the Board's formal consideration of such rates. The publication will specify the intended meeting dates, times, and locations at which the Board and Common Council will formally consider the rates for adoption.
8. Each service account will be assigned to an applicable rate classification available to their customer class.

RESPONSIBILITIES:

1. The adequacy of rates and charges to produce the level of revenues established by the Board will be reviewed by the General Manager and discussed with the Board. The review will normally be conducted concurrent with the review of the annual budget. However, the General Manager will monitor conditions and alert the Board any time that the rates do not produce the anticipated level of revenues.
2. At the Board's direction, the General Manager will prepare rate studies and present the results of such studies to the Board. The General Manager is directed to develop rate design expertise in the RPU staff. With the concurrence of the Board, the General Manager is authorized to retain outside consulting assistance when required or desirable.
3. The Board, following a review of pertinent studies and other information, will establish rates and charges for service. With the concurrence of the Common Council, the Board will direct the General Manager to implement such rates and charges as of the approved effective date.
4. The General Manager will prepare and implement those management policies and procedures that are needed to carry out the administrative provisions of this policy statement.
5. The General Manager will keep the Board informed of significant developments on the subject of rates and will recommend changes in rate policy, design, and application which may be in the best interest of RPU and its customers.

RELEVANT LEGAL AUTHORITY: City of Rochester Home Rule Charter Chapter XV, Section 15.05, Subd. 3
City of Rochester code of ordinances, Title 12 – Utilities and other public services, chapter 12-1.

EFFECTIVE DATE OF POLICY: April 10, 1984

DATE OF POLICY REVIEW: Month, Day, Year

POLICY APPROVAL:

Board President

Date



REQUEST FOR ACTION

RPU Index of Board Policies

MEETING DATE:

October 28, 2025

ORIGINATING DEPT:

Rochester Public Utilities

AGENDA SECTION:

Board Policy Review

PRESENTER:

Timothy McCollough,
General Manager

Action Requested:

Review the Index of Board Policies to summarize progress on policy updates and determine future policy review items.

Report Narrative:

RPU Board policies are updated throughout the year as needed.

Prepared By:

Erin Henry-Loftus

Attachments:

[Exhibit - Rochester Public Utilities Index of Board Policies](#)

	REVISION DATE	DAYS SINCE LAST REVIEW	MONTHS SINCE LAST REVIEW	FOCUS AREA / STAFF LIAISON	ANTICIPATED REVISION TIME PERIOD	TARGET COMPLETION DATE
BOARD POLICY	REVISION DATE	DAYS SINCE LAST REVIEW	MONTHS SINCE LAST REVIEW	FOCUS AREA / STAFF LIAISON	ANTICIPATED REVISION TIME PERIOD	TARGET COMPLETION DATE
1. Mission Statement	04/25/23	907	30	Policy / Tim McCollough	Q1 2026	03/31/26
2. Board Responsibilities and Functions	09/26/23	753	25	Policy / Tim McCollough		
3. Board Relationship with the Common Council	11/26/24	326	11	Policy / Tim McCollough		
4. Board Organization	03/27/18	2762	91	Policy / Tim McCollough		
5. Board Procedures	04/30/24	536	18	Policy / Tim McCollough		
6. Delegation of Authority/Relationship with Management	07/22/25	88	3	Policy / Tim McCollough		
7. Member Attendance at Conferences and Meetings	12/18/18	2496	82	Policy / Tim McCollough		
8. Board Member Expenses	12/18/18	2496	82	Policy / Tim McCollough		
9. Conflict of Interest	DELETED	N/A	N/A	N/A	Q2 2026 Q3 2026	06/30/26 09/29/26
10. Alcohol and Illegal Drugs	DELETED	N/A	N/A	N/A		
11. Worker Safety	03/27/12	4953	163	Policy / Tim McCollough		
CUSTOMER						
12. Customer Relations	04/30/19	2363	78	Ops & Admin /Patty Hanson	Q4 2025	11/25/25
13. Public Information and Outreach	04/30/19	2363	78	Communications / Patty Hanson		
14. Application for Service	07/01/16	3396	112	Communications / Patty Hanson		
15. Electric Utility Line Extension Policy	03/28/17	3126	103	Finance / Peter Hogan		
16. Billing, Credit and Collections Policy	04/26/22	1271	42	Finance / Peter Hogan		
17. Electric Service Availability	10/29/19	2181	72	Ops & Admin / Scott Nickels		
18. Water and Electric Metering	05/20/25	151	5	Ops & Admin / Scott Nickels		
19. Adjustment of Utility Services Billed	06/29/21	1572	52	Finance / Peter Hogan		
20. Rates	07/25/17	3007	99	Finance / Peter Hogan	Q4 2025	11/25/25
21. Involuntary Disconnection	03/25/25	207	7	Communications / Peter Hogan		
ADMINISTRATIVE						
22. Acquisition and Disposal of Interest in Real Property	12/19/17	2860	94	Ops & Admin / Scott Nickels		
23. Electric Utility Cash Reserve Policy	01/28/20	2090	69	Finance / Peter Hogan		
24. Water Utility Cash Reserve Policy	01/28/20	2090	69	Finance / Peter Hogan		
25. Charitable Contributions	06/25/19	2307	76	Communications / Peter Hogan		
26. Utility Compliance	10/24/17	2916	96	Communications / Bill Bullock		
27. Payment in Lieu of Taxes (Formerly Contribution in Lieu of Taxes)	08/06/24	438	14	Finance / Peter Hogan		
28. Joint-Use of Infrastructure and Land Rights	03/30/21	1663	55	Ops & Admin / Scott Nickels		
29. Customer Data Management Policy	07/30/24	445	15	Communications / Peter Hogan		
30. Life Support Designation Policy	09/30/25	18	1	Communications /Patty Hanson		
31. Electric Utility Undergrounding Policy	06/25/24	480	16	Ops & Admin / Scott Nickels		
Red - Currently being worked on						
Green - Will be scheduled for revision						
Orange - Policy is up for review by ad hoc group						
Marked for deletion						



REQUEST FOR ACTION

General Managers Report

MEETING DATE:

October 28, 2025

AGENDA SECTION:

General Managers Report

ORIGINATING DEPT:

Rochester Public Utilities

PRESENTER:

Timothy McCollough,
General Manager

Action Requested:

Informational only. No action required.

Report Narrative:

General Manager's Report for October 28, 2025.

Prepared By:

Tim McCollough

Attachments:

[Exhibit - October 2025 General Manager's Report](#)

[Exhibit - October 2025 General Manager's Major Projects Update](#)



General Manager's Report October 2025

VISION | We will set the standard for service.

MISSION | We provide the highest quality services and products for our customers. With our experience and resources, we enrich people's lives, help businesses prosper, and promote the community's welfare.

WORKING TOWARD
100%
NET RENEWABLE ELECTRICITY BY 2030

APPROXIMATELY
60k
ELECTRIC
CUSTOMERS

GALLONS OF WATER PUMPED
**4.953
BILLION**

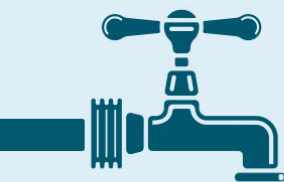
**131
YEARS**

2023 ASA/
99.994%
RELIABILITY



**223
EMPLOYEES**

ROCHESTER
PUBLIC UTILITIES
WE PLEDGE, WE DELIVER™



42K
WATER
CUSTOMERS

1  **COUNCIL APPOINTED
COUNCILMEMBER
BOARD MEMBER**



4 **MAYOR
APPOINTED
BOARD MEMBERS**

#1
BEST TASTING WATER



RELIABILITY



RATES



RESPONSIBILITY



RELATIONSHIPS



REPUTATION

THE FIVE R'S



RELIABILITY

Leaders in Service and System Reliability



RATES

Provide Value and Long-Term Financial Stability



RESPONSIBILITY

Stewards of the Resources We Impact



RELATIONSHIPS

Empowered and Customer-Focused Employees



REPUTATION

Engaged with Our Community





CARE FOR THE ENVIRONMENT.



PROTECT EACH OTHER.

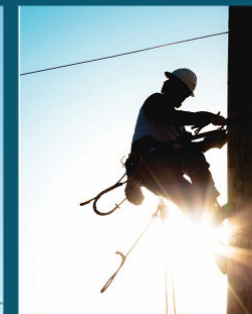


RESPECT EVERYONE.



TAKE OWNERSHIP.

LEAVE A POSITIVE IMPRESSION.



CONTINUE IMPROVING.

Meeting Reports & Current Activity

Monthly Highlights

SMMPA Annual Meeting & Board Report

Enterprise Resource Planning (ERP)

Better Public Meetings Initiative





Monthly Updates | October 2025

- **Fitch Bond Rating** – RPU has once again earned a strong ‘AA’ credit rating from Fitch Ratings, one of the nation’s leading independent credit rating agencies. A Fitch rating works much like a credit score, showing how financially healthy and reliable an organization is when it comes to paying back money it borrows. The ‘AA’ rating, with a stable outlook, reflects RPU’s solid financial management, affordable electric rates, and ability to keep costs low while planning for future projects. This strong rating helps keep borrowing costs lower, ultimately benefiting the customers we serve.

FitchRatings

Solar on Public Buildings

Reducing energy costs and
advancing sustainable
solutions for our
community.

- **Solar on Public Buildings Grant Award on Service Center** – RPU was awarded funding through the Minnesota Solar on Public Buildings Program, which includes state grants and federal tax credits, to install a 55.2 kW DC roof-mounted solar array at the RPU Service Center by summer 2026. The estimated \$130,000 system will expand RPU’s renewable energy portfolio and advance progress toward the community’s goal of 100% net renewable electricity by 2030.

- **Litter Bit Better** - RPU employees participated in the community-wide A Litter Bit Better cleanup effort by volunteering to pick up litter around the RPU grounds. The initiative reflects RPU’s ongoing commitment to community engagement and environmental stewardship while helping keep Rochester clean and beautiful.





Monthly Updates | October 2025

- **Right Tree – Right Place** - RPU employees partnered with Rochester Parks & Recreation and City Forestry to plant trees as part of the Right Tree – Right Place program. The annual effort replaces tall trees growing too close to power lines with species better suited for those areas, supporting community safety, electric reliability, and a greener Rochester.



- **Water Department Hosts Students and Community Groups** - RPU recently hosted community education visits with students from St. Francis School, the Rochester Homeschool Co-op, and members of the Greater Rochester Rotary Club. Students learned how RPU's water system works and enjoyed a fire hydrant demonstration, while Rotary members toured Well 25 and the Apache Mall Water Tower to see how RPU delivers safe, reliable drinking water.



- **RPU Beekeepers Featured in *Post Bulletin*** - The *Post Bulletin* featured RPU employees who share a passion for backyard beekeeping. What began as individual curiosity has grown into a small community where they exchange tips, share experiences, and support one another in this rewarding hobby.

SUBSCRIBERS ONLY LIFESTYLE

This group of Rochester Public Utilities workers forge a bond over beekeeping

"It's like a science project because there's just so much to what bees can do. They're just a very interesting species of animal that blows your mind," said Nick Winkles.



Shaun Hall, Steve Cook, Nick Winkles, Josh Mason, Tim McCollough and Tom Keller are hobby beekeepers who also work at Rochester Public Utilities. Contributed / Marie Ferguson / DM Creative / Rochester Public Utilities

SMPA | Board Meeting Report

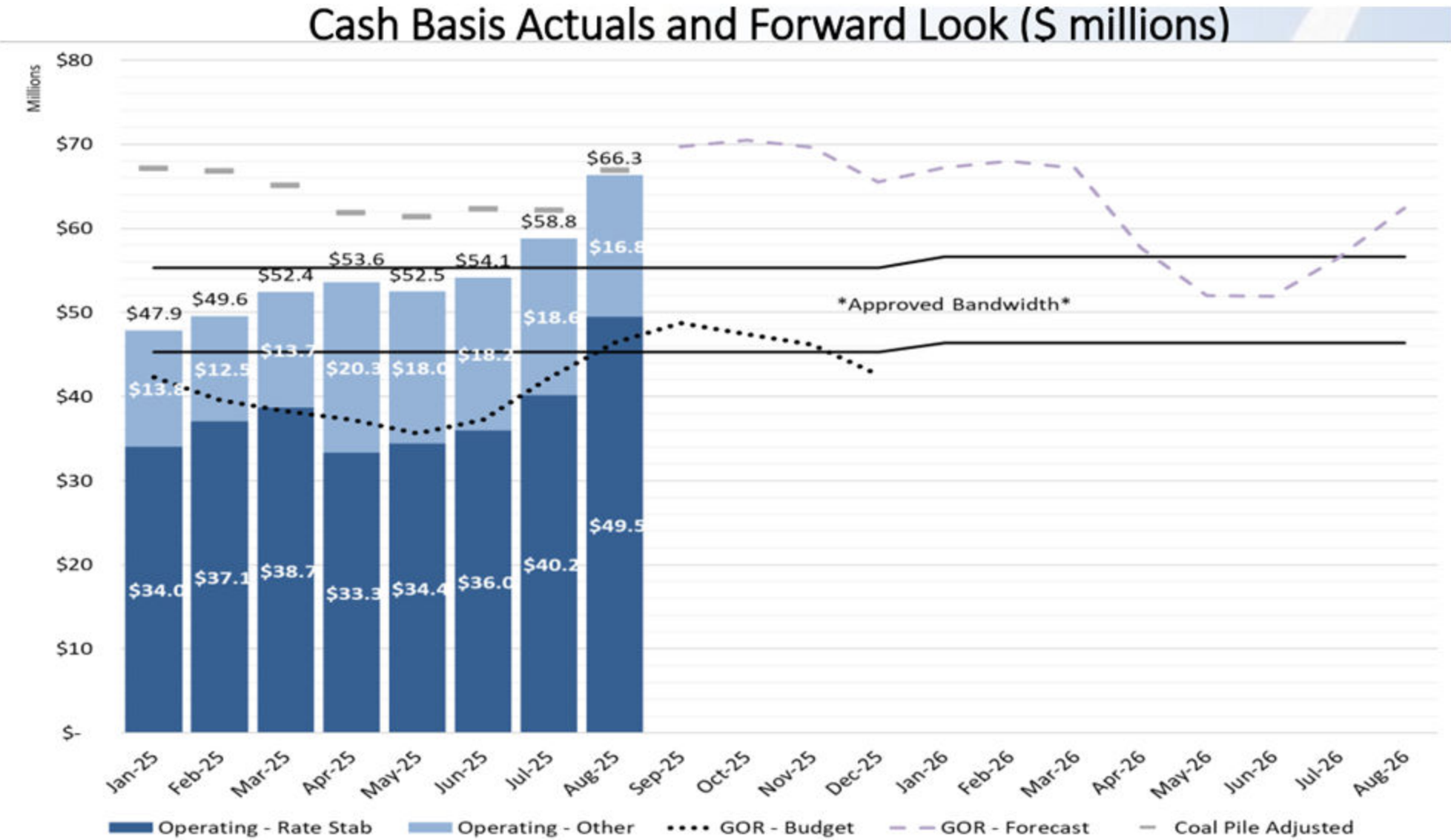


SMPA | 2026 Rates & January 2026 Cash Distribution

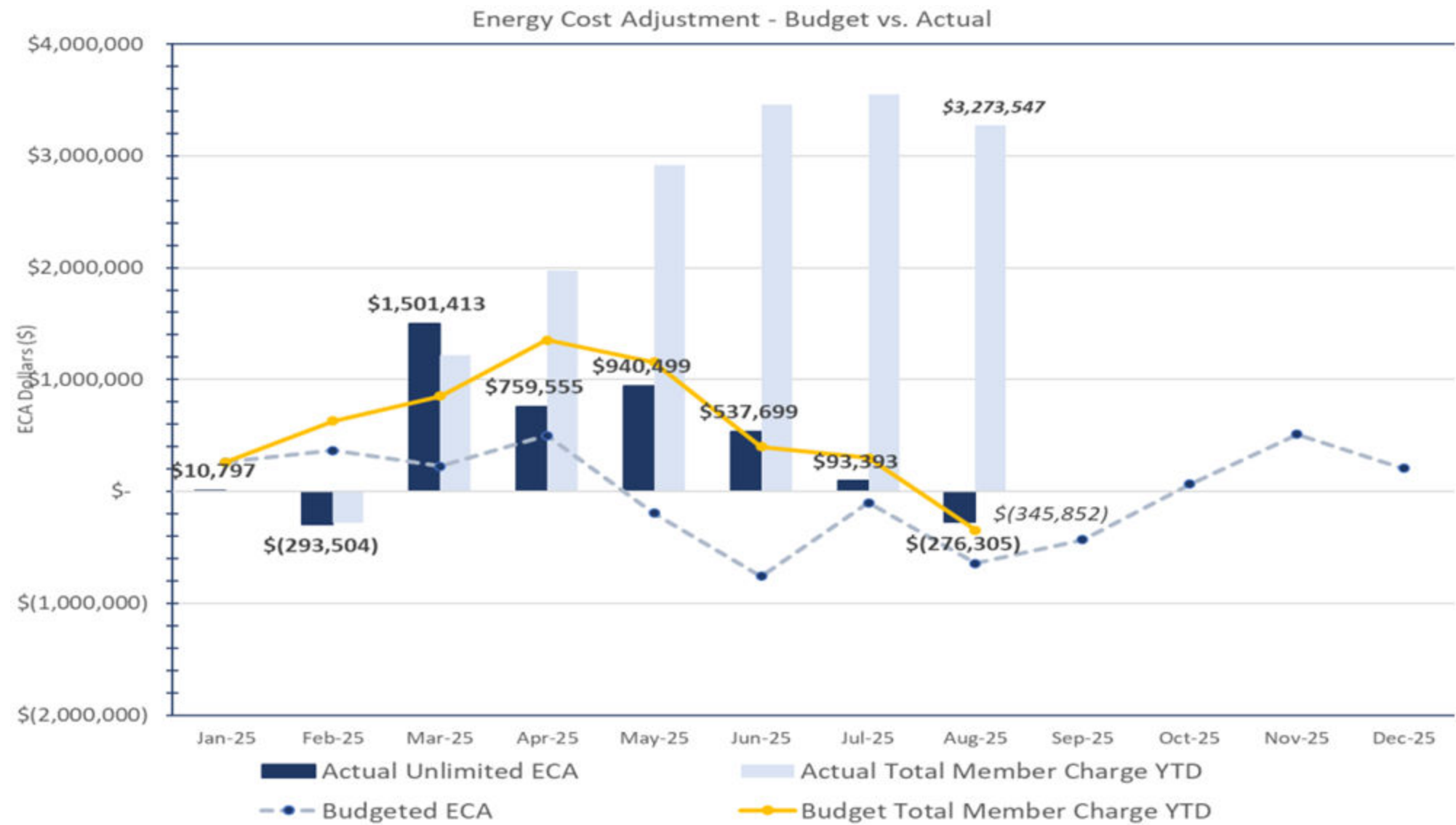
- Overall 10% rate decrease effective February 1, 2026, applied as a 10.812% decrease to power supply demand and energy base rates
- Effective February 1, 2026: third year of transmission rates transition from 100% ratchet to monthly CP basis
 - Approved by board in May 2023
 - Transmission rate as of February 1, 2026 is \$3.40, not \$3.39 as originally presented in 2023
- ECA base cost calculated monthly for the 2026 calendar year, to be used for charge/credit determination for January through December 2026.
 - Each month is budgeted at \$0
- Issue the cash distribution payments in January 2026
- Allocation of \$2,565,113.50 based on total kWh's purchased by members in calendar year 2025
 - Consistent with prior cash distribution allocation methods
 - Aligns with the impacted 2025 budget period
 - Calculation can be completed after final December 2025 billing data is available in early January 2026
 - Final allocation totals can be communicated to members by January 10, 2026
 - Cash distributions can occur shortly thereafter



SMPMA | General Operating Reserves



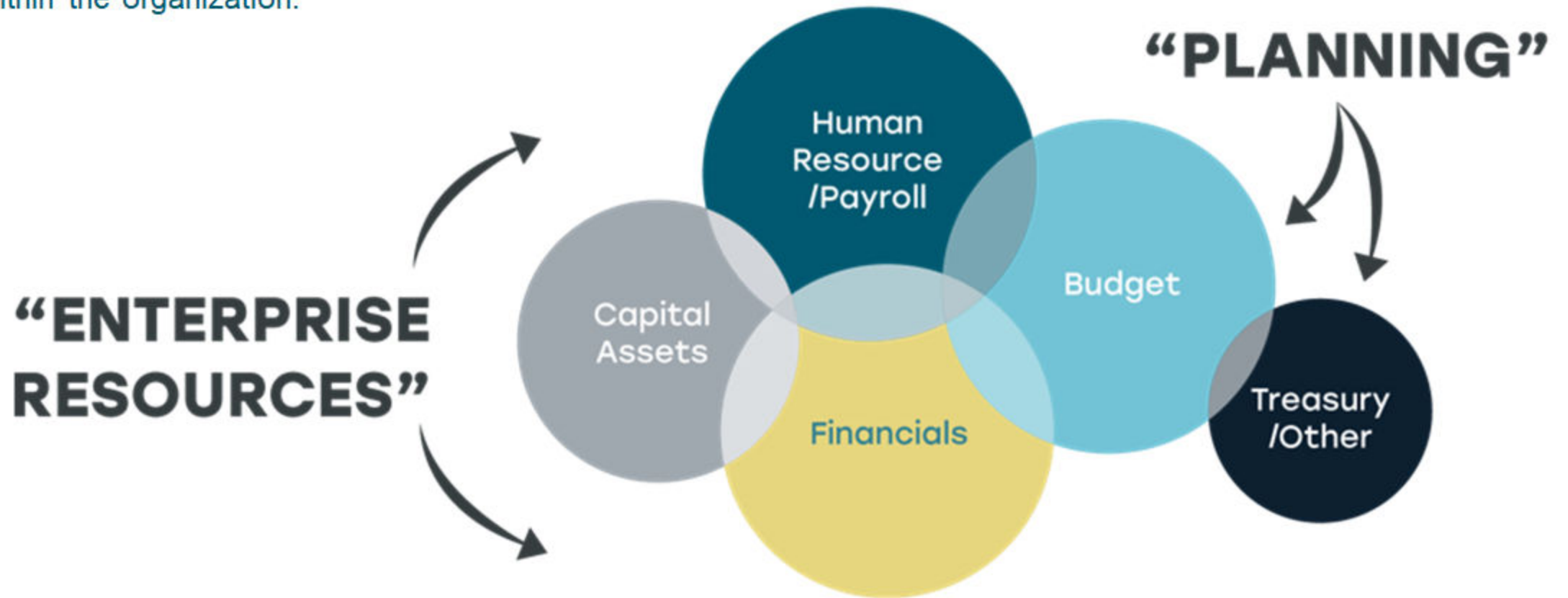
SMPMA | Energy Cost Adjustment (ECA)





Enterprise Resource Planning Software Overview

Enterprise Resource Planning (ERP) software solutions cover a wide variety of business processes from generating employee W2s, tracking and issuing payment, managing human personnel, project accounting, supply chain, comprehensive asset management, work orders, budget, treasury, capital assets, and more. Its goal is to provide a unified view of all operations and a single source of truth for data relating to the flow of money and resources within the organization.





Planning and Needs Assessment – City (2022-2023)

November 2022

City Council authorizes contract with GFOA for planning and needs assessment

April 2023

Future-state process mapping with City's stakeholders and SMEs

March 2023

Current-state process mapping with City's stakeholders and subject matter experts (SMEs)

June 2023

Functional requirements workshops. Prepared draft Request for Proposals (RFP). Postponed issuing it to coordinate with RPU





Planning and Needs Assessment – RPU (2024-2025)

August/September 2024

Current-state mapping
with RPU stakeholders and
subject matter experts

November/December 2024

Functional requirements
workshops with SMEs

September/October 2024

Future-state process
mapping

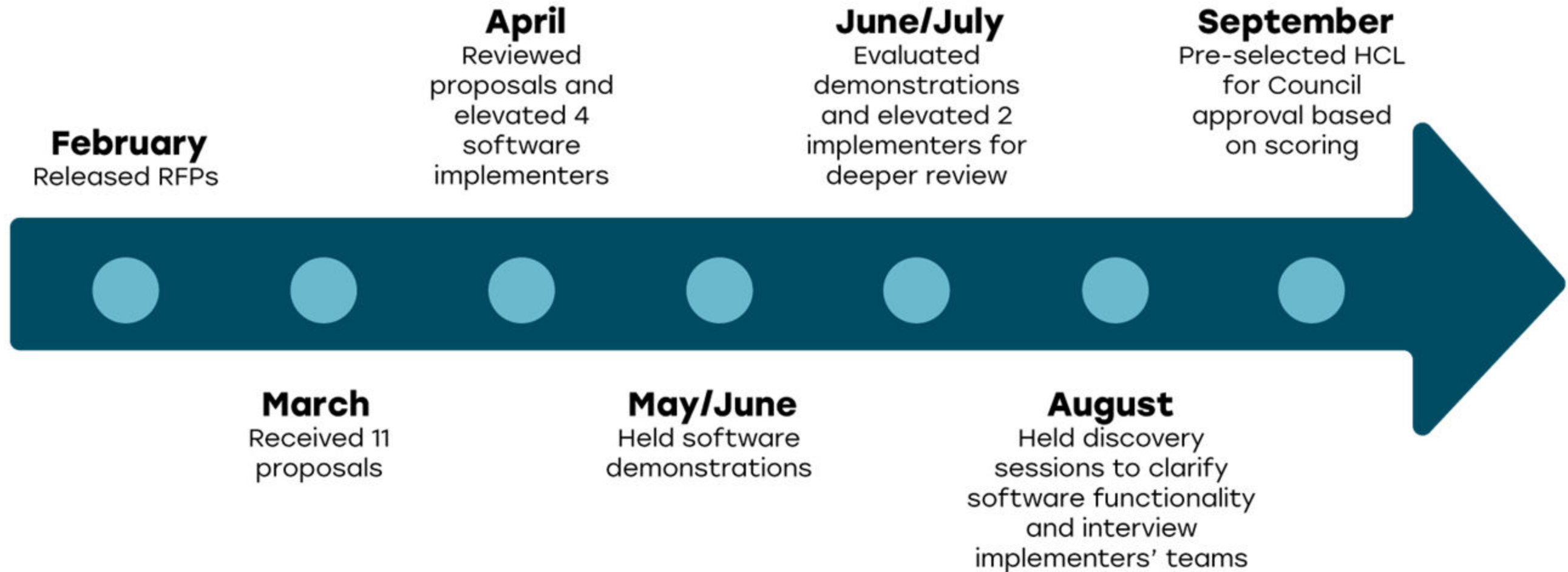
January 2025

Complete draft of the RPU
RFP and revise the City's
RFP to ensure alignment
with RPU





2025 Timeline and Process to Date





Primary benefits/drivers of a single ERP solution

- One source of truth for all records, transactions and documents
 - **Fully integrated platform**
 - Single chart of accounts
 - Single source of finance/HR data for \$535.5M in 2024 payables (including investments), 1,084 – 1,843 regular, part time, and seasonal employees, and \$102.3M in 2024 payroll.
- Better alignment and collaboration between City management and its departments by working on the same system
- **Stronger ability to create staffing alignment under single systems**
- Modern, seamless user experience
- One time implementation cost
- **Streamlined processes and increased efficiency to deliver higher quality services to residents**
 - Integrated workflow throughout all modules for all city departments to automate processes
 - Vendor Onboarding and Invoicing
- Cloud-based solution:
 - Lowers infrastructure costs
 - Reduces data loss risks
 - **Minimizes security issues**
- Core **artificial intelligence** capabilities for several areas, including recruiting and forecasting
- More precise budgeting enabled by a modern system, boosting the City's ability for strategic planning



Implementation and Annual Costs: 25% Contingency

- **2028-2030 Annual Costs**

- City SaaS costs are approximately \$1.4M over this time (split between General and Enterprise Funds). This needs to be incorporated into future operating budgets.
- RPU SaaS cost are approximately \$1.4M over this time

- **Implementation Costs**

- 2026 and 2027 Total Cost: \$27.9M
- Assumes 25% contingency

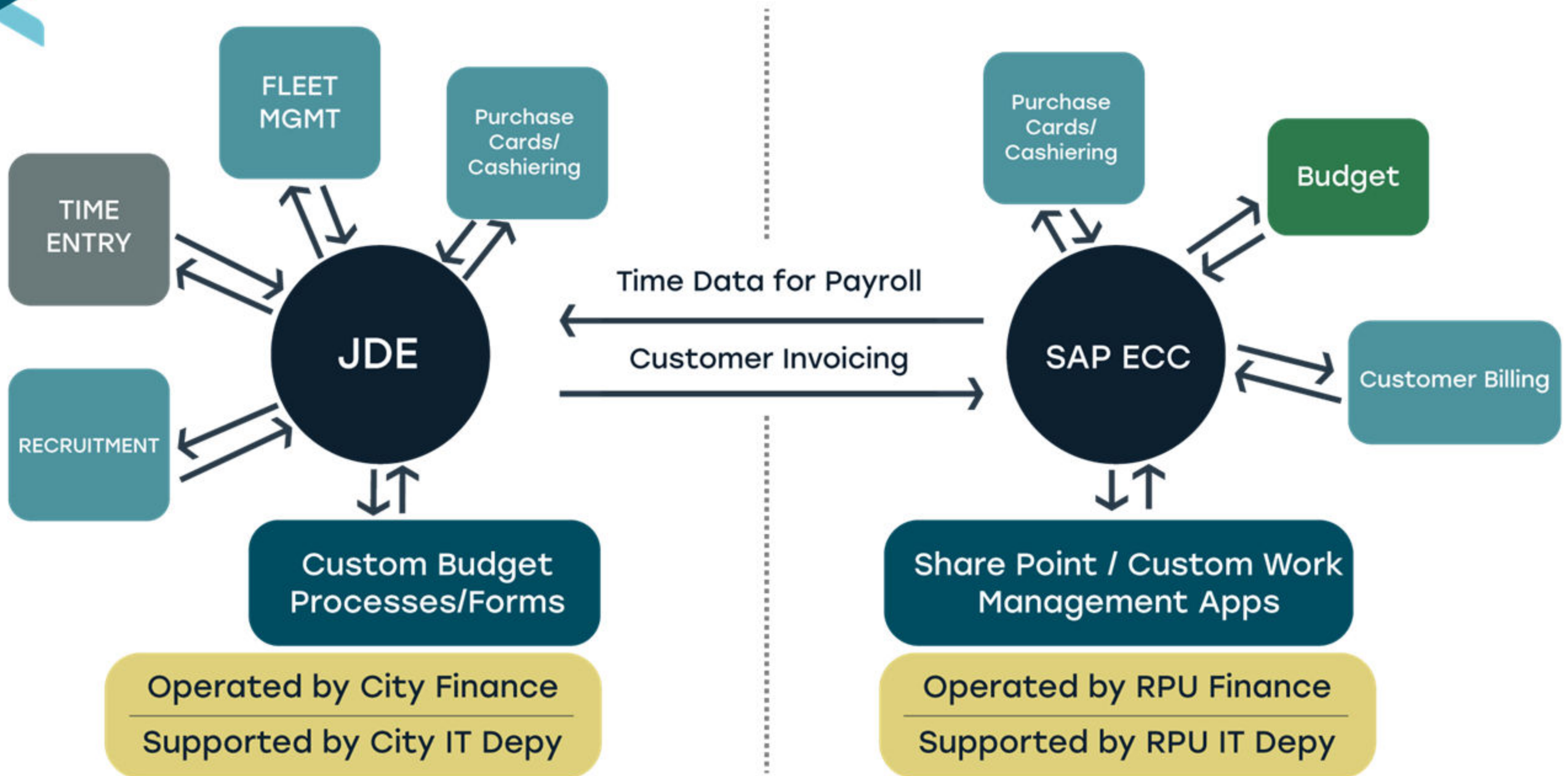
- **Financing the Implementation Cost Gap**

- JDE and Kronos Fund Balance: \$333,749
- 2026 Budget: \$679,426
- Additional Sewer: \$478,715
- Additional Storm Sewer: \$131,004
- Additional Parking: \$117,454
- Additional Transit: \$685,838
- Reprioritize 2027 Budget: \$1,371,525
- Use of Reserves: \$2,925,888

2-yr. Implementation	Total Project Cost	Total Budget	Gap
City Amount	12,953,025	6,229,426	(6,723,599)
RPU Amount	14,939,208	15,675,893 *Reflects \$7.6M budgeted in 2026- 2028	736,685
Total	27,892,233	21,905,319	(5,986,914)



Primary benefits/drivers of a single ERP solution



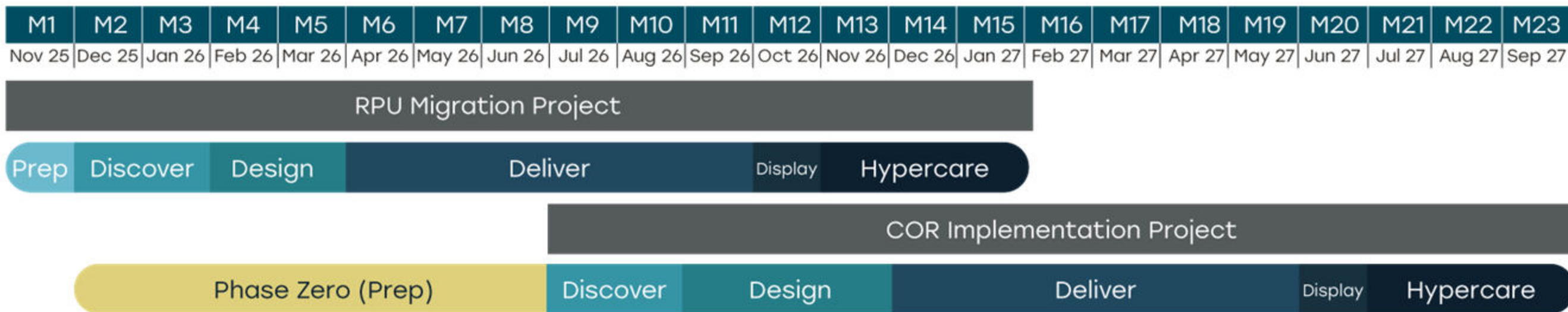


SAP / HCL Proposal

Implementation Approach

- Timeline: 23 months
- Training: train-the-trainer approach
- Experience with Cities and Utility Departments of similar size

Updated Project Timeline





Summary of ERP Recommendation

SAP

CITY OF ROCHESTER

ROCHESTER PUBLIC UTILITIES
WE PLEDGE, WE DELIVER™

EXPLORE Minnesota
IT'S TIME
10,000 lakes
We Pledge. We Deliver. **SAP**

**Unlock Enhanced
Efficiency and Innovation**

Financial | External Funding Opportunities Update

TITLE	DESCRIPTION	AMOUNT	STATUS
<u>Rural and Municipal Utility Advanced Cybersecurity Grant (RMUC)</u>	Grant to extend IT security monitoring at substations.	\$236,000	Awarded – 2023 Materials Received
<u>Board of Water and Soil Resources (BWSR) Pollinator Pilot</u>	Board of Water and Soil Resources (BWSR) pollinator funding opportunities for utilities.	\$110,000	Awarded – 2024 1 st year Work Complete Reimbursements
<u>MN Department of Commerce Energy Benchmarking Grant</u>	Grant for municipal utilities to implement the building energy benchmarking legislation from the 2023 session.	\$321,631	Awarded – 2024 Reimbursements
<u>MN Electric Grid Resilience Grants Program</u>	The MN EGRG Program created by the State Legislature (Minn. Law Chapter 60—H.F.No. 2310. Article 12. Sec. 72.), is designed for eligible electric utilities to increase their electric grid resiliency by preparing for, adapting to, or minimizing the consequences of extreme weather or malicious physical or cyber-attacks. Substation Thermal Camera Infrastructure (\$250k)	\$100,000 (of \$375,000 requested) Substation Thermal Camera Infrastructure Item was Funded at 40% of request	Awarded – 2025
<u>Lead Service Line Replacement Program via Public Facilities Authority</u>	Rochester Public Utilities has submitted a 2025 Lead Service Line Replacement Program projects on the Intended Use Plan (IUP) Drinking Water State Revolving Fund for construction in 2025.	\$1,668,070 (of \$26M that will be requested by 2028)	Awarded – 2025
<u>MN Department of Commerce Solar on Public Buildings Grant</u>	Grants was awarded for up to 70% of the project costs for a 39.9 kW AC solar array on the service center. Grants combined with the federal direct pay tax credit may cover up to 100% of the cost of the system.	\$91,336 (\$39,144 from IRA)	Awarded – 2025
<u>Inflation Reduction Act (IRA) Direct Pay Tax Credits</u>	Direct pay tax incentives now available to tax-exempt entities through up front investment tax credits or through production tax credits on renewable and other projects (batteries). Tax Credits Sunset	\$ TBD	Exploring opportunities with the Power Supply Plan



What's Ahead

Wed, Nov 12	SMMPA Board Meeting (@ WES)	Board – TBD, McCollough	Rochester, MN
Thu, Nov 20 – Fri, Nov 21	SMMPA Board Retreat	McCollough	Prior Lake, MN
Tue, Nov 25	RPU Board Meeting	Board – All, McCollough	RPU
Mon, Dec 1	City Council – Budget & Board Appt.	McCollough	Council Chambers
Wed, Dec 3 – Thu, Dec 4	MRO Q4 Board Meeting	McCollough	St. Paul / Virtual
Wed, Dec 10	SMMPA Board Meeting	McCollough	St. Peter, MN
Tue, Dec 16	**RPU Board Meeting**	Board – All, McCollough	RPU
Sun, Jan 11 – Tue, Jan 13	APPA Joint Action Conference	McCollough	Destin, FL
Thu, Jan 15	SMMPA Board Meeting @ SMMPA	McCollough	Rochester, MN
Tue, Jan 27	RPU Board Meeting	Board – All, McCollough	RPU
Wed, Feb 11	SMMPA Board Meeting	McCollough	Spring Valley, MN
Tue, Feb 17	**RPU Board Meeting**	Board – All, McCollough	RPU
Mon, Feb 23 – Thu, Feb 26	APPA Legislative Rally	McCollough	Washington, DC
Mon, Mar 2 – Fri, Mar 6	The Energy Authority Symposium	McCollough	RPU
Wed, Mar 11	SMMPA Board Meeting	McCollough	Waseca, MN





Better Public Meetings – A City of Rochester Initiative

What's Happening

Rochester has been selected to participate in the national 'Better Public Meetings' Initiative, in partnership with the National Civic League. The goal is to make public meetings more engaging, inclusive, and effective for everyone.

Why It Matters

Public Meetings are where community voices help shape decisions. This project works to make those spaces more welcoming, accessible, and representative of all residents.

How You Can Get Involved

We are asking all visitors, staff, and Board members to share their feedback after today's Board Meeting using this QR Code to access the Civic Engagement Scorecard. This will take place in November as well.

There is an option at the end of the survey to provide your email address to receive project updates.

Additional details about this initiative, including contact information and the Scorecard, are available on both the City of Rochester and RPU websites.



QUESTIONS



Major Projects Update October 2025

VISION | We will set the standard for service.

MISSION | We provide the highest quality services and products for our customers. With our experience and resources, we enrich people's lives, help businesses prosper, and promote the community's welfare.

MAJOR PROJECTS UPDATE

UPDATED % BUDGET % COMPLETE

On-Track	Marion Road Substation & Associated Projects	Jul 15, 2025	80	94
On-Track	Advanced Metering Infrastructure (AMI) Project	Apr 29, 2025	84.7	20
Updated → On-Track	Mount Simon Station	Oct 28, 2025	4.1	1.5
New → On-Track	Gas Turbine 1 Recovery	Oct 28, 2025	10	15
Planning	Grid North Partners (GNP) MISO Tranche 1 – LRTP 4	May 21, 2024		
On-Track	GIS Utility Network Conversion	Jun 25, 2024	38	50
On-Track	BSWR Pollinator Utility Transmission Easement Pilot	Sep 30, 2025	36	50
On-Track	MN Energy Benchmarking	May 20, 2025	62	99
On-Track	Power Supply Resource Plan	Sep 24, 2024	88	65
On-Track	Customer Portal Replacement Project	Jan 21, 2025	0	0
On-Track	Lead Service Line Replacement Project	Jun 24, 2025	10	10



Marion Road Substation & Associated Projects



Description: Drone footage of the new pedestrian bridge at Soldiers Field

Project Overview

PROJECT SUMMARY:

This project has three major segments (Substation, Transmission, and Conduit Systems). All three segments have experienced challenges partially due to supply and labor shortages following COVID19. The Substation and Transmission are complete with all major equipment on site and installed. The conduit system route is approximately 2 miles long and there is approximately 700 ft remaining to be installed.

ACCOMPLISHMENTS:

- ✓ Substation is substantially complete and tested and RPU is serving local load from this substation
- ✓ All of the transmission work is complete
- ✓ Duct bank is approximately 95% complete
- ✓ Permit granted for work in Cultural Heritage Site
- ✓ Soldiers Field Duct Bank Work Substantially Complete

PROJECT DASHBOARD

PROJECT STATUS



PROJECT MANAGER

Steven Cook & Neil Stiller

EXECUTIVE SPONSOR

Scott Nickels

DATE

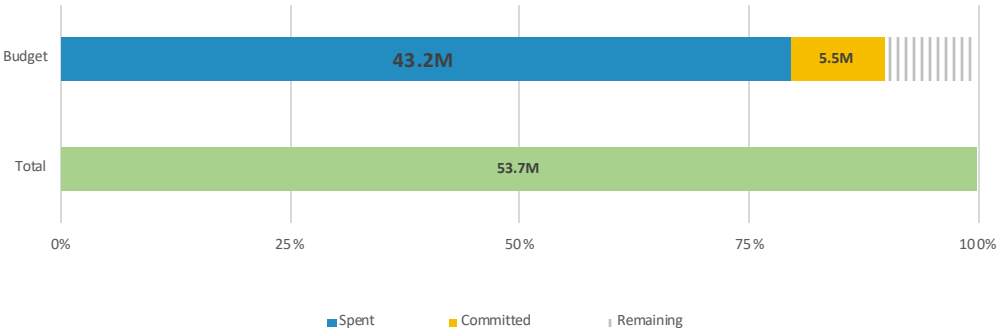
July 15, 2025



SCHEDULE

Project Start Date	2018
Baseline Finish Date	January 2025
Estimated Finish Date	September 2025

FINANCIALS



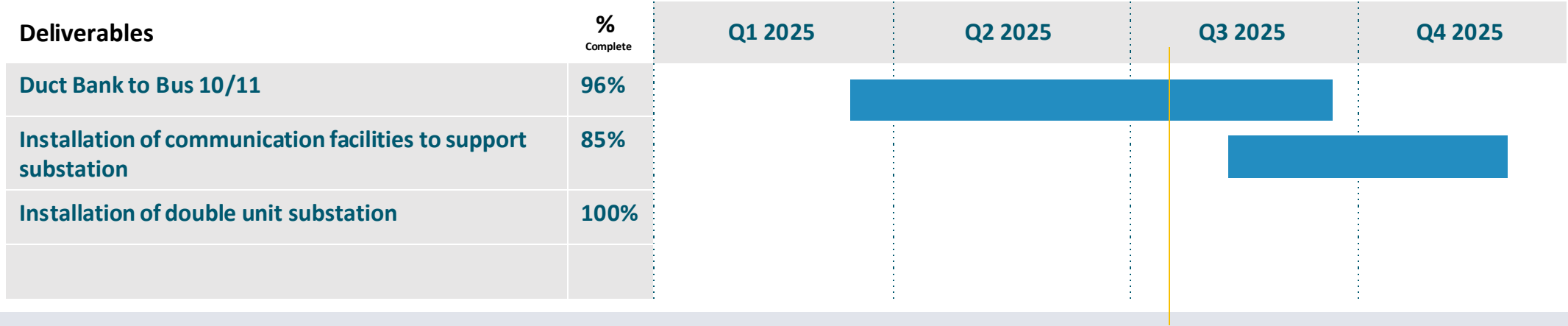
% BUDGET

90%

% COMPLETE

94%

EXECUTION TIMELINE



KEY RISKS & ISSUES				
No.	Description	Severity	Impact	Status
D1	Cultural Heritage Site	Med	Budget/Schedule	Open

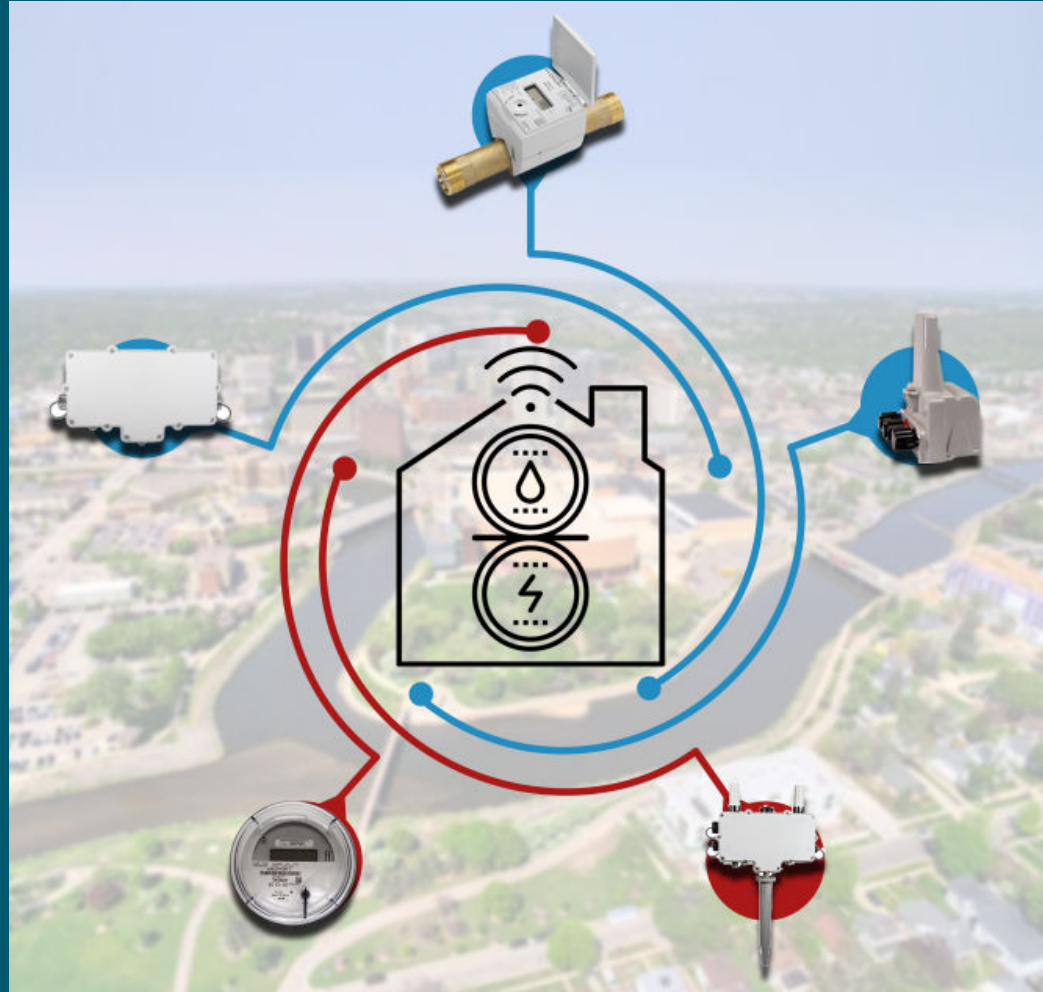
UPCOMING MAJOR MILESTONES

Sept 2025 Substantial Completion of Duct Bank

PROJECT STATUS DESCRIPTION

The last phase of the duct bank project is under construction and while there are still risks associated with the Cultural Heritage site they appear to be manageable without a reroute at this time. There is \$5.5M of remaining budget to cover contingencies.

Advanced Metering Infrastructure Project



Project Overview

PROJECT SUMMARY:

The project involves three main parts - Advanced Metering Infrastructure (AMI), Meter Data Management (MDM), and the joint effort of RPU personnel and the Meter Installation Vendor (MIV) to replace 60,000 electric and 40,000 water endpoints. The replacement will take place over a period of three years, starting in the fall of 2025.

ACCOMPLISHMENTS:

- ✓ RFPs have been completed for AMI, MDM, and MIV.
- ✓ Product demonstrations have been held.
- ✓ A preferred best in breed solution has been selected.
- ✓ Contract negotiations are complete.
- ✓ A project timeline has been established.

PROJECT DASHBOARD

PROJECT STATUS



PROJECT TITLE

Advanced Metering Infrastructure Project

PROJECT MANAGER

Util-Assist

EXECUTIVE SPONSOR

Scott Nickels

DATE

April 29, 2025



SCHEDULE

Project Start Date	October 2023
Baseline Finish Date	December 2028
Estimated Finish Date	December 2028

EXECUTION TIMELINE

Deliverables

	% Complete
Vendor & Consultant SOWs	100%
Systems Development, Configuration, Integration	37%
Go Live	0%
Mass Meter Deployment	0%

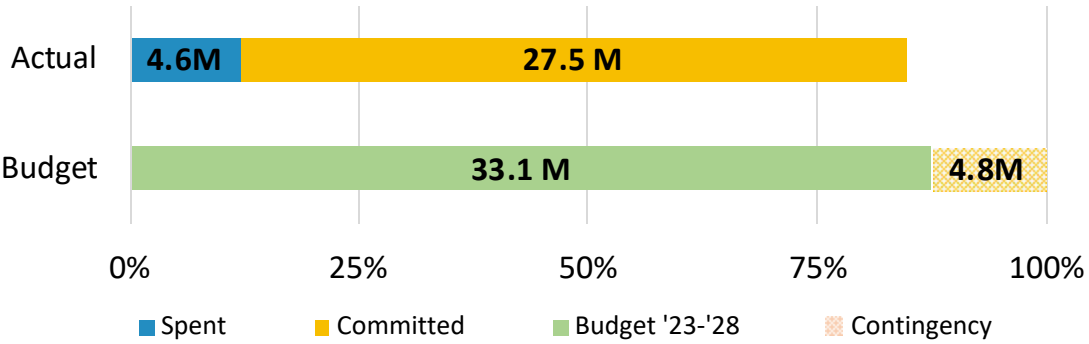
KEY RISKS & ISSUES

No.	Description	Severity	Impact	Status
1	Meter Delivery	Low	Schedule/Budget	Open
2	System Integrations – ERT communication	High	Schedule/ Budget	Open
3	Water Meter Deployment - Residence Entrance	Medium	Schedule/Budget	Open

PROJECT STATUS DESCRIPTION

As of April, all vendor contracts for the System Integration project have been successfully executed. Throughout March, RPU completed the FAT for all electric meters. Additionally, vendors have been working to finalize their respective requirement documentation. RPU has approved the majority of these documents, with only two pending approvals for Cayenta and one remaining for SmartWorks. On March 18, Util-Assist hosted a Build/Test Phase kick-off meeting to align all vendors on the build and test schedule. Vendor development and configuration efforts commenced on March 27, with the vendors now working on development and configuration based on the already-approved requirement documents. Util-Assist is leading the testing effort for the project and has begun drafting the test strategy document, which will integrate feedback from all vendors. A defect was discovered when the RPU team was doing FAT on two PROD ERTs that Itron upgraded to the newest firmware version, V12.9. Testing revealed that this firmware version cannot communicate directly with the existing Itron Gen 5 electric meter firmware version (V10.5.803). Firmware V12.9 ERTs can only communicate with an AMI Relay. The ability for an ERT to communicate directly with an electric meter is mandatory for AMI deployment. As a result, RPU is unable to deploy AMI water endpoints using the current electric and water firmware versions. An earlier version of the 500W ERT firmware (V6.6.0.0) is capable of direct communication with the Itron Gen 5 electric meter firmware and an AMI Relay. However, this version does not support the collection of Diehl water meter events and alarms. RPU is currently in discussions with Itron to determine the best course of action to address and resolve this risk.

FINANCIALS

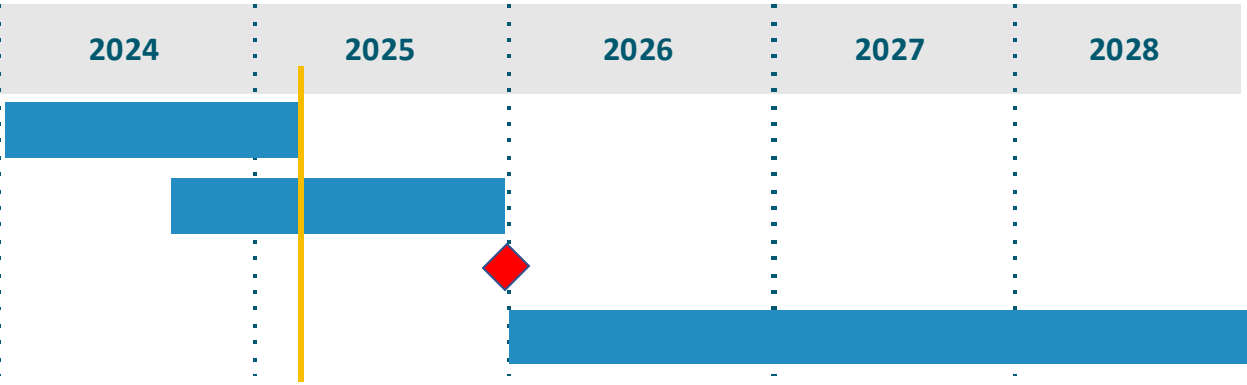


% BUDGET

84.7 %

% COMPLETE

20 %



UPCOMING MAJOR MILESTONES

- April 2025:**
- Continue with solution configurations
 - Complete FAT for QA and PROD water ERTs
 - Finalize all vendor system solution designs
- May 2025:**
- Continue with solution configurations
 - Complete Test Strategy/Plan
 - Begin developing test cases for all systems
 - Begin Itron Functional Testing

Mount Simon Station



Project Overview

PROJECT SUMMARY:

The project will provide up to 50 MW firm dispatchable capacity in time for the expiration of the SMMPA contract in 2030. The project will be sited adjacent to the Westside Plant. Gas Turbine contract is complete – 3 x Solar Titan 130 turbine generators as well as the Main Transformer. Selected owner's engineer and moving forward with air permit application.

ACCOMPLISHMENTS:

- ✓ Applied for accelerated interconnection to the MISO transmission system through the ERAS process.
- ✓ Awarded gas turbine contract and held kickoff meeting
- ✓ Selected Owner's Engineer to complete preliminary design and EPC package.
- ✓ Data collection for Air Permit Application.

PROJECT DASHBOARD

PROJECT STATUS



PROJECT MANAGER

Tony Dzubay

EXECUTIVE SPONSOR

Bill Bullock

DATE

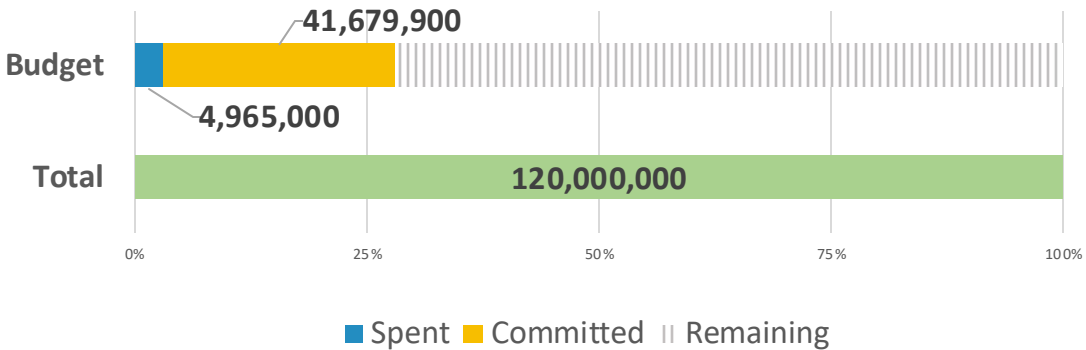
10/28/2025



SCHEDULE

Project Start Date	February 2024
Baseline Finish Date	October 2029
Estimated Finish Date	December 2029

FINANCIALS



% BUDGET

4.1%

% COMPLETE

1.5%

EXECUTION TIMELINE

Deliverables	% Complete	Q3 2025	Q4 2025	Q1 2025	Q2 2025
Prime Mover Specification, Selection - Procurement	100%				
Preliminary Engineering Major Equipment	80%				
Air Permitting	5%				
Procurement – Equipment/Design Build	>1%				

KEY RISKS & ISSUES

No.	Description	Severity	Impact	Status
1	Interconnection / Permitting	High	Scope/Budget	Open
2	Equipment Delivery	High	Schedule/Budget	Open
3	Tariffs	Medium	Budget	Open

UPCOMING MAJOR MILESTONES

- March 2025** Issue PO for Prime Mover
- May 2025** Begin Air Permit Application
- August 2025** Design Build Package

PROJECT STATUS DESCRIPTION

The project is at the very initial stage. Prime Mover selection is key to proceeding with project activities.

Gas Turbine 1 Recovery



Project Overview

PROJECT SUMMARY:

On the evening of June 1, 2025 Cascade Creek Unit 1 was severely damaged in a fire. This unit is important to meeting RPU's capacity obligations.

PROJECT GOALS:

Remediate damage, remove and inspect turbine generator package to determine feasibility and cost of refurbishment of unit and return to service.

ACCOMPLISHMENTS:

- ✓ Site Fire Cleanup
- ✓ Condition Assessment
- ✓ Turbine Inspection
- ✓ Contracting for turbine removal, transport and inspection

PROJECT DASHBOARD

PROJECT STATUS



PROJECT TITLE

GT1 Recovery

PROJECT MANAGER

Tony Dzubay

EXECUTIVE SPONSOR

Bill Bullock

DATE

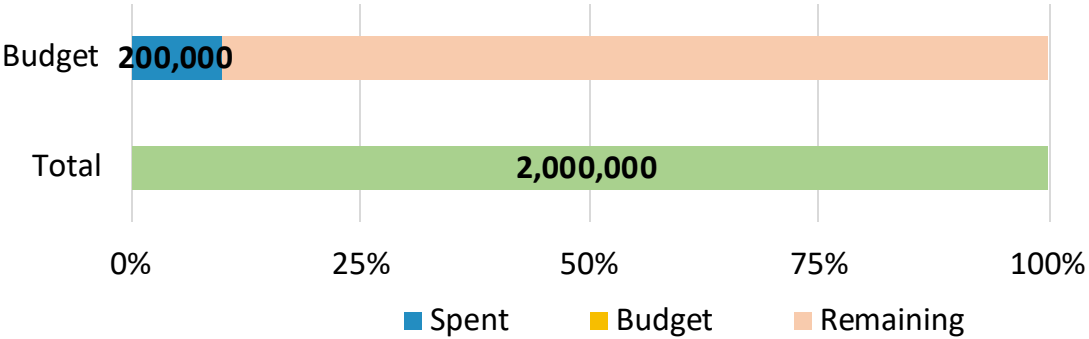
October 28, 2025



SCHEDULE

Project Start Date	Jun 2025
Baseline Finish Date	Jun 2026
Estimated Finish Date	May 2026

FINANCIALS



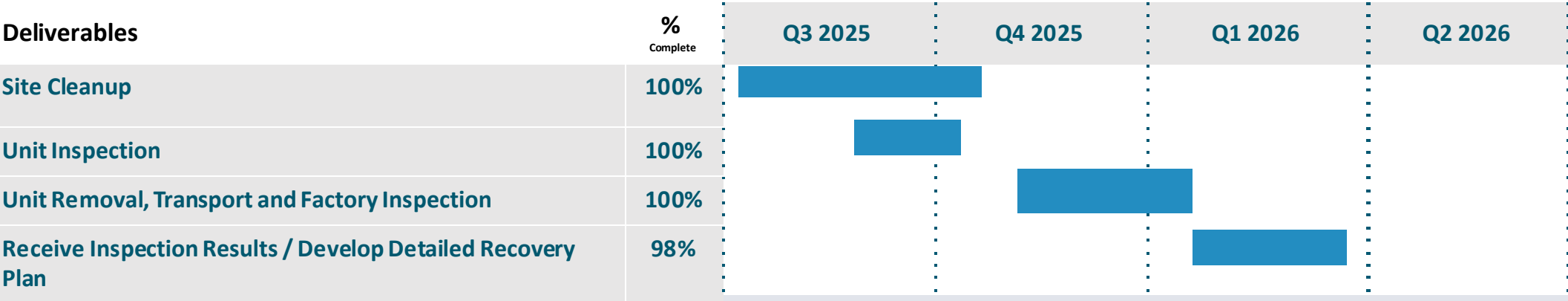
% BUDGET

10%

% COMPLETE

15%

EXECUTION TIMELINE



KEY RISKS & ISSUES

No.	Description	Severity	Impact	Status
1	Unit Removal & Transport	Medium	Schedule	Open
2	Unit Condition Assessment	High	Schedule/Budget	Open
3	Reassembly Plan	High	Schedule/Budget	Open

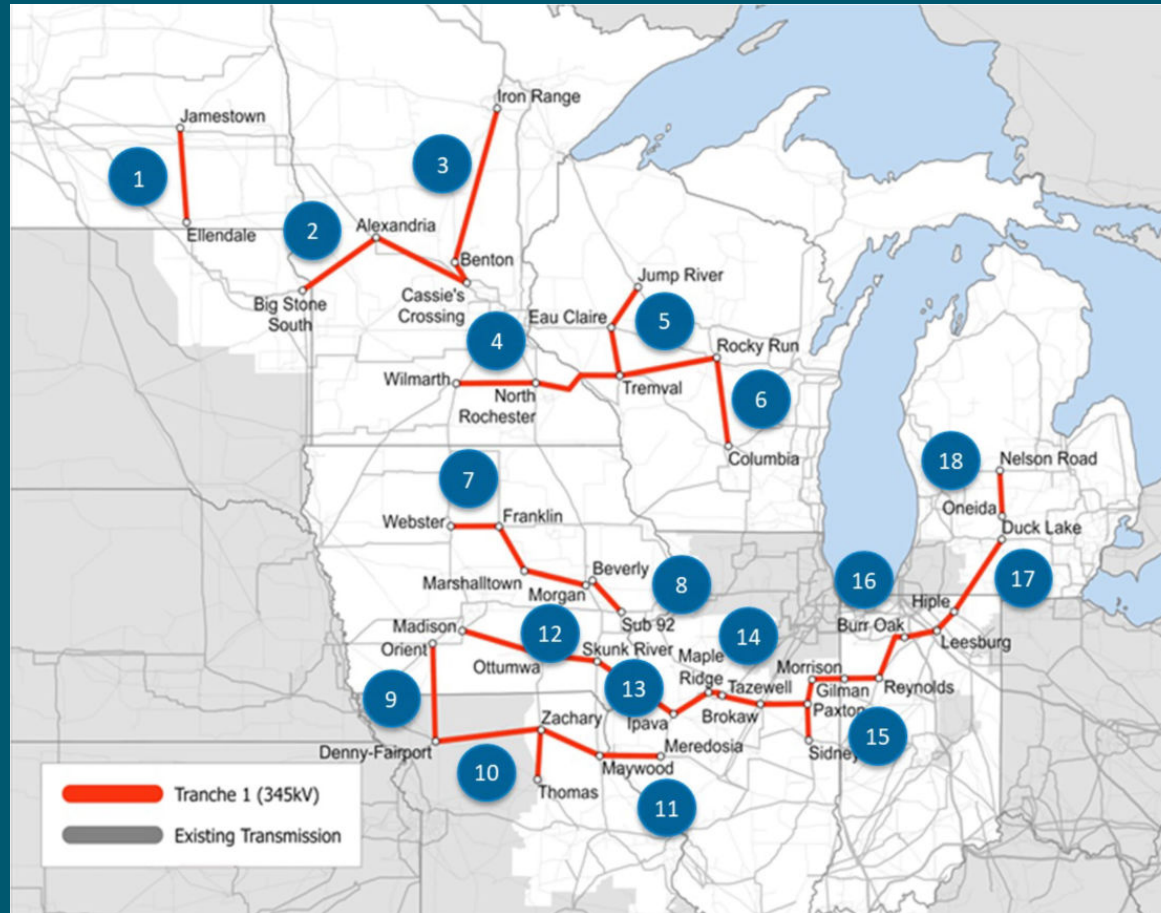
UPCOMING MAJOR MILESTONES

- Oct 2025 – Contract for Disassembly/Inspection
- Dec 2025 – Transport Engine Core to TX Shop
- Feb 2026 – Develop Refurbishment Plan & Cost
- Apr 2026 – Go / No Go Decision Point

PROJECT STATUS DESCRIPTION

The project is in the early stages. Work will continue to identify the cost of returning the unit to service and it is expected that enough information will be available to make a recommendation by Q2 2026.

Grid North Partners (GNP) MISO Tranche 1 – LRTP 4



Description: MISO Tranche 1 map. RPU will be participating in the #4 (LRTP 4) project.

Project Overview

PROJECT SUMMARY:

RPU will be partnering with Xcel Energy, SMMMPA, and Dairyland Power Cooperative in the construction and ownership of a portion of Line #4 (LRTP 4) on the map. The companies are working at finalizing preliminary agreements that will describe investment levels, ownership, and other items. This will then lead into formal agreements that each utility will execute. RPU anticipates that its investment in this project will be near \$30M, but this amount has not been finalized yet.

ACCOMPLISHMENTS:

- ✓ RPU expressed interest in partnering in the LRTP 4 project with the other GNP utilities.
- ✓ Meetings have been held that have laid much groundwork for RPU's participation level.
- ✓ An MOU amongst the parties is being finalized
- ✓ Preliminary discussion have been had to begin laying the foundation for the official project agreements.

GIS Utility Network Implementation



Project Overview

PROJECT SUMMARY:

This project is a data conversion project migrating the water and electric GIS data to a new data model. The previous data model is 20+ years old and isn't compatible with the latest generation of GIS applications. Successful completion of this project will ensure RPU's GIS remains relevant and extend capabilities as new GIS applications are released in the future.

ACCOMPLISHMENTS:

- ✓ UDC completed a data readiness study in 2022 identifying potential errors/gaps in the data conversion for both water and electric utilities
- ✓ UDC assisted the GIS Team with the conversion of water utility GIS data January – May of 2024

PROJECT DASHBOARD

PROJECT STATUS



PROJECT TITLE

GIS Utility Network Implementation

PROJECT MANAGER

Ryan Moore

EXECUTIVE SPONSOR

Scott Nickels

DATE OF UPDATE

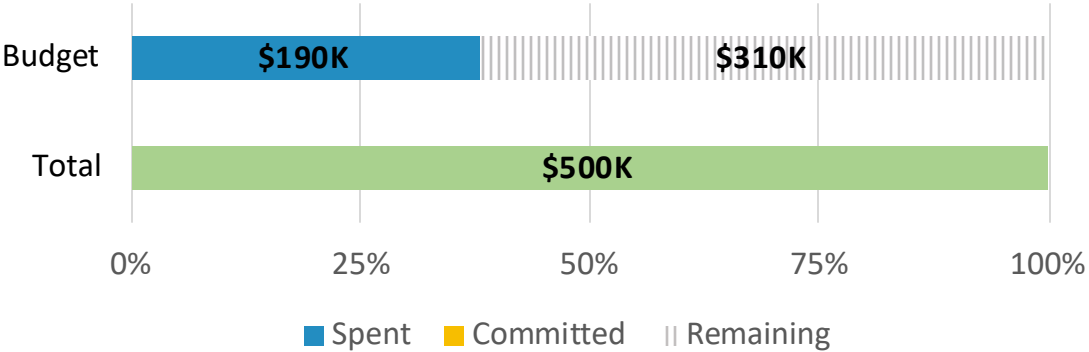
June 25, 2024



SCHEDULE

Project Start Date	December 2023
Baseline Finish Date	December 2025
Estimated Finish Date	December 2025

FINANCIALS



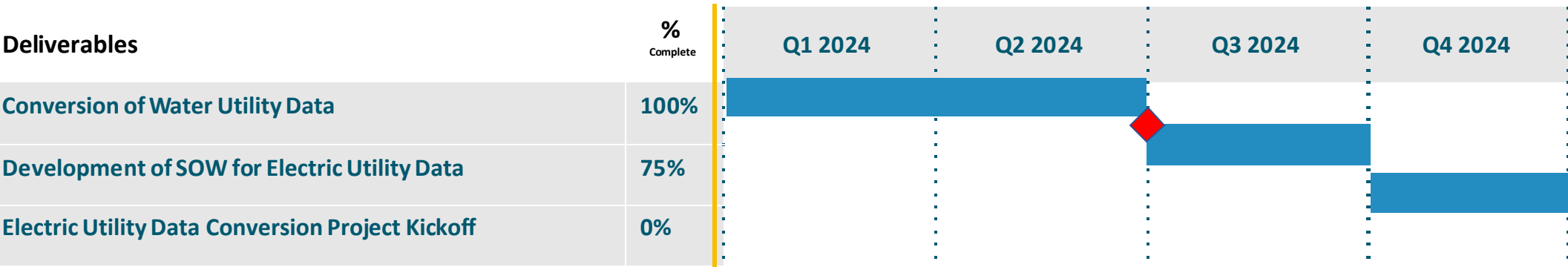
% BUDGET

38 %

% COMPLETE

50 %

EXECUTION TIMELINE



KEY RISKS & ISSUES

No.	Description	Severity	Impact	Status
1	Consultant Resource Availability	High	Project Start Date	Open
2	Deliverables not to expectation	High	Schedule/Budget	Open
3	Missed items in SOW	Medium	Schedule/Budget	Open

UPCOMING MAJOR MILESTONES

October 2024 Electric Data SOW completed with UDC

December 2024/ January 2025 Project Kickoff

PROJECT STATUS DESCRIPTION

Currently on schedule and on budget

BWSR Pollinator Pilot Project Partnership



Project Overview

PROJECT SUMMARY:

RPU is partnering with the State of Minnesota's Board of Water and Soil Resources (BWSR) department to implement two habitat-friendly pollinator corridors in Rochester. This three-year pilot project is all about transforming two transmission corridors into long standing pollinating habitats that incorporate native vegetation that supports pollinating insects, mitigates erosion and sedimentation, and ensures the integrity and resiliency of Rochester's landscapes while protecting habitat and water resources.

The two transmission sites are located behind the Withers Sports Complex and Bear Creek / Marion Rd.

ACCOMPLISHMENTS:

- ✓ Second of three mowings of 2025 took place in June and August.
- ✓ The ROWs are looking as expected.
- ✓ Signage promoting the project

PROJECT DASHBOARD

PROJECT STATUS



PROJECT TITLE

Pollinator Project

PROJECT MANAGER

Board of Water and Soil Resources (BWSR)

EXECUTIVE SPONSOR

Patty Hanson

DATE OF UPDATE

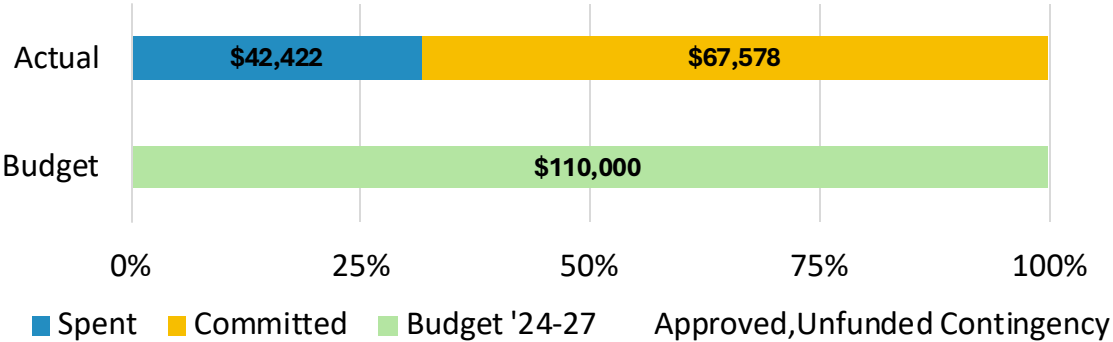
October 14, 2025



SCHEDULE

Project Start Date	June 21, 2024
Baseline Finish Date	June 30, 2027
Estimated Finish Date	June 30, 2027

FINANCIALS



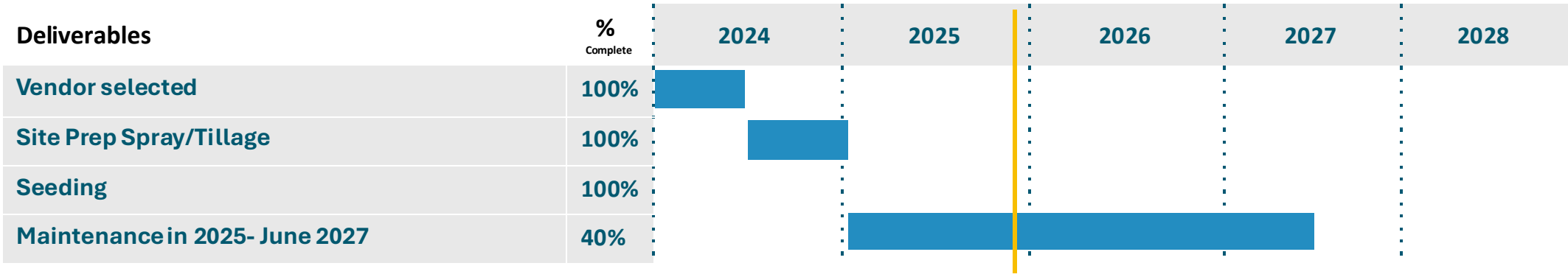
% BUDGET

38 %

% COMPLETE

50 %

EXECUTION TIMELINE



KEY RISKS & ISSUES

No.	Description	Severity	Impact	Status
1	Weather	Medium	Schedule	Open

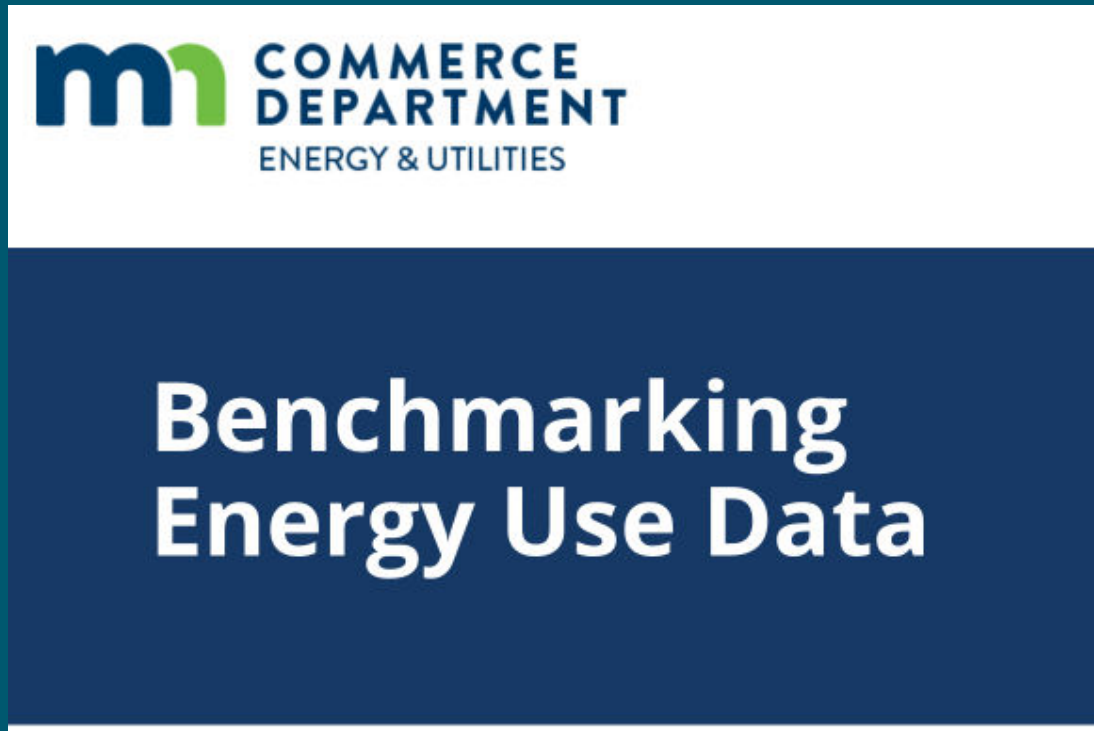
UPCOMING MAJOR MILESTONES

- Spring through Fall of 2026:
- Site mowing at both locations (3x each) along with spot herbicide treatments.
 - Develop vegetation management plan.
 - Proposal from Pheasants Forever on vegetation management coming.

PROJECT STATUS DESCRIPTION

Third and final mowing of 2025 completed in September.

MN Energy Benchmarking



Project Overview

PROJECT SUMMARY:

MN Statute 216C.331 requires commercial customers of 50,000 square feet and greater to upload their energy data into the EnergyStar Portfolio Manager.

Project goals are two-fold: 1) implement a software tool, MyMeter and 2) hire an Energy and Environmental Advisor to help set up the program and assist customers.

Project launch is scheduled for March 1, 2025

ACCOMPLISHMENTS:

- ✓ March launch completed.
- ✓ Commercial customers were able to compile with State Statute.
- ✓ Punch list item completed /implementation officially completed.

PROJECT DASHBOARD

PROJECT STATUS



PROJECT TITLE

Energy Benchmarking

PROJECT MANAGER

Patty Hanson

EXECUTIVE SPONSOR

Patty Hanson

DATE OF UPDATE

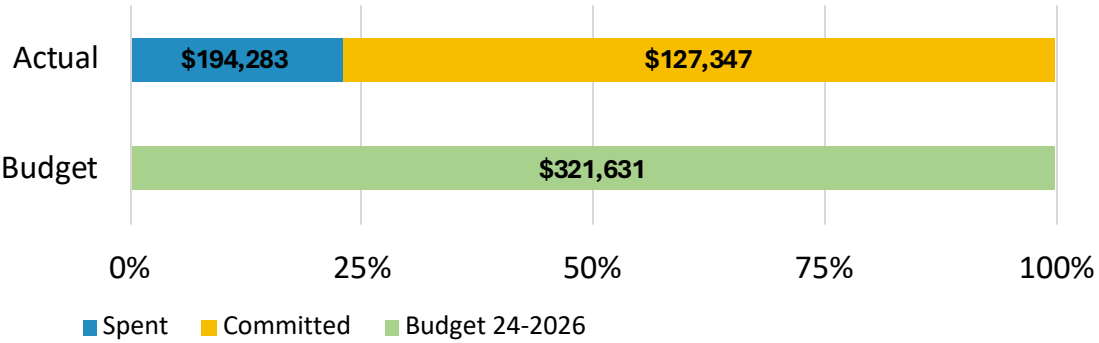
October 14, 2025



SCHEDULE

Project Start Date	August 2024
Baseline Finish Date	January 2025
Estimated Finish Date	March 2025

FINANCIALS



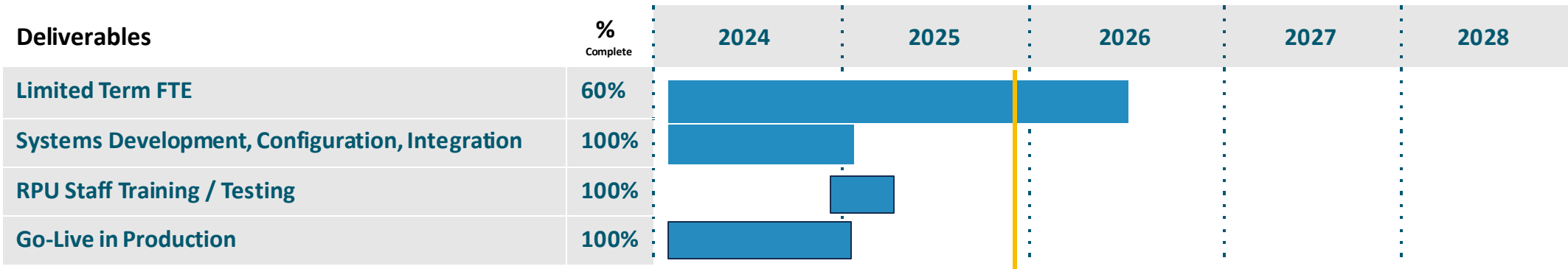
% BUDGET

40%

% COMPLETE

100 %

EXECUTION TIMELINE



KEY RISKS & ISSUES

No.	Description	Severity	Impact	Status
1	Hiring a limited term FTE	Medium	Schedule/Budget	Done
2	System Integrations	High	Schedule/Budget	Done
3	Deployment	High	Schedule/Budget	Done

UPCOMING MAJOR MILESTONES

- Sept – Dec: Commercial team working with non-compliant customers
- March –May 2026: 50,000 sq.ft. building outreach campaign.
- June 2026 Limited term assignment completed.

PROJECT STATUS DESCRIPTION

State grant funding was awarded in the amount of \$321, 631 to cover the costs of implementing the MyMeter software, a benchmarking solution, and to hire a limited term FTE to help stand up the program.

RPU Power Supply Resource Plan



Project Overview

PROJECT SUMMARY:

Latest resource plan initiated in 2022

PROJECT GOALS:

Develop a resource plan to replace SMMPA contract in 2030.

Meet adopted local goal of 100% net renewable electricity by 2030.

Final phase of planning before implementation to be completed early in 2025.

ACCOMPLISHMENTS:

- ✓ Developed least cost scenario
- ✓ Identified energy resources and capacity resources to fulfill needs
- ✓ Submitted interconnection application to MISO.

PROJECT DASHBOARD

PROJECT STATUS



PROJECT TITLE

Power Supply Resource Plan

PROJECT MANAGER

Tony Dzubay

EXECUTIVE SPONSOR

Bill Bullock

DATE OF UPDATE

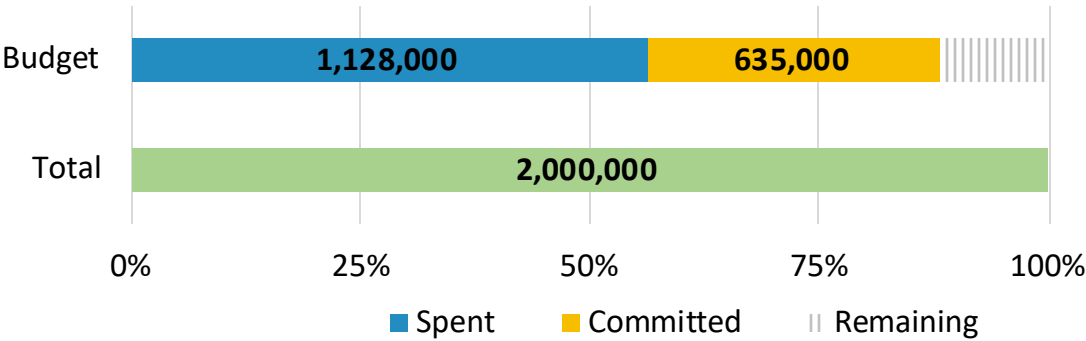
September 17, 2024



SCHEDULE

Project Start Date	March 2022
Baseline Finish Date	December 2024
Estimated Finish Date	April 2025

FINANCIALS



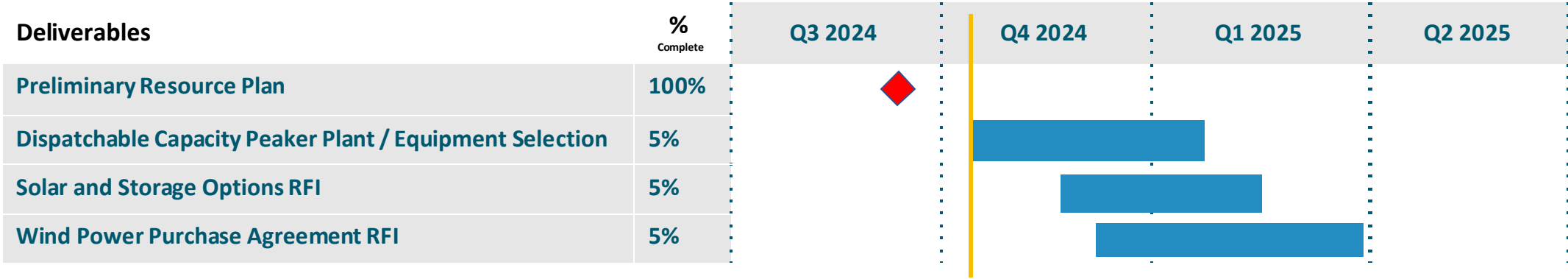
% BUDGET

88 %

% COMPLETE

65%

EXECUTION TIMELINE



KEY RISKS & ISSUES

No.	Description	Severity	Impact	Status
1	Supply Chain Issues	High	Schedule/Budget	Open
2	Equipment Inflation	High	Schedule/Resource Mix	Open
3	Competition for Resources	Medium	Budget/Resource Mix	Open

UPCOMING MAJOR MILESTONES

- Sep 24 Kickoff RFI Phase
- Oct 24 RFI for prime mover
- Nov 24 RFI for Solar & Storage
- Dec 24 RFI for Wind
- Mar 25 Summary Report

PROJECT STATUS DESCRIPTION

Currently on schedule and on budget

Customer Portal Implementation Project



Project Overview

PROJECT SUMMARY:

- Accelerated Innovations will assist RPU in the implementation of their MyMeter customer engagement portal solution which will replace our current software.
- Deliverables include bill pay, bill and usage presentment, AML, outage map, and more.
- A nine-month implementation.
- Go-live by November 2025.

UP COMING ACCOMPLISHMENTS:

- ✓ Testing started in August, run thru October
- ✓ System development on time
- ✓ CSR initial system review started, training to follow
- ✓ Project cut-over tasks completed by October 2025
- ✓ Go-live scheduled for November 3, 2025

PROJECT DASHBOARD

PROJECT STATUS



PROJECT TITLE

Customer Portal Project

PROJECT MANAGER

Mikki Valere

EXECUTIVE SPONSOR

Patty Hanson

DATE OF UPDATE

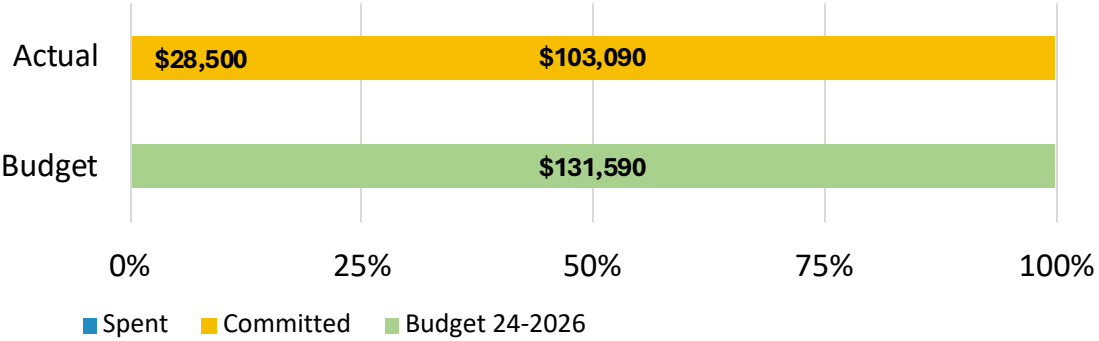
October 14, 2025



SCHEDULE

Project Start Date	March 2025
Baseline Finish Date	November 2025
Estimated Finish Date	October 2025

FINANCIALS



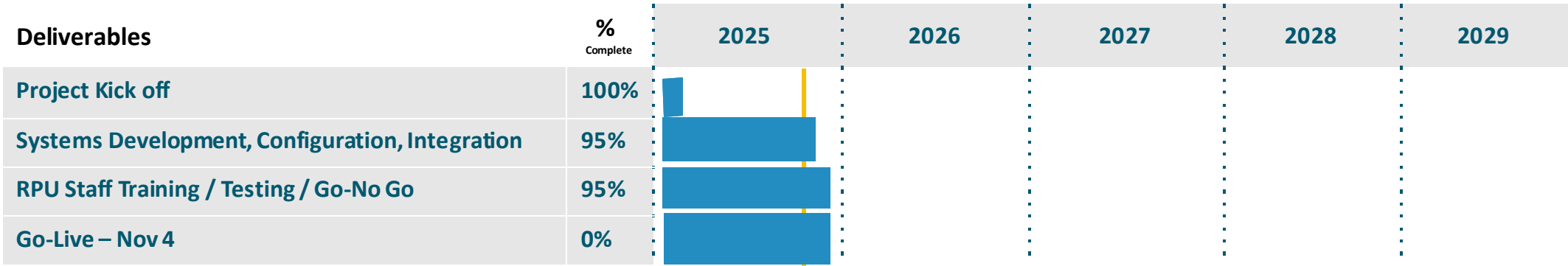
% BUDGET

21%

% COMPLETE

95 %

EXECUTION TIMELINE



KEY RISKS & ISSUES

No.	Description	Severity	Impact	Status
1	Resources	Low	Schedule/Budget	Open
2	System Integrations / Data Migration	High	Schedule/Budget	Open
3	Go-live by November	High	Schedule/Budget	Open

UPCOMING MAJOR MILESTONES

September – October: Testing/training has started and will continue until go-live

October: Project cut-over tasks completed – getting the token file from SEW

November: Go-live

PROJECT STATUS DESCRIPTION

VertexOne (formerly Accelerated Innovations) will assist RPU in the implementation of their MyMeter software, a customer engagement portal solution, by November 2025.

LEAD SERVICE LINE REPLACEMENT PROGRAM

2025 – PHASE 1A/B



PROJECT OVERVIEW

PROJECT SUMMARY:

RPU has initiated the first year of a multi-year program to replace lead and galvanized water services pursuant to the EPA’s Lead and Copper Rule. The work plan for 2025 includes an estimated 48 replacement locations (individual properties). RPU anticipates an overall program cost of \$21M, with funding provided by the Minnesota Drinking Water Revolving Fund.

ACCOMPLISHMENTS:

- ✓ RPU initial coordination of 2025 project scope with Minnesota PFA and Department of Health.
- ✓ Prioritization zones established throughout the service area to help guide the sequence of future projects.
- ✓ 2025 Construction Bids placed on the Sept 2025 RPU Board agenda for award.

PROJECT DASHBOARD

PROJECT STATUS

PROJECT TITLE

2025 Lead Services Replacements

PROJECT MANAGER

Luke Payne

EXECUTIVE SPONSOR

Todd Blomstrom

DATE OF UPDATE

September 16, 2025

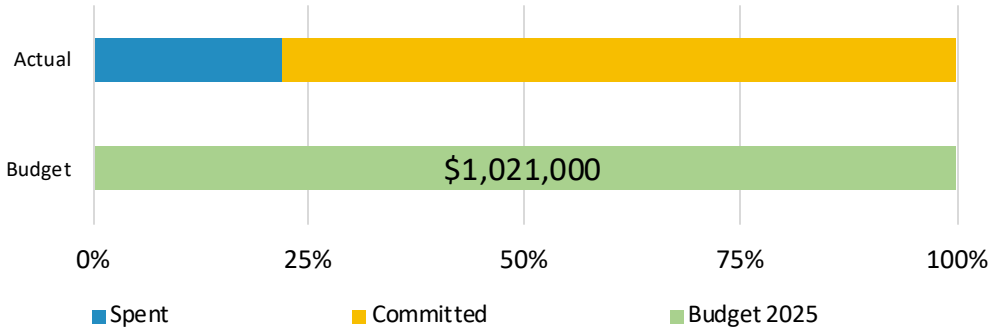
ROCHESTER PUBLIC UTILITIES

WE PLEDGE, WE DELIVER™

SCHEDULE

Project Start Date	December 2024
Baseline Finish Date	June 2026
Estimated Finish Date	June 2026

FINANCIALS



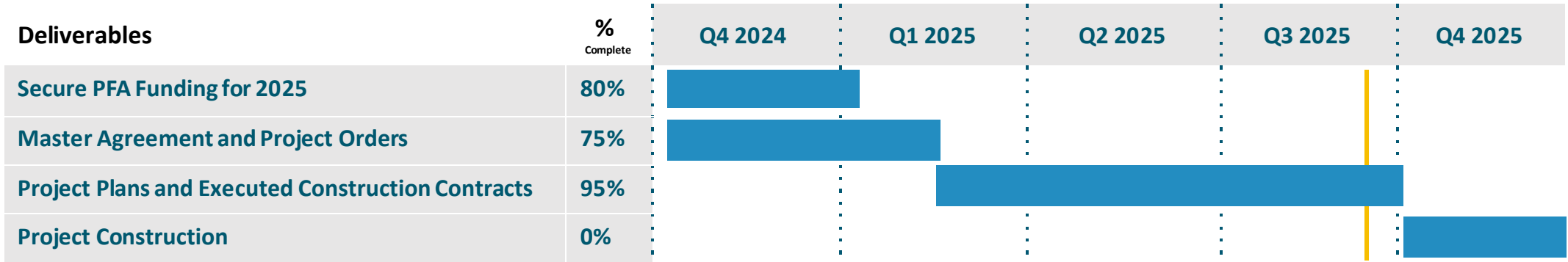
% BUDGET

10%

% COMPLETE

25 %

EXECUTION TIMELINE



KEY RISKS & ISSUES

No.	Description	Severity	Impact	Status
1	Secure DWRF funding for program	High	Schedule/Budget	Open
2	Rate of voluntary participation	High	Schedule/Budget	Open
3	Expansion due to “Unknown” services	Medium	Schedule/Budget	Open

UPCOMING MAJOR MILESTONES

Sept 2025: Award 2025 Construction Contract.

Dec 2025: 2025 LSL Replacements substantially complete.

PROJECT STATUS DESCRIPTION

This is the first year of an anticipated four-year program to replace lead and galvanized water service lines using Minnesota Drinking Water Revolving Funds in compliance with the EPA Lead and Copper Rule. This project is front loaded with tasks to develop the foundation for a multi-year program.



REQUEST FOR ACTION

Division Reports and Metrics for October 2025

MEETING DATE:

October 28, 2025

ORIGINATING DEPT:

Rochester Public Utilities

AGENDA SECTION:

Division Reports & Metrics

PRESENTER:

General Manager, Tim
McCollough

Action Requested:

Review the reports from each of RPU's divisions: Safety, Water Division, Power Delivery, Power Resources, Customer Relations, Information Technology, and Corporate Services.

Report Narrative:

Each division of RPU reports monthly on its metrics and activities to the Board.

Prepared By:

Erin Henry-Loftus

Attachments:

[Exhibit - October Division Reports](#)



OCTOBER 2025

DIVISION REPORTS AND METRICS

SAFETY
WATER DIVISION
POWER DELIVERY
POWER RESOURCES
CUSTOMER RELATIONS
INFORMATION TECHNOLOGY
CORPORATE SERVICES

SAFETY

SAFETY:

TRAINING	Total Required Enrollments	Completions as of 9/30/2025	Percent Complete
September 2025	348	348	100%
Calendar Year to 9/30/2025	5192	5192	100%

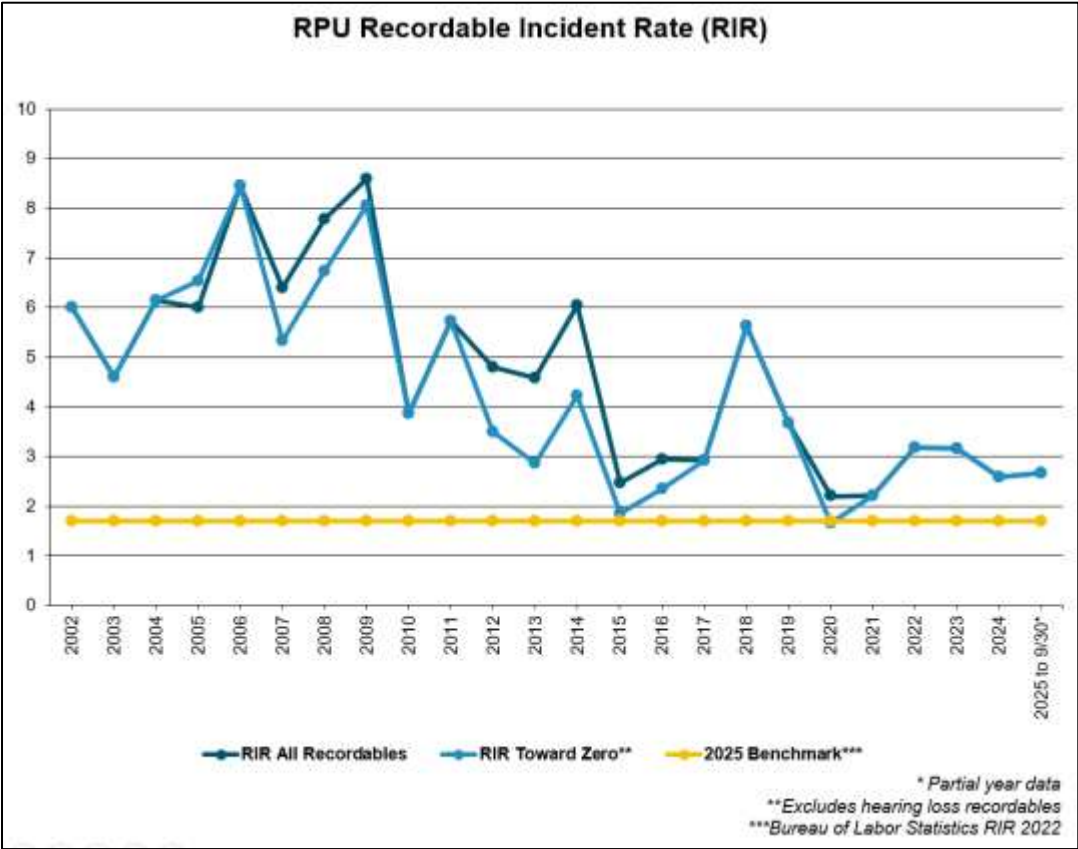
SAFETY TEAMS	Total Members	Members Attending	Percent Attending
September 2025	23	17	73.9%
Calendar Year to 9/30/2025	247	206	83.4%

INCIDENTS	Reports Submitted	OSHA Cases ¹	RPU RIR ²	BLS RIR ³
September 2025	1	0	--	--
Calendar Year to 9/30/2025	11	4	2.66	1.7

- ¹ Deemed to meet OSHA criteria as a recordable case by RPU Safety Manager, subject to change
- ² Recordable Incident Rate – Number of OSHA Recordable Cases per 100 employees.
- ³ Bureau of Labor Statistics nonfatal illnesses and injuries in the utility sector



23 of RPU's 24 departments are recordable injury free in 2025
 221 of RPU's 225 teammates are recordable injury free in 2025.



SAFETY

2025 OSHA RECORDABLE CASE DETAIL				
Work Area	Incident Date	Description	Primary Reason it's a Recordable	Corrective Action
T&D	3/29/2025	Laceration to head while participating in line worker's rodeo	Medical treatment beyond first aid	Researching head protection options
T&D	4/23/2025	Airborne particles blew into eye (L) behind safety glasses requiring medical intervention to remove.	Medical treatment beyond first aid	Reviewed eye protection options
T&D	5/31/2025	Pain in elbow (R) while pulling/stripping cable.	Restricted duty	Researching additional tools for this task
T&D	7/20/2025	Pain in lower back due to lifting armored cable from truck.	Restricted duty	Task will be performed by 2 people or using powered lift

SAFETY INITIATIVES:

1. The updated contractor safety procedures have been formally approved and successfully implemented.
2. A "hide" drill was conducted as part of the workplace violence preparedness program, helping teammates practice appropriate responses in the event of a violent incident.
3. The Safety Technician participated in the National Safety Conference held in Denver, Colorado.

WATER



WATER UTILITY:

1. Water Outage Calculations for the month and year to date(September 2025 Data)

a. Reliability=99.99800141% b. 402 Customers Affected by Outages c. 610.0 Customer Outage Hours d. SAIDI= 0.9 min e. CAIDI= 91.0 min	- Year-to-date Reliability =99.99842630% - Year-to-date Customers Affected by Outages = 2,294 - Year-to-date Customer Outage Hours = 4,370.9 - Year-to-date SAIDI = 6.2 min - Year-to-date CAIDI = 114.3 min
--	--

- Performed 1,860 Gopher State water utility locates during the month for a total of 13,063 for the year.

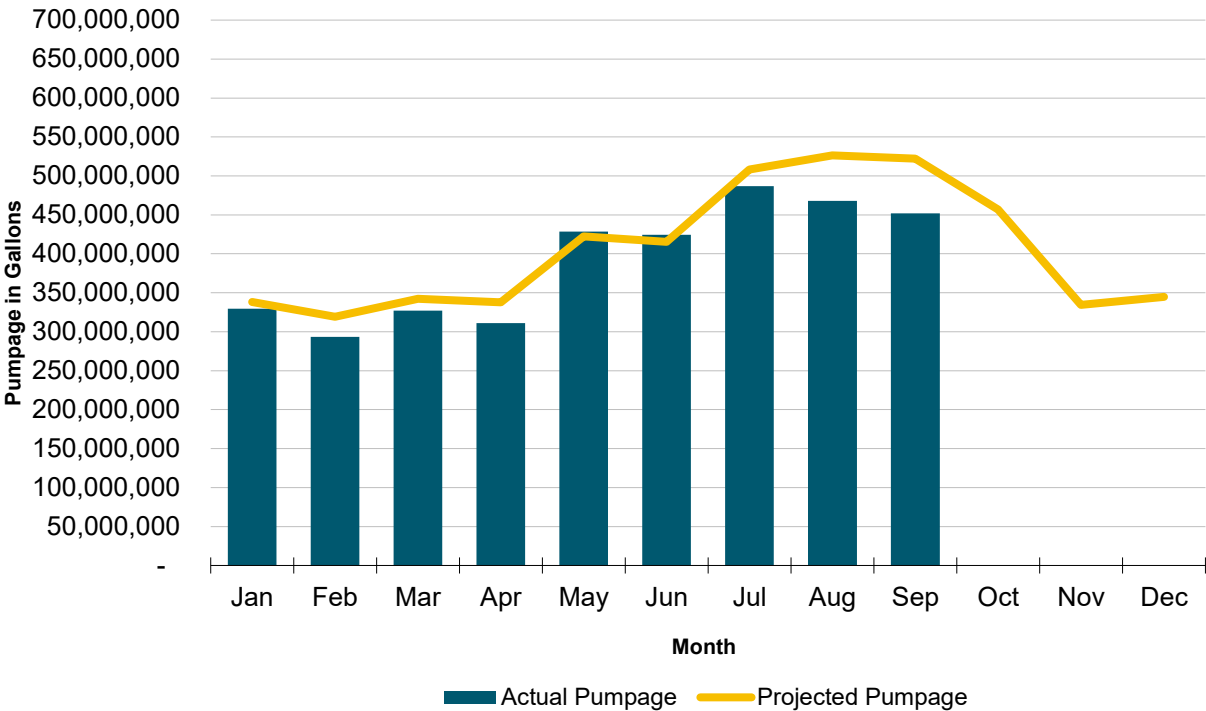
- There are currently 161 Water ERTs that were unable to be read in the system. We are experiencing approximately 27-29 new non-reads per week. The stockroom has the following products available:

500W ERTS:	9,219 available, 29,055 on order
Ultrasonic meters, 5/8" x 1/2":	7,383 available, 1,154 on order
Ultrasonic meters, 5/8" x 3/4":	9,697 available, 13,141 on order

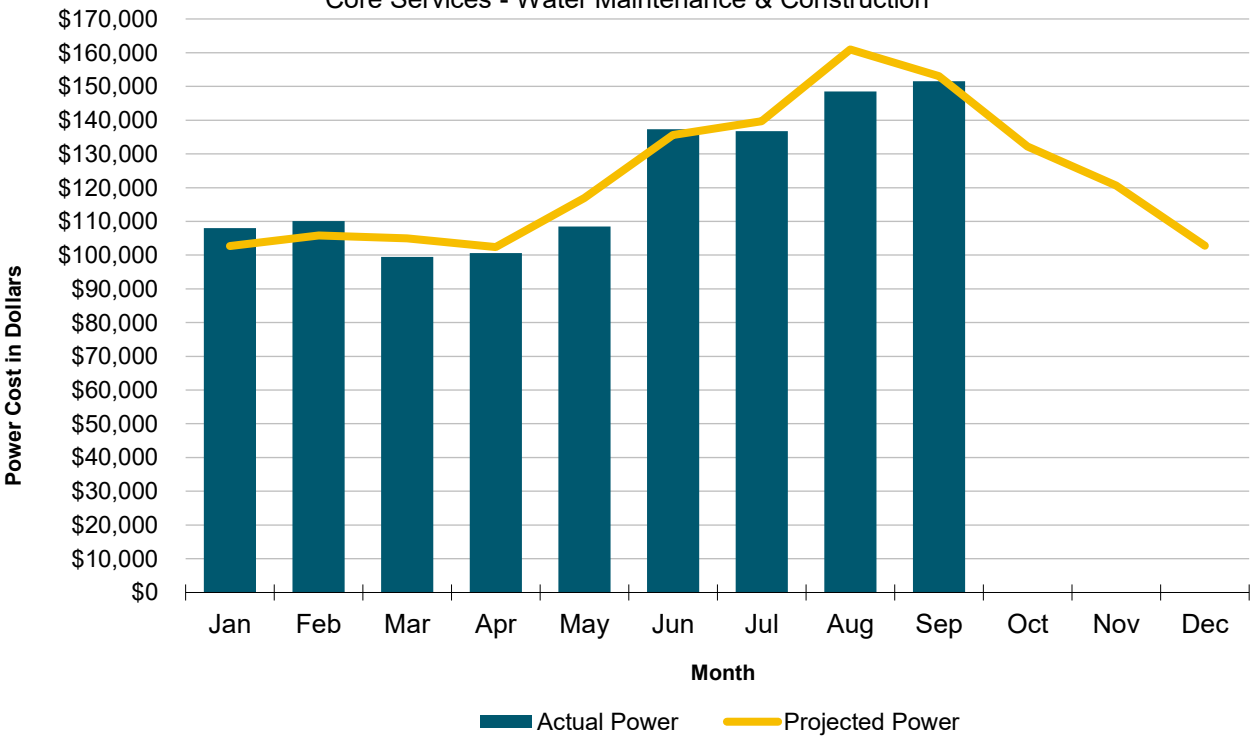
- Repaired water distribution system failures or maintenance at the following locations during the month:
 - 2021 3rd Ave SE (Water Main Break) – 9/6
 - 3903 15th Ave NW (Water Main Break) – 9/6
 - 2203 2nd St SW (Water Main Break) – 9/8
 - 5031 Scarlet Ln SE (Water Main Break) – 9/10
 - 20th St NW west of Edgewood Ct SW (Water Main Break) – 9/11
 - 2025 Edgewood Ct SW (Valve Leak) – 9/11
 - 711 13th Ave SE (Water Main Break) – 9/20

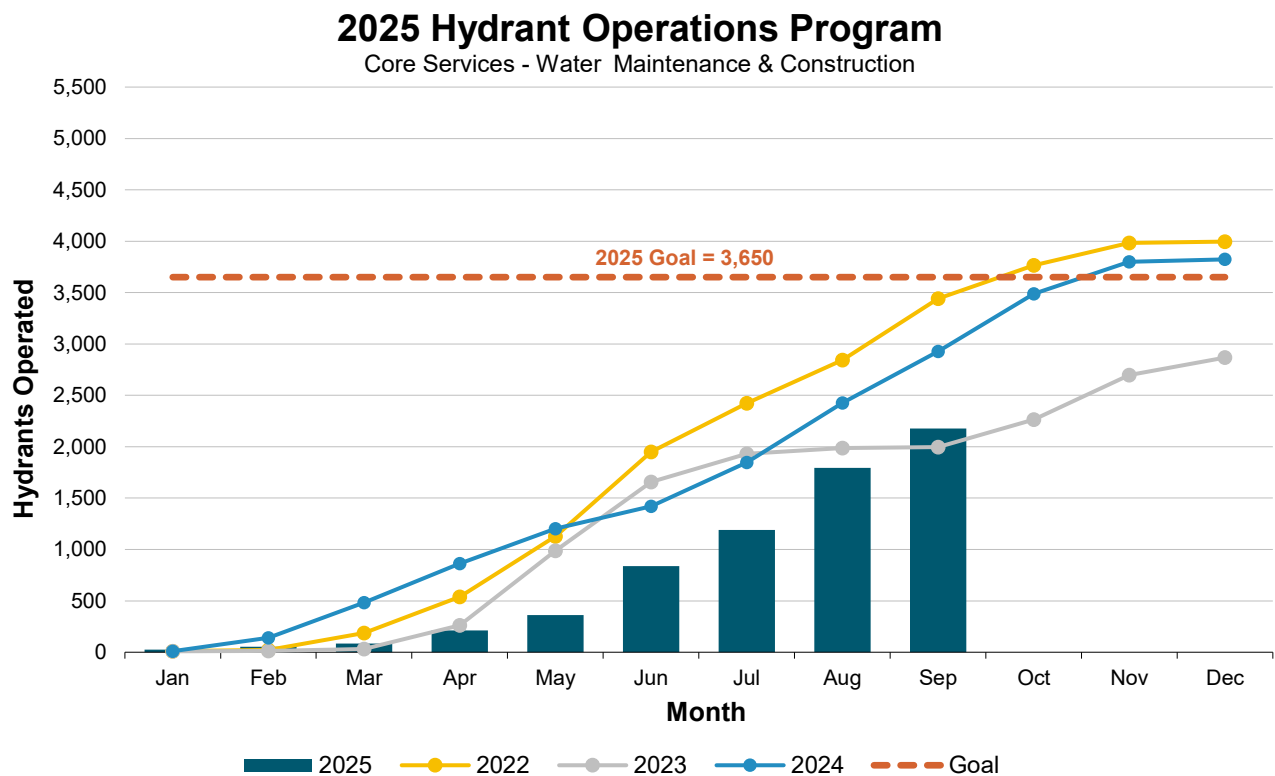
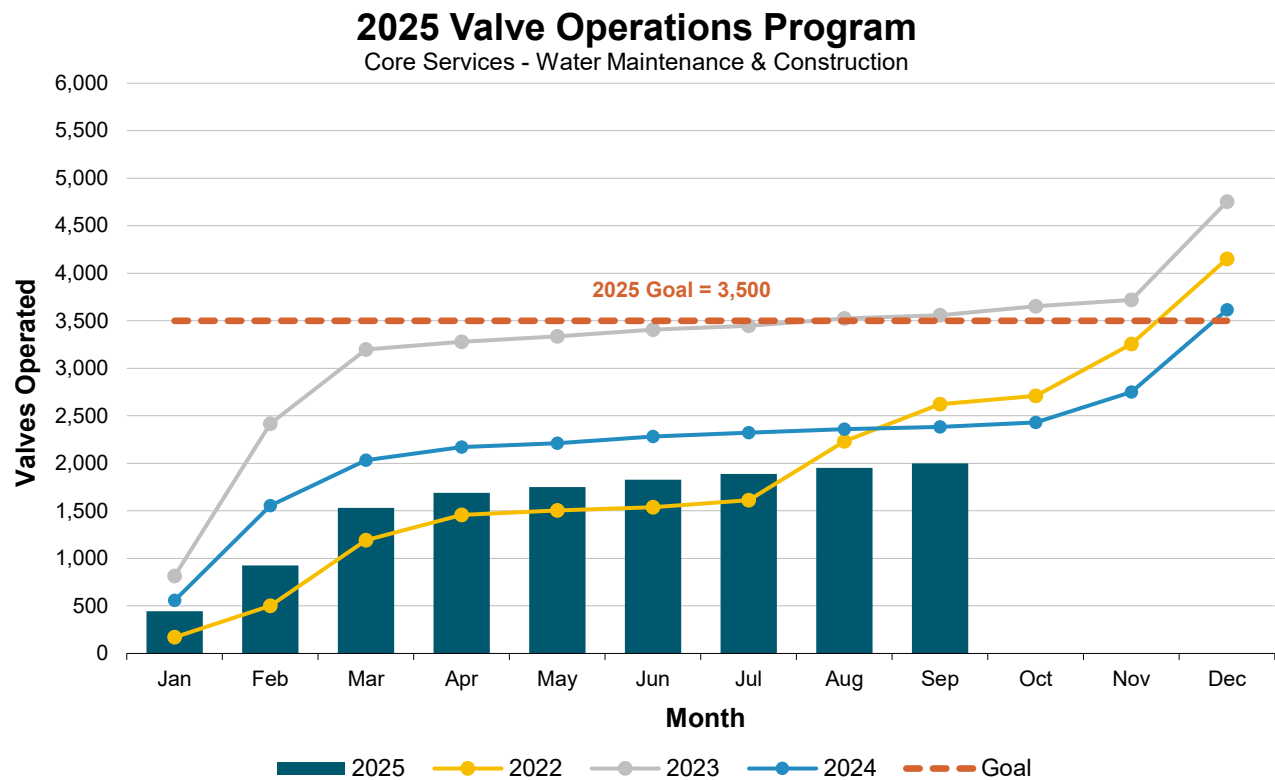
WATER

Actual vs. Projected Pumpage: 2025
Core Services - Water Maintenance & Construction



Actual vs. Projected Power Cost for Wells: 2025
Core Services - Water Maintenance & Construction







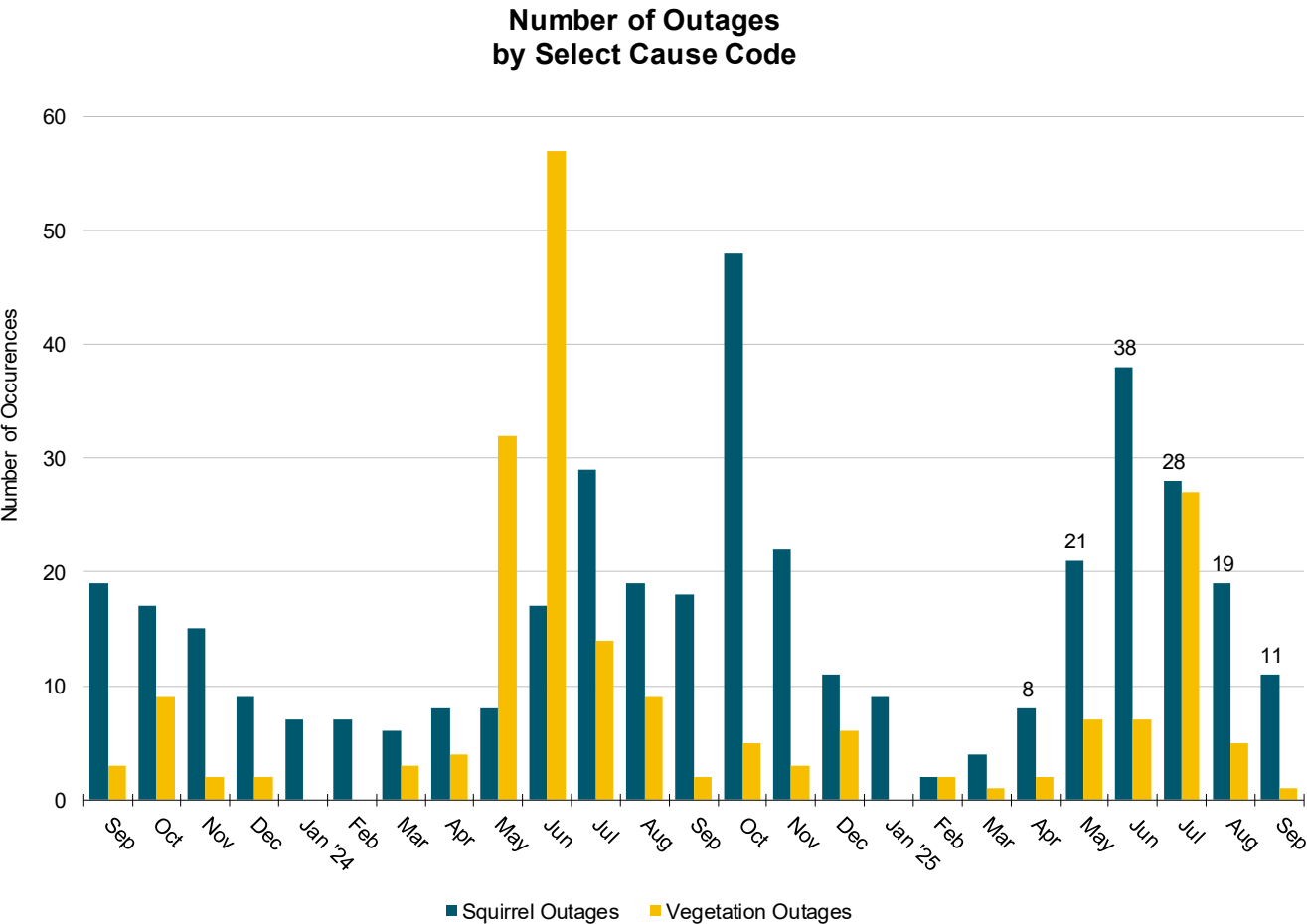
ELECTRIC UTILITY:

1. Electric Outage Calculations for the month and year to date (September 2025 Data)

a. Reliability= 99.99763%	Year-to-date Reliability = 99.99597%
b. 1,199 Customers Affected by Outages	Year-to-date Customers Affected by Outages = 16,749
c. SAIDI= 1.03 min	Year-to-date SAIDI = 15.94 min
d. CAIDI= 51.93 min	Year-to-date CAIDI = 60.10 min

2. Electric Utility Operations – T&D, Engineering, System Ops, GIS, Tech Services:

- The duct bank and fiber conduit installations are now complete for the Marion Road Duct Project. Installation of the remaining segments of conductor will start in November, with the goal of commissioning and placing the feeders in service by the end of January 2026.
- Subject Matter Experts from RPU’s NERC Critical Infrastructure Protection (CIP) and Operations Teams have been working with The Midwest Reliability Organization (MRO) on a regularly scheduled audit. Audit activities will commence through the end of the year.
- System Operations participated in the first week of a multi-week Power System Restoration Drill (PSR) with MISO and all other MISO North Transmission Operators. The drill is a semiannual exercise, led by MISO, to simulate the restoration of the MISO North Bulk Power System following a regional blackout utilizing MISO’s and the Transmission Operator’s black-start operating procedures. The second week of the drill will be the week of 10/13.

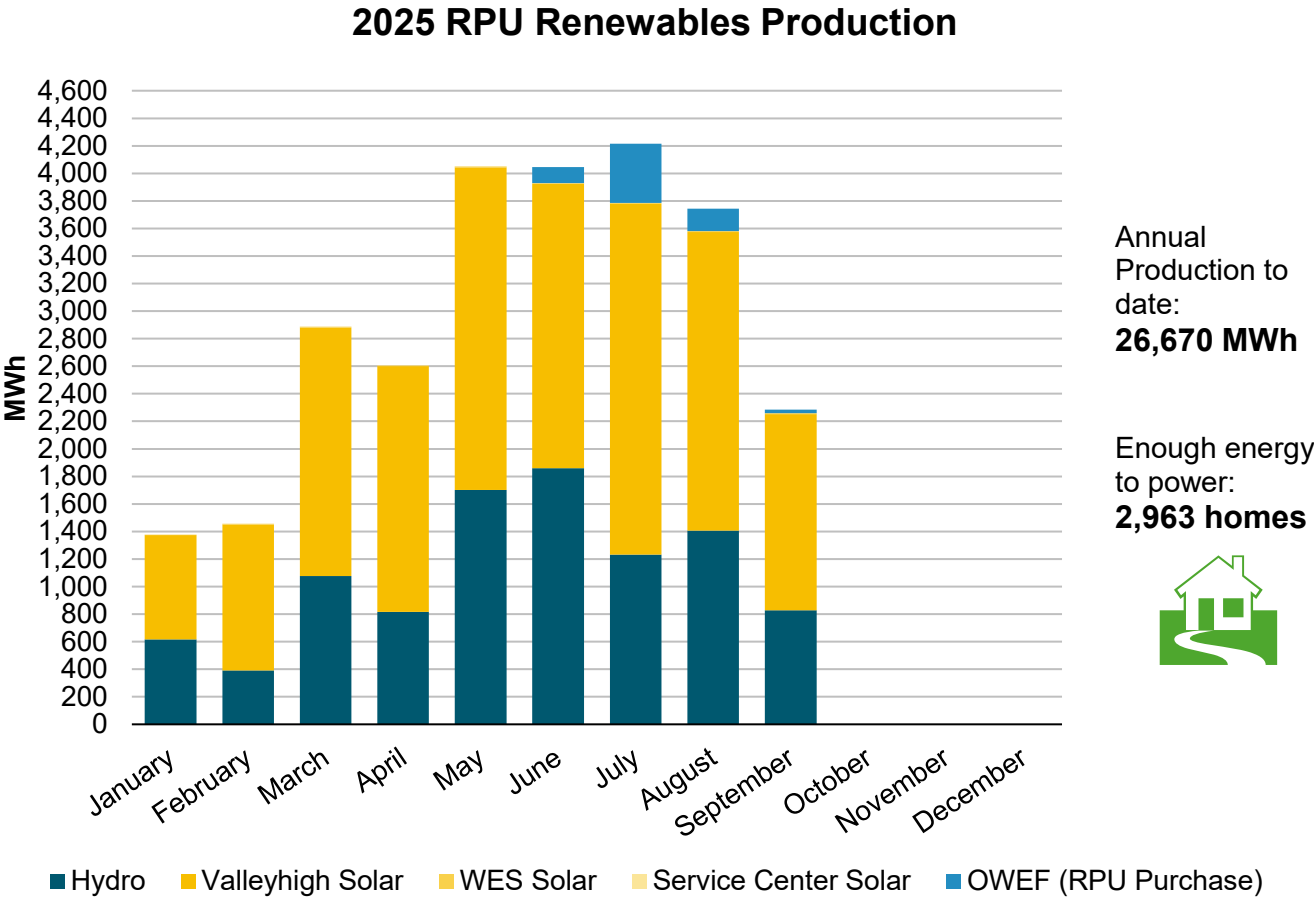


Summary of individual electrical outages (greater than 200 customers – September 2025 data)

# Customers	Date	Duration	Cause
1,917	9/15/2025	3m	Human Cause
1,691	9/15/2025	3m	Human Cause
891	9/12/2025	51m	Vegetation
594	9/15/2025	3m	Human Cause
554	9/15/2025	3m	Human Cause

Summary of aggregated incident types (greater than 200 customers – September 2025 data)

# Customers	Total # of Incidents	Cause
4,758	5	Human Cause
891	1	Vegetation



WHOLESALE OPERATIONS:

1. INSERT

a. Ancillary Service Market – Supplemental Reserves

- i. Cleared DA
 - 1. GT2 – 22 days
 - 2. WES – 26 days
- ii. Deployment YTD
 - 1. GT2 – 0
 - 2. WES – 1

b. Dispatched by MISO

i.	GT1	– 0 times	YTD	12 times
ii.	GT2	– 23 times	YTD	116 times
iii.	WES	– 26 times	YTD	188 times

c. Hours of Operation

i.	GT1	– 0 hours	YTD	67 hours
ii.	GT2	– 144 hours	YTD	870 hours
iii.	WES	– 193 hours	YTD	1584 hours

d. Electricity Generated

i.	GT1	– 0 MWh	YTD	1386 MWh
ii.	GT2	– 4099 MWh	YTD	29376 MWh
iii.	WES	– 6408 MWh	YTD	50471 MWh

e. Forced Outage

i.	GT1	– 720 hours	YTD	3050 hours
ii.	GT2	– 20 hours	YTD	437 hours
iii.	WES	– 0 hours	YTD	398 hours

MISO market Real-Time Price averaged \$ 44.70 /MWh and Day Ahead Price averaged \$ 40.39/MWh.

STAKEHOLDER ENGAGEMENT, FORUMS, AND MEETINGS:

1. Marketing & Energy Services is actively participating in the State of Minnesota's advisory committee for the development of the *Technical Resource Manual (TRM) 5.0*. Led by the Department of Commerce, with support from Cadmus and Franklin Energy, the TRM documents energy conservation measures, technical calculations, supporting data, and guidelines used to determine cost and energy savings for each measure.
2. Marketing & Energy Services attended the ASHRAE September meeting. The presentation by Bruce Barrett, MMS, covered geothermal system design options and considerations as well as relevant changes to federal tax credits.
3. Marketing & Energy Services attended the Minnesota Energy Innovation Summit on October 13 in Minneapolis. This summit featured break-out sessions on several different topics including geothermal, fleet electrification, next-gen technology, and mapping an electric future.
4. On Wednesday, October 15, we attended the Save Energy Minnesota Utility Coordination Meeting to review highlights from the coordination summary report and discuss the upcoming Home Electrification and Appliance Rebate (HEAR) Pilot launch and implementation timeline. This program is funded by the U.S. Department of Energy and administered by the Minnesota Department of Commerce.
5. Marketing & Energy Services will attend the Drive Electric MN Annual Event on October 28 at the University of Minnesota Minneapolis campus. The event brings together influential electric vehicle leaders and decision makers, including utility partners, government officials, advocates, and industry innovators.

EVENTS/OPPORTUNITIES FOR CUSTOMERS:

1. Customer Care and Collections continue to make outreach calls to customers with past due balances on their accounts. The intent is to be proactive and connect these customers with outside resources for financial assistance. In September, a total of 813 customers were contacted.
2. On October 11, Marketing & Energy Services hosted a Community Education class titled "Solar Energy for Your Home or Business." The session was attended by eight participants and was designed to provide educational insights for customers interested in solar energy systems and storage solutions.
3. Marketing and Energy Services had a booth at two Counters Days, one hosted by Viking Electric on October 10 and another by Crescent Electric on October 30, to showcase our programs to local contractors.

COMMUNICATIONS:

1. Raquel will be attending the Minnesota Association of Government Communicators (MAGC) 2025 Fall Conference on October 22 in Brooklyn Center. The event will bring together more than 200 government communicators for networking and professional development, with sessions focused on topics such as AI and digital accessibility.
2. The City Council has approved a digital services agreement to transition RPU's website (rpu.org), along with the City of Rochester and Rochester Public Library sites, to a new provider,

CUSTOMER RELATIONS (Contact Center, Utility Programs & Services, Commercial & Residential)

GovStack. The new platform will provide consistent user experience and meet accessibility standards as required under new Department of Justice rules that take effect in April. The transition is now underway, and I will be working with an internal RPU group to organize content and begin the redesign process to ensure compliance by the deadline.

ENERGY CONSERVATION KWH YEAR TO DATE SAVINGS: 90.2% to goal

WATER CONSERVATION GALLONS YEAR TO DATE SAVINGS: 286.1% to goal

INFORMATION SERVICES:

Over the past month, the Information Technology Division has focused on modernization, security, and efficiency. Key accomplishments include:

- **Customer Portal Replacement:** Advanced initiative to replace customer portal. Staging is nearly complete for an expected November rollout.
- **Energy Reliability Regulatory Audit:** Completed mandatory reliability standards audit. This process validated our compliance posture and provided valuable insight for ongoing security and process improvements.
- **Continuous Improvement Initiatives:** Advanced several efforts to simplify and modernize our technological environment, including:
 - Transitioning from older computer antivirus software to a newer, cloud-managed platform for efficiency and cost savings.
 - Transitioning from on-premises multifactor authentication (MFA) solution to cloud-based MFA platform for remote connectivity. This will reduce complexity and eliminate several on-premises servers.
 - Decommissioned on-premises email server infrastructure and consolidated in Microsoft online email system.
- **Cyber Security Training:** Ongoing effort to educate end users with online training sessions to enhance cyber security awareness and skills.
- **New Password Manager Training:** Conducted several training sessions on the new password manager application to equip users to securely and efficiently store and retrieve passwords.
- **Ticketing System Review:** Evaluated and recommended replacement of internal ticketing system. The replacement system will combine into one platform enhanced support ticketing, project management, and change management. The new ticketing system will be used primarily for IT support but will have the capability to provide ticketing for other service-oriented departments such as Business Services, Facilities, and GIS.

These initiatives reflect our commitment to reducing complexity, strengthening cybersecurity, and improving services for staff and the community.

CORPORATE SERVICES**PURCHASING AND MATERIALS MANAGEMENT:**

- A request for proposal for LIDAR survey services received three responses. Current in the evaluation process.
- Insurance Renewal: Working with North Risk Partners to update asset lists and valuation to solicit quotes for coverage. As identified during the power resource planning process, the cost of generation assets has increased significantly during the past year. Management is reevaluating the current coverage levels for property insurance and will bring a recommendation to the October Board meeting. Management is also evaluating our current cyber risk coverage.

FINANCE AND ACCOUNTING:

- Bond Rating: Fitch, one of two bond rating agencies for RPU has completed their annual review and budget projections including the 2027 proposed bond issuance in the current budget and has reaffirmed the AA stable rating. Moody's is in the process of conducting their annual review.
- Budget: Based on the Board direction at the September 30, 2025, meeting, management has prepared and updated Electric Utility Budget that reflects the changes in the anticipated renewable power purchase agreements (245MW Wind PPA) compared to what was presented on August 5. Wholesale power costs and an average potential market exposure risk (\$13 million per year) have been included in the wholesale power cost and revenue forecast for the years 2027 through 2030.
- Rates Policy Review: Management will be reviewing proposed changes to the current rates policy with the ad hoc Board group during October with a goal of bringing the first draft to the full Board in November 2025.
- The Utility entered the Cold Weather Protection (CWP) period on October 1, 2025 and is now following the updated involuntary disconnection policy that allows for the disconnection of service in accordance with CWP State Statutes.
- Enterprise Resource Planning (ERP) software: The selection committee has identified a finalist to move forward into negotiation phase. This recommendation will be made to the City Council on Monday, October 20, 2025. While the final project and costs have not been determined, we anticipate that the current amount in the 2026 – 2027 recommended budget will need to be increase in the next budget cycle to provide a 25% (\$3.9 million) contingency if this project is approved.
- The Electric Utility is required to provide regulatory reporting on a basis established by the Federal Energy Regulatory Commission (FERC basis). This reporting standard has been changed for 2025 in how computer hardware, software, communications equipment and some renewable assets are classified. This is a significant effort that will be completed before the 2025 financial audit process begins in February 2026.

CORPORATE SERVICES

FINANCIAL RESULTS:

Note: Budget numbers are compared to the Board approved 2025 budget. The 2025 budget has been updated to reflect 2024 projects that were not completed in 2024

August 2025

	Current Month			Year to Date		
(In Thousands)	Actual	Budget	Variance	Actual	Budget	Variance
Revenue - Electric	\$ 20,693	\$ 20,628	\$ 65	\$ 133,829	\$ 127,499	\$ 6,330
Revenue - Water	1,311	1,250	61	9,366	8,891	475
Change in Net Position - Electric	6,709	6,127	582	31,630	18,439	13,191
Change in Net Position - Water	410	241	169	4,528	1,110	3,418

ROCHESTER PUBLIC UTILITIES

INDEX

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DATE: August 2025

TO: _____

From: **Judith Anderson** (507) 292-1217
Controller

SUBJ: **RPU - Financial Statements**

RPU - ELECTRIC UTILITY Financial Reports

REPORT TITLE:

Statement of Net Position - Condensed
Statement of Revenues, Expenses
& Changes in Net Position YTD
Statement of Cash Flows YTD
Production and Sales Statistics - YTD
GRAPH - Capital Expenditures
GRAPH - Major Maintenance Expenditures
GRAPH - Cash & Temporary Investments
GRAPH - Changes in Net Position
GRAPH - Bonds

RPU - WATER UTILITY Financial Reports

REPORT TITLE:

Statement of Net Position - Condensed
Statement of Revenues, Expenses
& Changes in Net Position YTD
Statement of Cash Flows YTD
Production and Sales Statistics - YTD
GRAPH - Capital Expenditures
GRAPH - Major Maintenance Expenditures
GRAPH - Cash & Temporary Investments
GRAPH - Changes in Net Position

END OF BOARD PACKET FINANCIALS

ROCHESTER PUBLIC UTILITIES
STATEMENT OF NET POSITION
ELECTRIC UTILITY
August 31, 2025

	<u>August 2025</u>	<u>August 2024</u>	<u>Difference</u>	<u>% Diff.</u>	<u>July 2025</u>
ASSETS					
CURRENT ASSETS					
CASH & INVESTMENTS					
Unreserved Cash & Investments	24,894,424	56,658,525	(31,764,101)	(56.1)	20,263,717
BOARD RESERVED CASH & INVESTMENTS					
Clean Air Rider Reserve	3,890,467	4,621,587	(731,119)	(15.8)	3,890,467
Working Funds Reserve	23,031,000	22,807,000	224,000	1.0	23,031,000
Special Capital & Major Maintnce Reserve	54,795,344	4,295,344	50,500,000	1,175.7	54,795,344
Contingency Reserve	13,333,000	12,680,000	653,000	5.1	13,333,000
General Capital & Major Maintnce Reserve	21,496,900	20,549,554	947,346	4.6	23,795,080
Total Reserved Cash & Investments	116,546,712	64,953,485	51,593,226	79.4	118,844,892
Total Cash & Investments	141,441,136	121,612,010	19,829,126	16.3	139,108,609
Receivables & Accrued Utility Revenues	31,881,434	39,881,258	(7,999,824)	(20.1)	33,676,644
Inventory	7,637,932	11,201,788	(3,563,857)	(31.8)	7,960,107
Other Current Assets	2,610,573	2,155,810	454,764	21.1	2,621,198
RESTRICTED ASSETS					
Restricted Cash and Equivalents	7,424,217	7,289,017	135,200	1.9	6,283,645
Total Current Assets	190,995,292	182,139,883	8,855,409	4.9	189,650,202
NON-CURRENT ASSETS					
RESTRICTED ASSETS					
RESTRICTED CASH & INVESTMENTS					
Debt Service Reserve	12,467,412	12,298,540	168,871	1.4	12,608,320
Funds Held in Trust	49	49	-	-	49
Total Restricted Cash & Investments	12,467,460	12,298,589	168,871	1.4	12,608,369
Total Restricted Assets	12,467,460	12,298,589	168,871	1.4	12,608,369
CAPITAL ASSETS					
NON-DEPRECIABLE ASSETS					
Land and Land Rights	12,373,693	11,351,222	1,022,471	9.0	12,373,693
Construction Work in Progress	58,281,032	52,697,688	5,583,344	10.6	54,590,169
Total Non-depreciable Assets	70,654,725	64,048,910	6,605,815	10.3	66,963,862
DEPRECIABLE ASSETS					
Utility Plant in Service, Net	248,053,785	238,173,012	9,880,773	4.1	248,572,398
Steam Assets, Net	98,186	392,743	(294,557)	(75.0)	122,732
Subscription-Based IT Arrangements, Net	1,759,795	2,176,429	(416,634)	(19.1)	1,793,884
Total Depreciable Assets	249,911,766	240,742,184	9,169,582	3.8	250,489,014
Net Capital Assets	320,566,490	304,791,094	15,775,396	5.2	317,452,876
Other Non-Current Assets	18,196,196	10,788,665	7,407,532	68.7	18,222,930
Total Non-Current Assets	351,230,147	327,878,347	23,351,800	7.1	348,284,175
TOTAL ASSETS	542,225,439	510,018,230	32,207,208	6.3	537,934,377
DEFERRED OUTFLOWS OF RESOURCES					
DEFERRED OUTFLOWS OF RESOURCES	2,559,591	3,109,203	(549,612)	(17.7)	2,608,647
TOTAL ASSETS + DEFERRED OUTFLOW RESOURCE	544,785,030	513,127,434	31,657,596	6.2	540,543,024
LIABILITIES					
CURRENT LIABILITIES					
Accounts Payable	17,916,130	15,641,532	2,274,599	14.5	19,568,150
Due to other funds	3,769,170	3,728,051	41,119	1.1	3,716,339
Customer Deposits	2,597,002	2,442,048	154,954	6.3	2,576,852
Compensated absences	2,510,620	2,307,819	202,801	8.8	2,518,084
Accrued Salaries & Wages	579,479	560,264	19,215	3.4	1,390,190
Interest Payable	1,420,467	1,491,517	(71,050)	(4.8)	946,978
Current Portion of Long Term Debt	8,005,000	7,730,000	275,000	3.6	8,005,000
Misc Other Current Liabilities	286,892	441,470	(154,579)	(35.0)	286,554
Total Current Liabilities	37,084,760	34,342,701	2,742,059	8.0	39,008,148
NON-CURRENT LIABILITIES					
Compensated absences	1,449,975	1,514,100	(64,124)	(4.2)	1,440,410
Other Non-Current Liabilities	8,661,220	13,148,567	(4,487,347)	(34.1)	8,661,220
Unearned Revenues	1,638,980	1,684,296	(45,316)	(2.7)	1,776,520
Long-Term Debt	139,847,489	148,898,015	(9,050,526)	(6.1)	139,932,791
Misc Other Non-Current Liabilities	846,998	1,041,619	(194,621)	(18.7)	846,998
Total Non-Current Liabilities	152,444,662	166,286,596	(13,841,934)	(8.3)	152,657,938
TOTAL LIABILITIES	189,529,422	200,629,297	(11,099,875)	(5.5)	191,666,086
DEFERRED INFLOWS OF RESOURCES					
DEFERRED INFLOWS OF RESOURCES	12,677,811	12,393,523	284,288	2	13,008,527
NET POSITION					
Net Investment in Capital Assets	183,748,394	158,782,623	24,965,771	15.7	181,178,398
Total Restricted Net Position	6,003,798	5,797,549	206,250	3.6	5,336,715
Unrestricted Net Position	152,825,604	135,524,442	17,301,162	12.8	149,353,298
TOTAL NET POSITION	342,577,796	300,104,613	42,473,183	14.2	335,868,411
TOTAL LIAB,DEFERRED INFLOWS,NET POSITION	544,785,030	513,127,434	31,657,596	6.2	540,543,024

ROCHESTER PUBLIC UTILITIES
Statement of Revenues, Expenses & Changes in Net Position
ELECTRIC UTILITY
August, 2025
YEAR TO DATE

	<u>Actual YTD</u>	<u>Original Budget YTD</u>	<u>Actual to Original Budget</u>	<u>% Var.</u>	<u>Last Yr YTD</u>
SALES REVENUE					
Retail Revenue					
Electric - Residential Service	49,565,197	46,882,228	2,682,969	5.7	44,831,121
Electric - General & Industrial Service	68,801,484	67,992,762	808,723	1.2	66,389,170
Electric - Public Street & Highway Light	1,067,779	1,113,849	(46,070)	(4.1)	1,027,900
Electric - Rental Light Revenue	143,261	154,322	(11,061)	(7.2)	140,450
Electric - Interdepartmental Service	938,324	951,101	(12,777)	(1.3)	898,533
Electric - Power Cost Adjustment	32,972	(960,029)	993,001	103.4	1,409,819
Electric - Clean Air Rider	1,485,869	2,810,692	(1,324,823)	(47.1)	1,355,962
Electric - Total Retail Revenue	122,034,887	118,944,926	3,089,962	2.6	116,052,956
Wholesale Electric Revenue					
Energy & Fuel Reimbursement	6,354,136	3,694,395	2,659,741	72.0	2,968,344
Capacity & Demand	2,290,759	1,123,277	1,167,482	103.9	1,068,845
Total Wholesale Electric Revenue	8,644,895	4,817,672	3,827,223	79.4	4,037,189
Steam Sales Revenue	3,149,347	3,736,627	(587,280)	(15.7)	2,732,679
TOTAL SALES REVENUE	133,829,129	127,499,224	6,329,905	5.0	122,822,824
COST OF REVENUE					
Purchased Power	68,349,391	67,778,547	570,844	0.8	68,041,775
Generation Fuel, Chemicals & Utilities	4,320,290	4,580,258	(259,968)	(5.7)	2,657,792
TOTAL COST OF REVENUE	72,669,681	72,358,805	310,876	0.4	70,699,567
GROSS MARGIN					
Retail	53,685,496	51,166,379	2,519,117	4.9	48,011,181
Wholesale	7,473,952	3,974,041	3,499,911	88.1	4,112,077
TOTAL GROSS MARGIN	61,159,448	55,140,419	6,019,028	10.9	52,123,258
FIXED EXPENSES					
Utilities Expense	333,515	253,886	79,629	31.4	300,534
Depreciation & Amortization	11,477,280	12,346,608	(869,328)	(7.0)	10,497,017
Salaries & Benefits	15,330,331	16,358,882	(1,028,551)	(6.3)	16,765,897
Materials, Supplies & Services	7,298,120	9,263,944	(1,965,824)	(21.2)	6,875,903
Inter-Utility Allocations	(1,180,621)	(1,177,360)	(3,261)	(0.3)	(1,450,734)
TOTAL FIXED EXPENSES	33,258,624	37,045,960	(3,787,336)	(10.2)	32,988,617
Other Operating Revenue	7,542,308	7,060,649	481,659	6.8	6,683,050
NET OPERATING INCOME (LOSS)	35,443,132	25,155,109	10,288,023	40.9	25,817,690
NON-OPERATING REVENUE / (EXPENSE)					
Investment Income (Loss)	3,388,482	2,312,291	1,076,191	46.5	2,797,212
Interest Expense	(3,355,260)	(3,341,348)	(13,912)	(0.4)	(3,497,521)
Amortization of Debt Issue Costs	(59,082)	(59,080)	(2)	(0.0)	(62,865)
Miscellaneous - Net	(32,627)	(6,415)	(26,212)	(408.6)	(94,868)
TOTAL NON-OPERATING REV (EXP)	(58,487)	(1,094,552)	1,036,065	94.7	(858,043)
INCOME (LOSS) BEFORE TRANSFERS / CAPITAL CONTRIBUTIONS	35,384,644	24,060,556	11,324,088	47.1	24,959,647
Transfers Out	(7,735,254)	(7,713,987)	(21,267)	(0.3)	(6,728,480)
Capital Contributions	3,980,552	1,892,000	2,088,552	110.4	6,530,706
Special Items	0	-	-	-	0
CHANGE IN NET POSITION	31,629,942	18,238,569	13,391,373	73	24,761,873
Net Position, Beginning	310,947,854				275,342,740
NET POSITION, ENDING	342,577,796				300,104,613
Debt Coverage Ratio		<u>Rolling 12 Months</u>	<u>Planned for Curr Year</u>		
		5.02	4.19		

ROCHESTER PUBLIC UTILITIES
STATEMENT OF CASH FLOWS
ELECTRIC UTILITY
FOR
AUGUST, 2025
YEAR-TO-DATE

	<u>Actual YTD</u>	<u>Last Yr Actual YTD</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received From Customers	125,795,127	121,484,594
Cash Received From Wholesale & Steam Customer	11,422,377	6,527,963
Cash Paid for:		
Purchased Power	(67,057,858)	(66,242,158)
Operations and Maintenance	(21,834,584)	(23,275,560)
Fuel	(3,800,699)	(2,390,323)
Payment in Lieu of Taxes	(7,532,148)	(6,516,717)
Net Cash Provided by(Used in) Utility Operating Activities	36,992,215	29,587,799
Sewer, Storm Water, Sales Tax & MN Water Fee Collections		
Receipts from Customers	32,618,725	31,846,099
Remittances to Government Agencies	(31,969,671)	(31,133,049)
Net Cash Provided by(Used in) Non-Utility Operating Activities	649,054	713,050
NET CASH PROVIDED BY(USED IN) OPERATING ACTIVITIES	37,641,269	30,300,849
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES		
Additions to Utility Plant & Other Assets	(19,645,491)	(18,840,113)
Payments related to Service Territory Acquisition	(121,372)	(112,842)
Payment on Long-Term Debt	-	-
Net Bond/Loan Receipts	-	-
Cash Paid for Interest & Commissions	(2,854,785)	(3,009,100)
NET CASH PROVIDED BY(USED IN) CAPITAL & RELATED ACTIVITIES	(22,621,648)	(21,962,055)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Earnings on Investments	2,322,742	1,986,278
Construction Fund (Deposits)Draws	-	-
Bond Reserve Account	(6,284,551)	(5,862,119)
Escrow/Trust Account Activity	-	-
NET CASH PROVIDED BY(USED IN) INVESTING ACTIVITIES	(3,961,809)	(3,875,841)
Net Increase(Decrease) in Cash & Investments	11,057,812	4,462,953
Cash & Investments, Beginning of Period	130,383,324	117,149,059
CASH & INVESTMENTS, END OF PERIOD	141,441,136	121,612,012
Externally Restricted Funds	19,891,677	19,587,606
Grand Total	161,332,813	141,199,618

**ROCHESTER PUBLIC UTILITIES
PRODUCTION & SALES STATISTICS
ELECTRIC UTILITY**

**August, 2025
YEAR-TO-DATE**

						Last Yr	
		<u>Actual YTD</u>	<u>Budget YTD</u>	<u>Variance</u>	<u>% Var.</u>	<u>Actual YTD</u>	
9	ENERGY SUPPLY (kWh)	(primarily calendar month)					
10	Net Generation						
11	IBM Diesel Generators	16,704	-	16,704	-	16,311	
12	Lake Zumbro Hydro	9,100,830	8,137,320	963,510	11.8	8,879,145	
13	Cascade Creek Gas Turbine	26,662,815	21,401,819	5,260,996	24.6	20,662,746	
14	Westside Energy Station	44,062,900	34,250,638	9,812,262	28.6	27,039,650	
15	Total Net Generation	79,843,249	63,789,777	16,053,472	25.2	56,597,852	
16	Other Power Supply						
17	Firm Purchases	796,500,147	803,939,540	(7,439,393)	(0.9)	784,399,028	
18	Non-Firm Purchases	3,423,210	3,065,240	357,970	11.7	3,376,206	
19	LRP Received	-	-	-	-	-	
20	Total Other Power Supply	799,923,357	807,004,780	(7,081,423)	(0.9)	787,775,234	
21	TOTAL ENERGY SUPPLY	879,766,606	870,794,557	8,972,049	1.0	844,373,086	
22	ENERGY USES (kWh)	(primarily billing period)					
23	Retail Sales	<u># Custs</u>					
24	Electric - Residential Service	55,896	268,528,140	258,745,565	9,782,575	3.8	252,641,207
25	Electric - General Service & Industrial	5,242	505,999,948	523,971,047	(17,971,099)	(3.4)	508,969,971
26	Electric - Street & Highway Lighting	3	2,254,557	2,362,137	(107,580)	(4.6)	2,288,168
27	Electric - Rental Lights	n/a	435,394	458,594	(23,200)	(5.1)	479,149
28	Electric - Interdptmntl Service	1	5,600,680	6,034,617	(433,937)	(7.2)	5,470,503
29	Total Customers	61,142					
30	Total Retail Sales		782,818,719	791,571,960	(8,753,241)	(1.1)	769,848,997
31	Wholesale Sales		70,851,621	55,652,456	15,199,165	27.3	47,798,276
32	Company Use		3,812,215	5,243,388	(1,431,173)	(27.3)	4,051,520
33	TOTAL ENERGY USES		857,482,555	852,467,804	5,014,751	0.6	821,698,793
34	Lost & Unacctnd For Last 12 Months		33,876,895	2.7%			
35	STEAM SALES (mlbs)	(primarily billing period)					
36	Steam Sales in Mlbs		237,996	291,600	(53,604)	(18.4)	275,867

ROCHESTER PUBLIC UTILITIES
PRODUCTION & SALES STATISTICS (continued)
ELECTRIC UTILITY

August, 2025

YEAR-TO-DATE

Last Yr

Actual YTD Budget YTD Variance % Var. Actual YTD

FUEL USAGE

(calendar month)

Gas Burned

SLP	331,708	MCF	422,820	MCF	(91,112)	(21.5)	370,573	MCF
Cascade	264,238	MCF	245,775	MCF	18,463	7.5	211,682	MCF
Westside	351,069	MCF	270,580	MCF	80,489	29.7	242,411	MCF
Total Gas Burned	947,015	MCF	939,175	MCF	7,840	0.8	824,666	MCF

Oil Burned

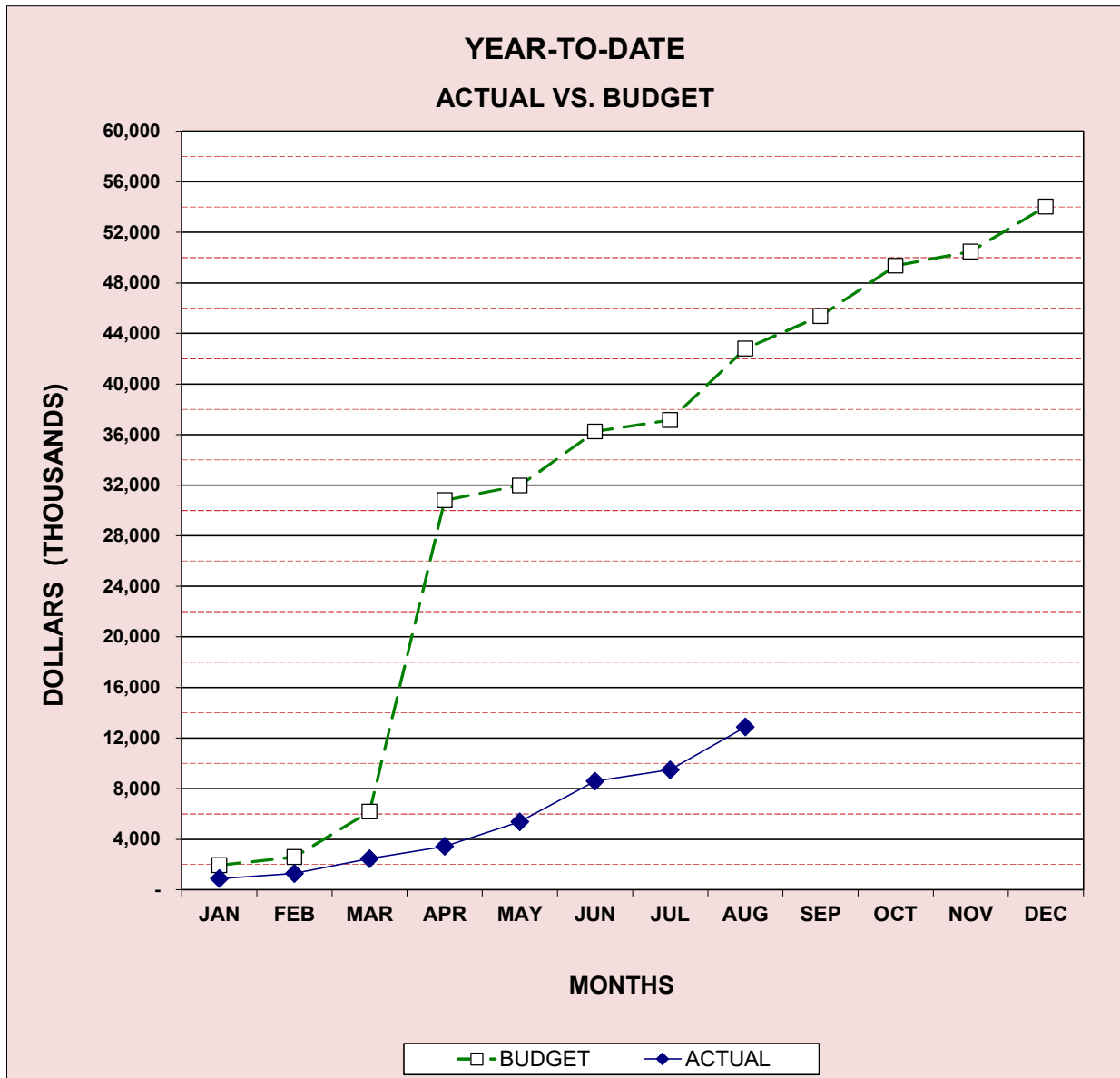
Cascade	40,245	GAL	-	GAL	40,245	-	7,983	GAL
IBM	1,332	GAL	-	GAL	1,332	-	1,320	GAL
Total Oil Burned	41,577	GAL	-	GAL	41,577	-	9,303	GAL

CAPITAL EXPENDITURES ELECTRIC

Current Year	
ANNUAL BUDGET	52,040,102
ACTUAL YTD	12,877,589
% OF BUDGET	24.7

August, 2025

Prior Years Ending Dec 31st		
2024	2023	2022
47,781,947	38,932,416	24,799,405
14,618,891	13,858,241	10,976,457
30.6	35.6	44.3



MAJOR MAINTENANCE EXPENDITURES ELECTRIC

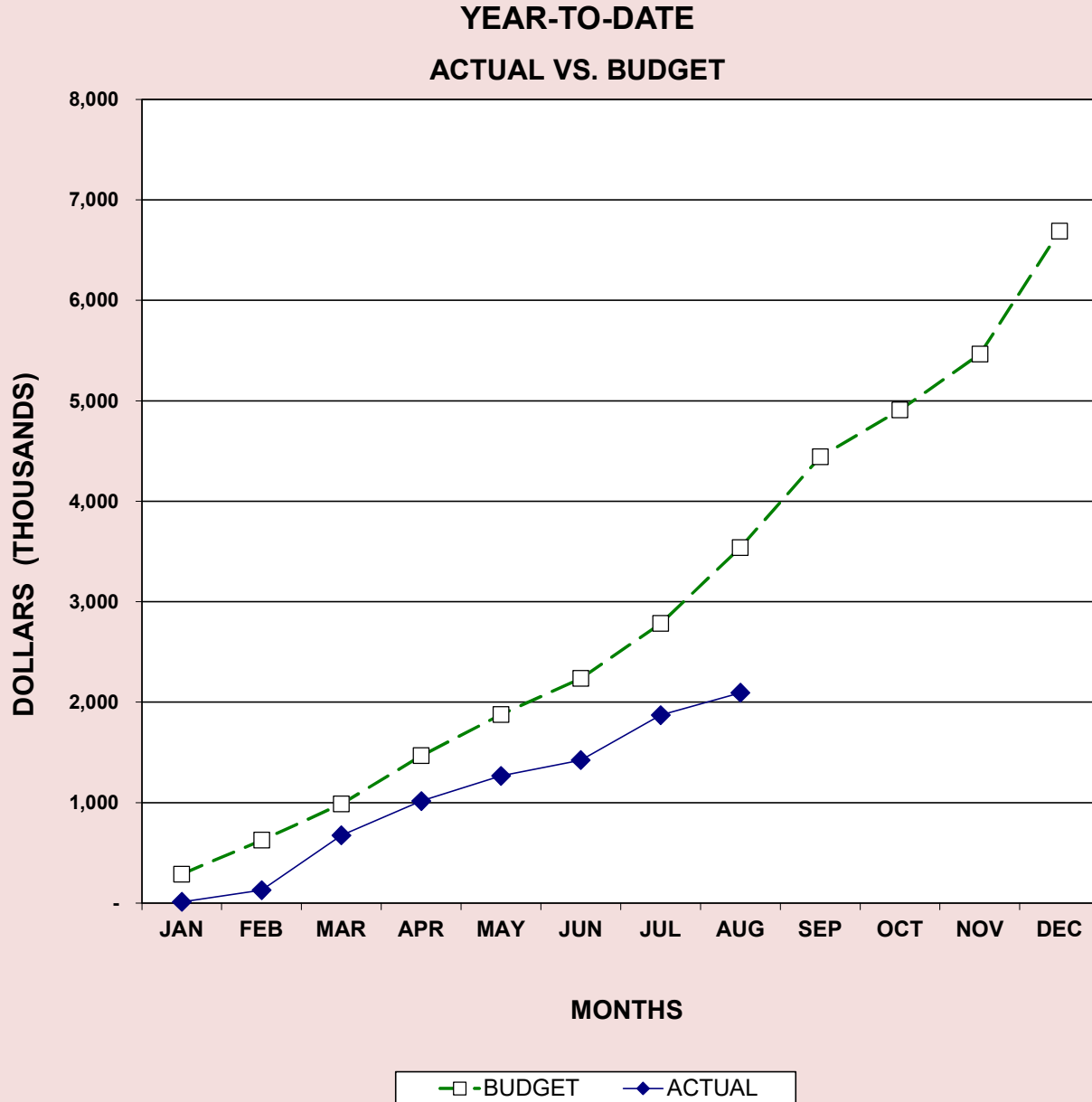
Current Year

ANNUAL BUDGET 6,688,678
 ACTUAL YTD 2,093,894
 % OF BUDGET 31.3

August, 2025

Prior Years Ending Dec 31st

2024	2023	2022
5,173,960	4,855,403	8,589,452
2,693,598	3,807,729	6,479,286
52.1	78.4	75.4

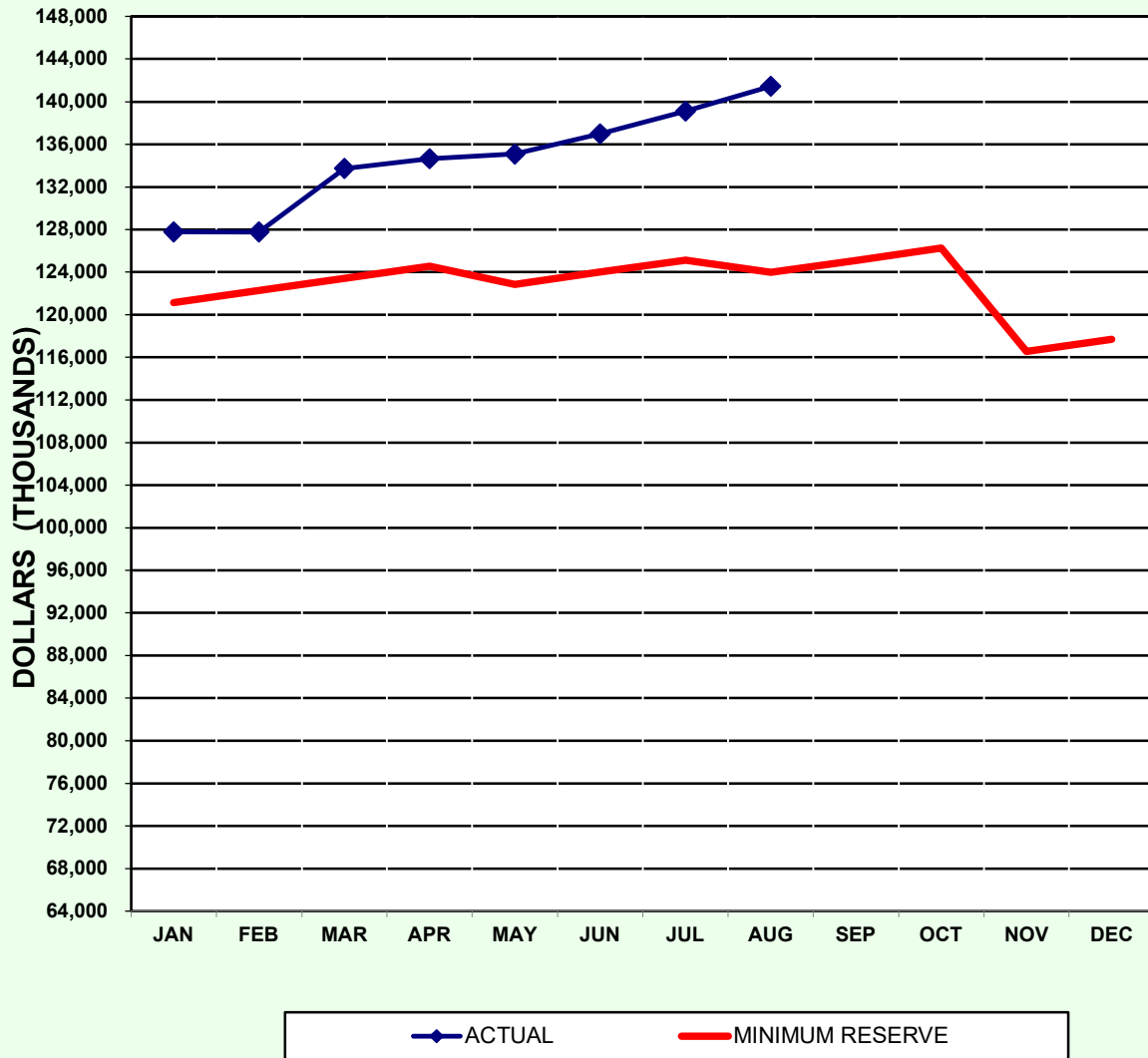


CASH AND TEMPORARY INVESTMENTS ELECTRIC

August, 2025

YEAR-TO-DATE ACTUAL

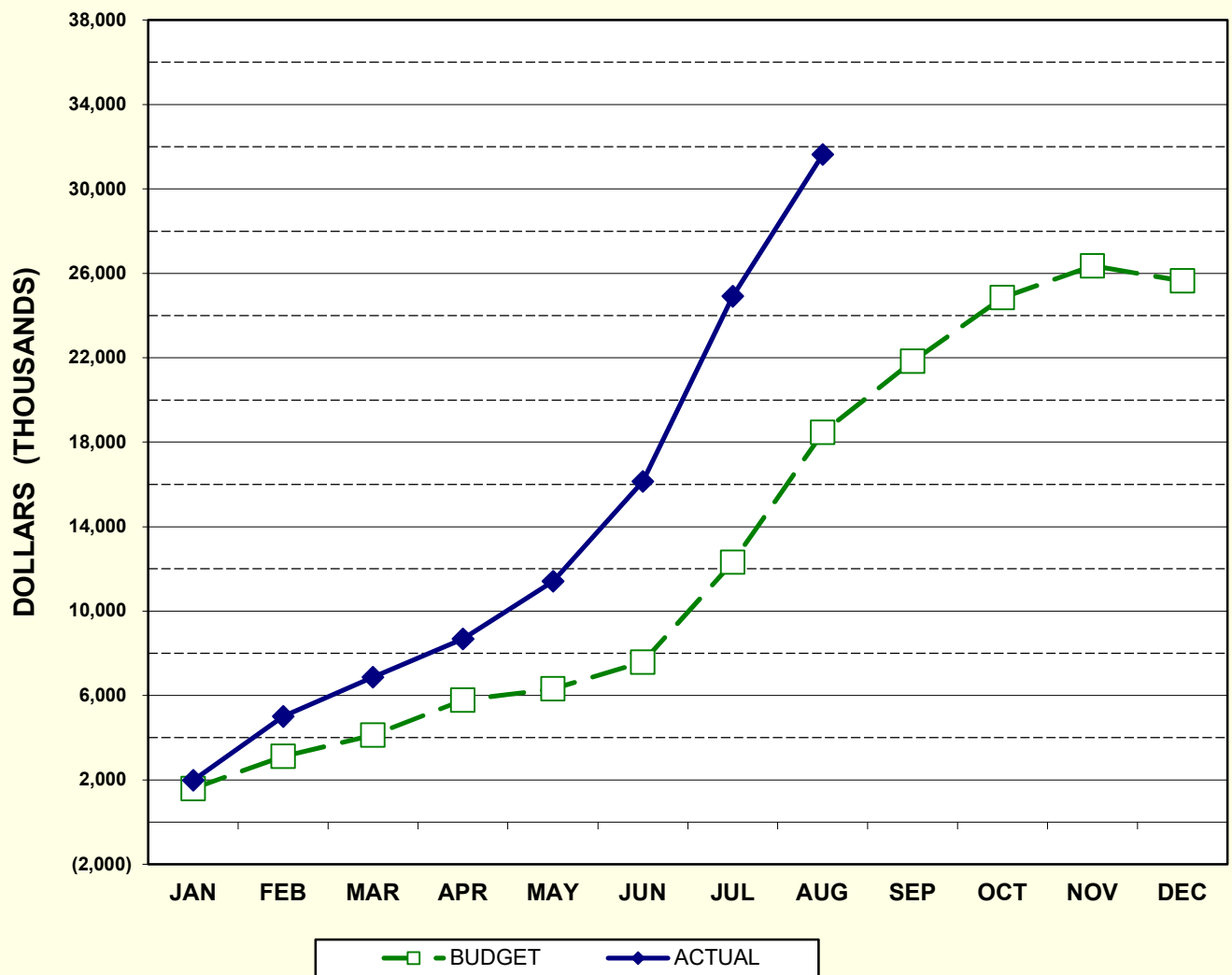
Excluding: Construction Fund, Debt Reserve,
and Escrow Funds Accounts



CHANGE IN NET POSITION ELECTRIC

August, 2025

YEAR-TO-DATE ACTUAL vs. BUDGET



Electric Debt Service Payments

(2002 Bonds were redeemed in full on 4/1/2013; 2007C Bonds were partially redeemed on 11/17/2015 and redeemed in full on 2/15/17, 2013B Bonds were redeemed in full on 2/10/21)

Principal & Interest (in thousands)



Electric Outstanding Debt (as of End of Year)

in thousands



ROCHESTER PUBLIC UTILITIES
STATEMENT OF NET POSITION
WATER UTILITY
August 31, 2025

	<u>August 2025</u>	<u>August 2024</u>	<u>Difference</u>	<u>% Diff.</u>	<u>July 2025</u>
ASSETS					
CURRENT ASSETS					
CASH & INVESTMENTS					
Unreserved Cash & Investments	7,382,030	6,889,373	492,657	7.2	7,276,020
BOARD RESERVED CASH & INVESTMENTS					
Working Funds Reserve	1,345,000	1,263,000	82,000	6.5	1,345,000
Capital & Major Maintenance Reserve	5,733,679	5,859,000	(125,321)	(2.1)	5,733,679
Contingency Reserve	1,952,000	1,849,000	103,000	5.6	1,952,000
Total Reserved Cash & Investments	9,030,679	8,971,000	59,679	0.7	9,030,679
Total Cash & Investments	16,412,708	15,860,373	552,336	3.5	16,306,698
Receivables & Accrued Utility Revenues	1,199,188	1,032,121	167,067	16.2	1,080,447
Inventory	295,732	344,078	(48,346)	(14.1)	269,781
Other Current Assets	49,220	55,658	(6,439)	(11.6)	66,849
Total Current Assets	17,956,848	17,292,230	664,618	3.8	17,723,775
CAPITAL ASSETS					
NON-DEPRECIABLE ASSETS					
Land and Land Rights	742,667	742,667	-	-	742,667
Construction Work in Progress	13,477,887	11,124,752	2,353,134	21.2	13,714,028
Total Non-depreciable Assets	14,220,553	11,867,419	2,353,134	19.8	14,456,694
DEPRECIABLE ASSETS					
Utility Plant in Service, Net	105,332,737	101,131,082	4,201,655	4.2	105,088,091
Net Capital Assets	119,553,290	112,998,501	6,554,789	5.8	119,544,785
Other Non-Current Assets	17,749,879	18,630,871	(880,992)	(4.7)	17,749,879
Total Non-Current Assets	137,303,169	131,629,372	5,673,798	4.3	137,294,664
TOTAL ASSETS	155,260,017	148,921,601	6,338,416	4.3	155,018,439
DEFERRED OUTFLOWS OF RESOURCES					
DEFERRED OUTFLOWS OF RESOURCES	165,846	231,886	(66,040)	(28.5)	170,031
TOTAL ASSETS + DEFERRED OUTFLOW RESOURCE	<u>155,425,863</u>	<u>149,153,488</u>	<u>6,272,375</u>	<u>4.2</u>	<u>155,188,470</u>
LIABILITIES					
CURRENT LIABILITIES					
Accounts Payable	404,077	774,917	(370,840)	(47.9)	344,208
Due to Other Funds	-	-	-	-	-
Customer Deposits	151,003	161,874	(10,871)	(6.7)	153,171
Compensated Absences	340,020	278,828	61,192	21.9	338,679
Accrued Salaries & Wages	76,240	62,719	13,521	21.6	171,532
Total Current Liabilities	971,340	1,278,337	(306,997)	(24.0)	1,007,589
NON-CURRENT LIABILITIES					
Compensated Absences	152,657	110,538	42,119	38.1	149,726
Other Non-Current Liabilities	1,003,559	1,665,588	(662,030)	(39.7)	1,003,559
Total Non-Current Liabilities	1,156,215	1,776,126	(619,911)	(34.9)	1,153,285
TOTAL LIABILITIES	2,127,555	3,054,463	(926,908)	(30.3)	2,160,874
DEFERRED INFLOWS OF RESOURCES					
DEFERRED INFLOWS OF RESOURCES	16,757,124	17,971,117	(1,213,993)	(6.8)	16,896,155
NET POSITION					
Net Investment in Capital Assets	119,553,290	112,998,501	6,554,789	5.8	119,544,785
Unrestricted Net Assets (Deficit)	16,987,894	15,129,407	1,858,486	12.3	16,586,655
TOTAL NET POSITION	136,541,184	128,127,908	8,413,276	6.6	136,131,440
TOTAL LIAB, DEFERRED INFLOWS, NET POSITION	<u>155,425,863</u>	<u>149,153,488</u>	<u>6,272,375</u>	<u>4.2</u>	<u>155,188,470</u>

ROCHESTER PUBLIC UTILITIES
Statement of Revenues, Expenses & Changes in Net Position
WATER UTILITY
August, 2025
YEAR TO DATE

	<u>Actual YTD</u>	<u>Original Budget YTD</u>	<u>Actual to Original Budget</u>	<u>% Var.</u>	<u>Last Yr Actual YTD</u>
RETAIL REVENUE					
Water - Residential Service	5,747,613	5,990,068	(242,455)	(4.0)	5,103,715
Water - Commercial Service	2,623,270	1,874,402	748,868	40.0	2,446,824
Water - Industrial Service	510,982	544,796	(33,814)	(6.2)	471,303
Water - Public Fire Protection	461,658	462,135	(477)	(0.1)	436,295
Water - Interdepartmental Service	22,868	19,987	2,881	14.4	22,538
TOTAL RETAIL REVENUE	9,366,391	8,891,388	475,004	5.3	8,480,675
COST OF REVENUE					
Utilities Expense	952,891	922,820	30,071	3.3	905,835
Water Treatment Chemicals/Demin Water	162,731	192,507	(29,776)	(15.5)	171,453
Billing Fees	502,589	545,816	(43,227)	(7.9)	525,986
TOTAL COST OF REVENUE	1,618,211	1,661,143	(42,932)	(2.6)	1,603,275
GROSS MARGIN	7,748,180	7,230,245	517,936	7.2	6,877,401
FIXED EXPENSES					
Depreciation & Amortization	2,052,678	2,288,114	(235,436)	(10.3)	1,951,203
Salaries & Benefits	1,630,671	2,495,677	(865,006)	(34.7)	1,851,503
Materials, Supplies & Services	1,125,810	1,872,895	(747,085)	(39.9)	1,083,273
Inter-Utility Allocations	1,180,621	1,177,360	3,261	0.3	1,450,734
TOTAL FIXED EXPENSES	5,989,780	7,834,046	(1,844,266)	(23.5)	6,336,713
Other Operating Revenue	1,383,615	1,406,760	(23,145)	(1.6)	1,394,978
NET OPERATING INCOME (LOSS)	3,142,016	802,959	2,339,057	291.3	1,935,666
NON-OPERATING REVENUE / (EXPENSE)					
Investment Income (Loss)	646,343	478,596	167,747	35.0	557,807
Interest Expense	(3,480)	(17,976)	14,496	80.6	(3,632)
Miscellaneous - Net	400,377	194,600	205,776	105.7	(2,011)
TOTAL NON-OPERATING REV (EXP)	1,043,239	655,221	388,019	59.2	552,163
INCOME (LOSS) BEFORE TRANSFERS / CAPITAL CONTRIBUTIONS	4,185,255	1,458,179	2,727,076	187.0	2,487,829
Transfers Out	(326,983)	(348,518)	21,535	6.2	(305,604)
Capital Contributions	669,879	-	669,879	-	(944)
CHANGE IN NET POSITION	4,528,151	1,109,661	3,418,489	308.1	2,181,281
Net Position, Beginning	132,013,033				125,946,627
NET POSITION, ENDING	136,541,184				128,127,908

ROCHESTER PUBLIC UTILITIES
STATEMENT OF CASH FLOWS
WATER UTILITY
FOR
AUGUST, 2025
YEAR-TO-DATE

	<u>Actual YTD</u>	<u>Last Yr Actual YTD</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received From Customers	12,358,360	11,225,980
Cash Paid for:		
Operations and Maintenance	(7,094,306)	(6,723,541)
Payment in Lieu of Taxes	(310,344)	(285,881)
Net Cash Provided by(Used in) Utility Operating Activities	4,953,710	4,216,558
Sales Tax & MN Water Fee Collections		
Receipts from Customers	319,131	416,981
Remittances to Government Agencies	(300,138)	(343,485)
Net Cash Provided by(Used in) Non-Utility Operating Activities	18,993	73,496
NET CASH PROVIDED BY(USED IN) OPERATING ACTIVITIES	4,972,703	4,290,054
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES		
Additions to Utility Plant & Other Assets	(4,721,618)	(3,757,610)
Payment on Long-Term Debt	-	-
Net Loan Receipts	-	-
Cash Paid for Interest & Commissions	-	-
NET CASH PROVIDED BY(USED IN) CAPITAL & RELATED ACTIVITIES	(4,721,618)	(3,757,610)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Earnings on Investments	642,863	554,174
NET CASH PROVIDED BY(USED IN) INVESTING ACTIVITIES	642,863	554,174
Net Increase(Decrease) in Cash & Investments	893,948	1,086,618
Cash & Investments, Beginning of Period	15,518,760	14,773,753
CASH & INVESTMENTS, END OF PERIOD	16,412,708	15,860,371

ROCHESTER PUBLIC UTILITIES
PRODUCTION & SALES STATISTICS
WATER UTILITY

August, 2025

YEAR-TO-DATE

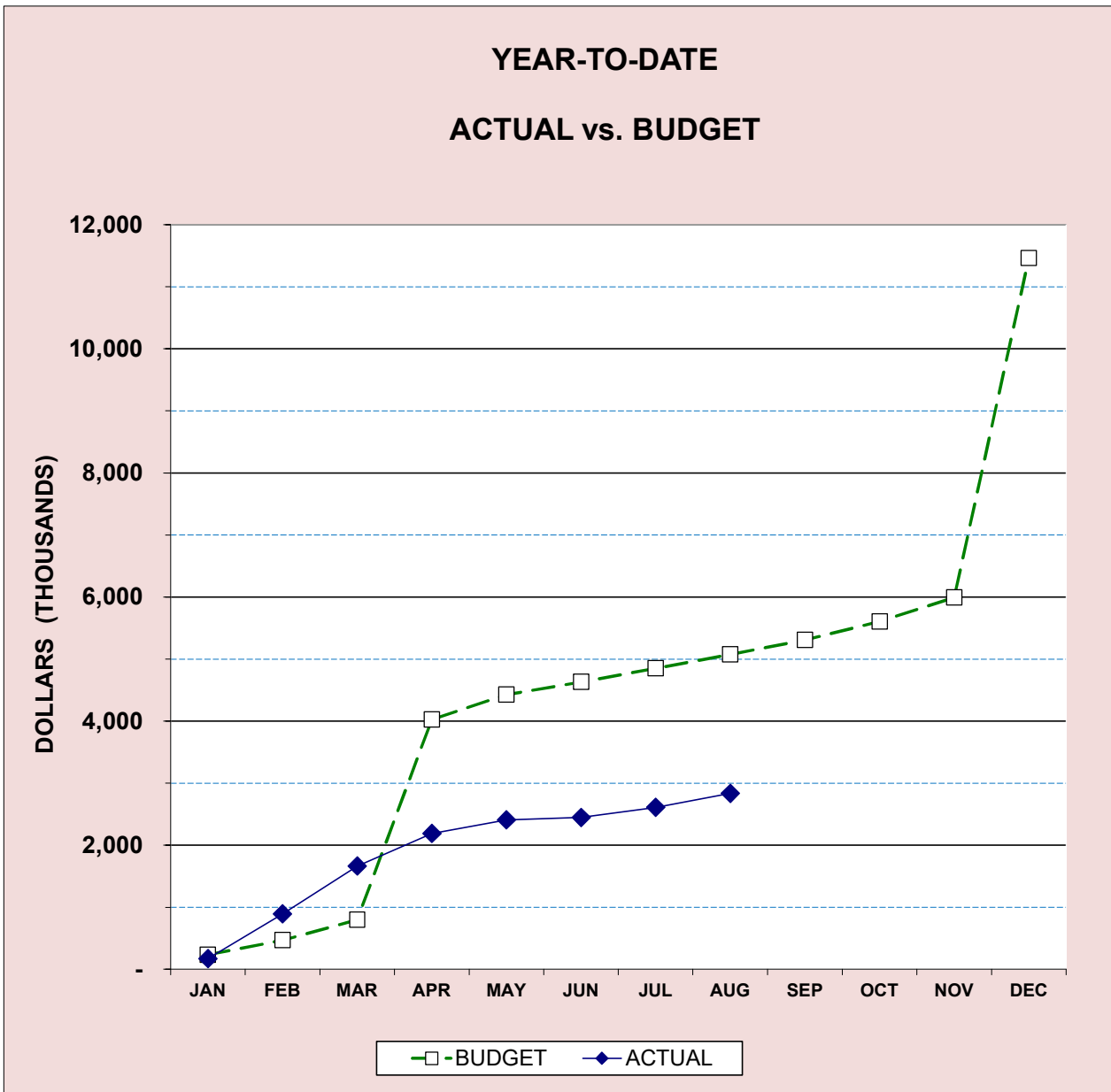
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CAPITAL EXPENDITURES WATER

Current Year	
ANNUAL BUDGET	11,462,270
ACTUAL YTD	2,834,623
% OF BUDGET	24.7

August, 2025

Prior Years Ending Dec 31st		
2024	2023	2022
10,905,500	6,508,342	4,878,440
3,806,769	3,203,906	2,696,538
34.9	49.2	55.3



MAJOR MAINTENANCE EXPENDITURES WATER

Current Year

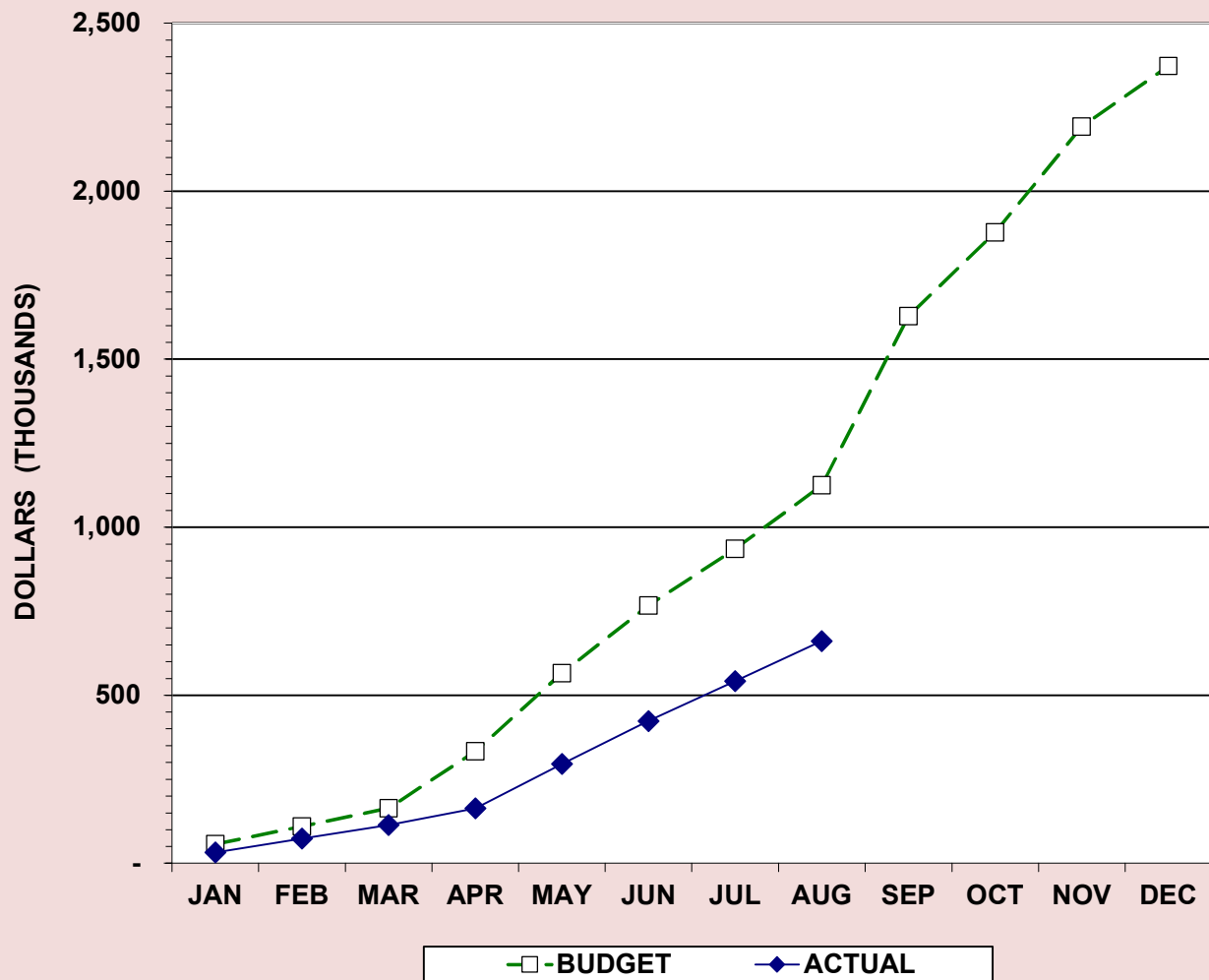
ANNUAL BUDGET	2,372,702
ACTUAL YTD	661,560
% OF BUDGET	27.9

August, 2025

Prior Years Ending Dec 31st

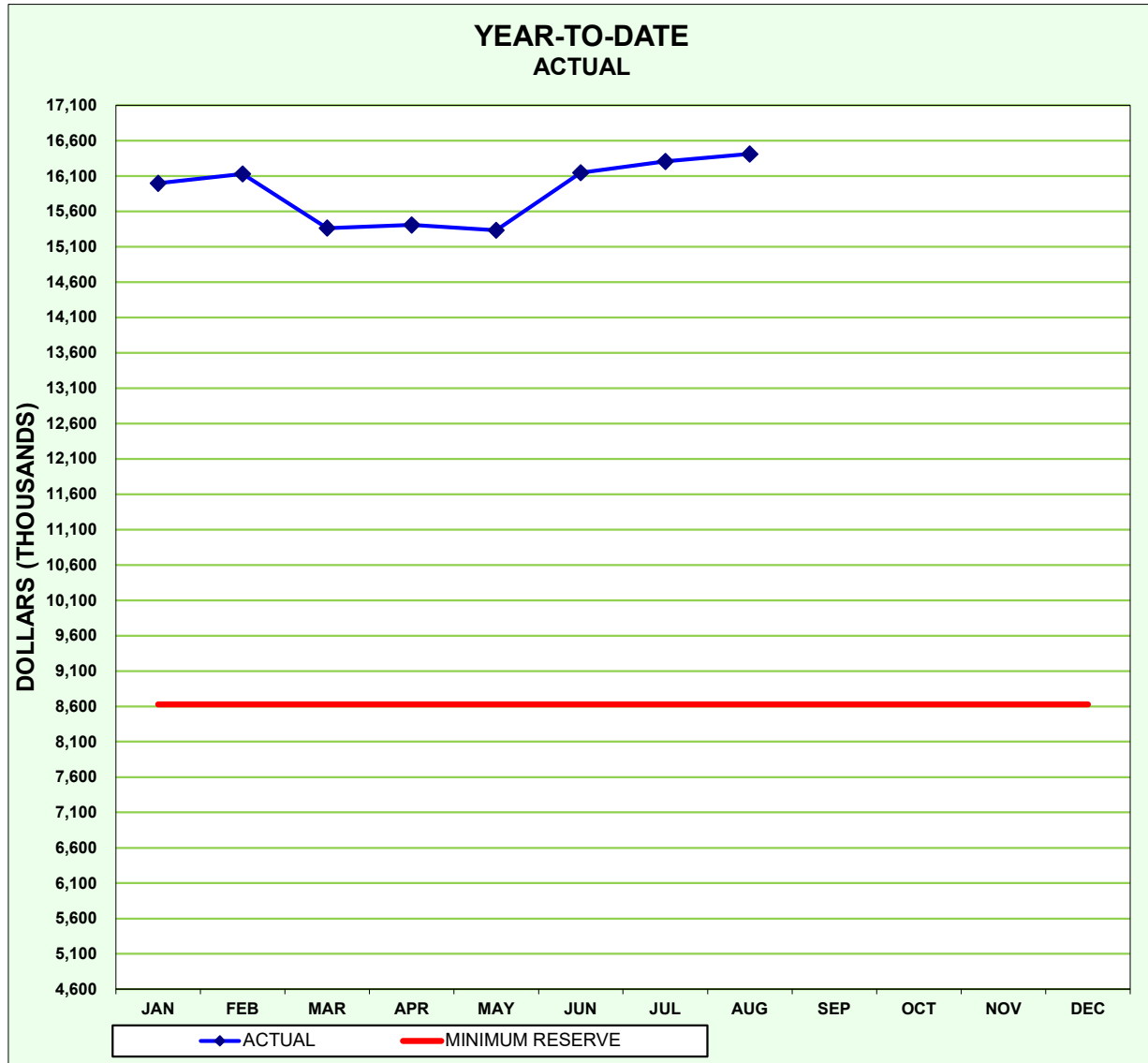
2024	2023	2022
907,895	796,090	1,015,476
501,892	396,411	447,519
55.3	49.8	44.1

YEAR-TO-DATE ACTUAL vs. BUDGET



CASH AND TEMPORARY INVESTMENTS WATER

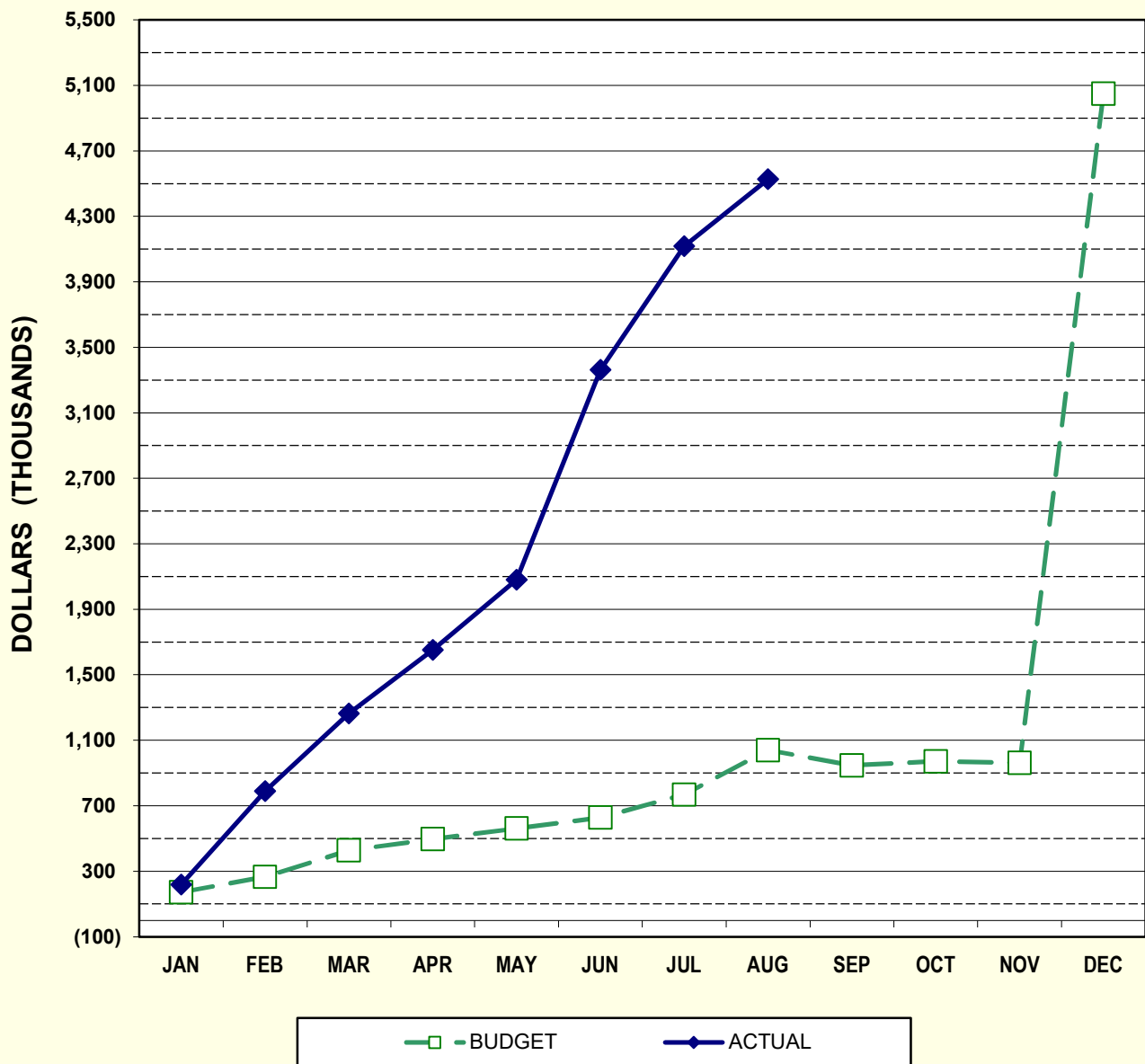
August, 2025



CHANGE IN NET POSITION WATER

August, 2025

YEAR-TO-DATE ACTUAL vs. BUDGET



TO: Bill Bullock, Director of Power Resources

FROM: Tina Livingston, Senior Financial Analyst

SUBJECT: LOAD FORECAST SUMMARY FOR 2025

MONTH	SYSTEM ENERGY			PEAK SYSTEM DATA		
	ACTUAL MWH	FORECAST MWH	% DIFF	ACTUAL MW	FORECAST MW	% DIFF
JAN	102,113	104,514	-2.3%	174.2	177.1	-1.7%
FEB	90,757	91,061	-0.3%	170.6	160.2	6.5%
MAR	89,560	91,482	-2.1%	149.8	150.1	-0.2%
APR	84,375	82,871	1.8%	151.6	146.8	3.3%
MAY	91,538	88,541	3.4%	202.5	205.9	-1.6%
JUN	107,916	108,094	-0.2%	254.5	257.7	-1.2%
JUL	128,004	126,100	1.5%	260.0	284.2	-8.5%
AUG	114,262	122,479	-6.7%	255.4	253.4	0.8%
SEP	100,280	107,436	-6.7%	240.1	252.6	-5.0%
OCT					165.0	
NOV					146.6	
DEC					169.4	
YTD	908,807	922,578	-1.5			

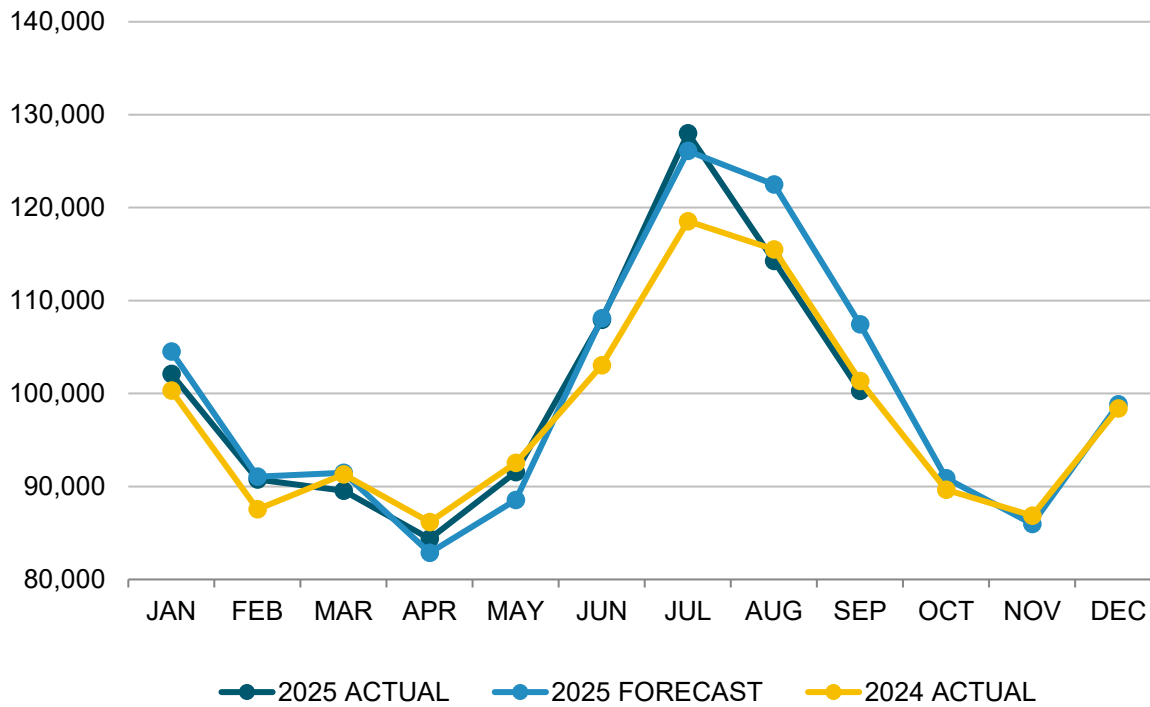
HISTORICAL SYSTEM PEAK 294.8 MW 08/23/2023

% DIFF = (ACTUAL / FORECAST X 100) - 100

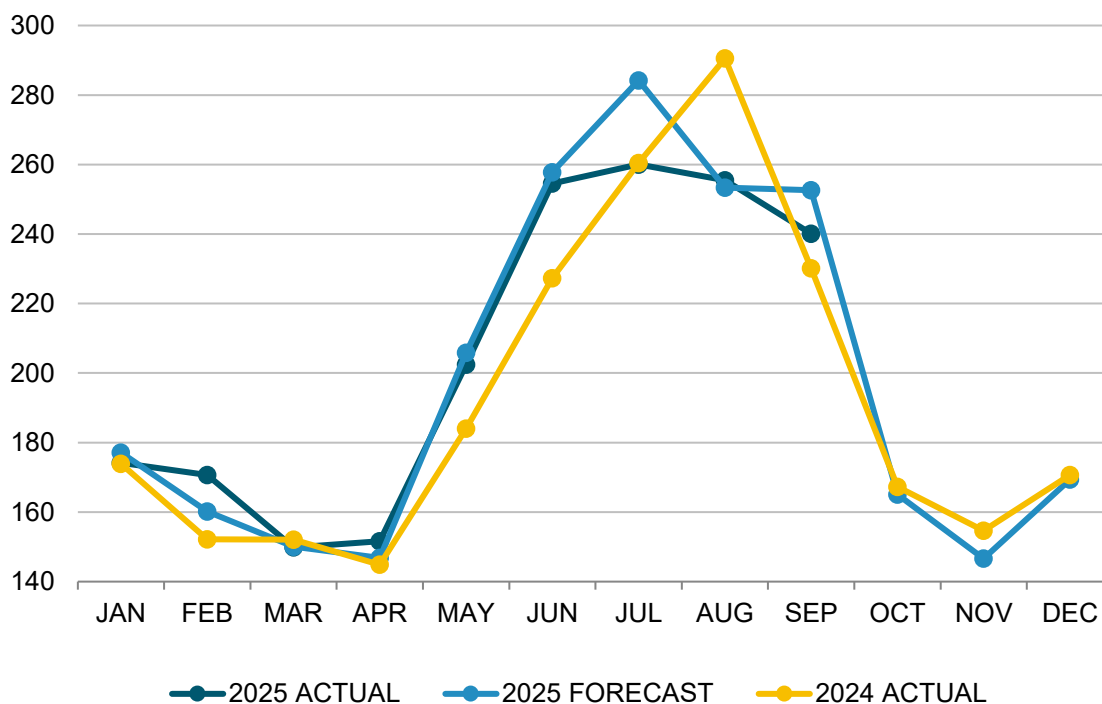
MWH = MEGAWATT HOUR = 1000 KILOWATT HOURS

MW = MEGAWATT = 1000 KILOWATTS

2025 YTD System Requirements Energy Required for the Month (MWH)



Peak Demand for the Month (MW)





REQUEST FOR ACTION

Executive Session - Closed Pursuant to Minn. Statutes 13D.05 Subd. 3(c).

MEETING DATE:

October 28, 2025

ORIGINATING DEPT:

Rochester Public Utilities

AGENDA SECTION:

Adjournment

PRESENTER:

Board President

Action Requested:

For the Rochester Public Utilities Board to consider the valuation of real property, in the context of the needs of the utility, identified as PINs

642434041956

642424041950

642431041952

642432041953

642424041942

Report Narrative:

This executive session will occur directly after the adjournment of the regular meeting of the Rochester Public Utilities Board and will take place in RPU Room Zumbro.

Priorities & Foundational Principles:

Fiscal Responsibility & Sustainability

Prepared By:

Scott Nickels

Attachments: