



Public Utility Board Agenda
Rochester Boards & Commissions - Public Utility Board
December 16, 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: 260 427 164 177 Passcode: 2WHPth

Telephone in and Listen via Teams: Call: 347-352-4853 Conference ID: 928 437 23#

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

Call to Order/Roll Call

1. Approval of Agenda

2. Recognition

2.A. Recognition of Melissa Graner Johnson

Recognize and thank retiring Board Member Melissa Graner Johnson for her service.

3. Safety Moment

4. Consent Agenda

4.A. Minutes of the Rochester Public Utility Board Meeting of November 25, 2025

Approve the minutes and video of the November 25, 2025, meeting of the Rochester Public Utility (RPU) Board.

4.B. Review of Accounts Payable

Review the list of consolidated and summarized transactions for 11/13/2025 to 12/08/2025 in the total amount of \$14,387,212.89.

4.C. Reject Bid for Construction of Ponderosa Pines Booster Station - Project #2025-15

Approve the rejection of the bid from Elcor Construction for the construction of the Ponderosa Pines Booster Station.

4.D. 2026 Hourly Power Line Clearance Tree Services

Approve a resolution for accepting the 2026 hourly tree trimming labor and equipment rates for services with Asplundh Tree Expert, LLC, and authorize the Project Manager to execute the services up to the approved budget amount. Annual costs for this contract will be funded through approval of the budget.

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.

5. Consideration of Bids

5.A. 2026 Lump Sum Power Line Clearance Tree Services

Approve a resolution to accept the bids for the 2026 Lump Sum tree trimming services as follows:

- 1) Asplundh Tree Expert, LLC \$109,197.00 + tax
- 2) New Age Tree Service, LLC \$685,661.55 + tax

and authorize the Project Manager to manage the contracts up to the approved budget amount. All awards are subject to applicable tax.

6. Regular Agenda

6.A. Enterprise Resource Planning (ERP) Project

Adopt a Resolution amending the Electric Utility budget consistent with the updated financing plan and to authorize the expenditure of the approved ERP implementation funds. This authorization includes entering into additional contracts within the approved budget to support RPU specific integrations, customization, and related implementation activities necessary for the SAP S4HANA deployment.

6.B. Grid North Partners Joint Development Agreement for Rochester Public Utilities' participation in the Mankato to Mississippi River Transmission Project

Adopt a resolution formally recommending that the Rochester City Council approve the Joint Development Agreement (JDA) for Rochester Public Utilities' participation in the Mankato to Mississippi River Transmission Project at an ownership level of \$28,884,000, plus a 15% contingency of \$4,332,600, for a total authorized amount of \$33,216,600 and that the Rochester City Council delegate authority to the RPU project manager to perform the acts to execute the project. Further, recommend that the City Council delegate to the RPU General Manager and the Rochester City Attorney the authority to approve any final non-material changes to the JDA prior to execution. Also recommend that the City Council delegate to the RPU General Manager and the Rochester City Attorney the authority to approve the execution of all future amended and restated December 2012 CapX2020 operating agreements required to incorporate the Mankato to Mississippi River Project facilities, including but not limited to the Joint Cooperation Agreement, Transmission Capacity Exchange Agreement, Transmission-to-Transmission Interconnection Agreement, Project Participation Agreement, Minnesota Construction Management Agreement, and the Minnesota Operation and Maintenance Agreement.

6.C. Letter of Agreement with SMMPA Regarding Battery Charging and Discharging Treatment Under the Power Sales Contract

Approve a resolution authorizing the General Manager and the City Attorney to negotiate, finalize, and execute a Letter of Agreement with SMMPA detailing the implementation, metering, and settlement treatment of the Rochester battery storage project, consistent with the high level SMMPA Board action adopted on December 10. This authorization will allow RPU to complete the final documentation required to implement the project's operational framework under the Power Sales Contract and to move forward toward commercial operation.

7. Informational

7.A. My Meter Update: Benchmarking and Customer Portal

Informational only. No action required.

8. Board Policy Review

8.A. RPU Index of Board Policies

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

9. General Managers Report

9.A. General Managers Report

Informational only. No action required.

10.Division Reports & Metrics

10.A. Division Reports and Metrics for December 2025

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

11.Other Business

12.Adjournment



REQUEST FOR ACTION

Recognition of Melissa Graner Johnson

MEETING DATE:

December 16, 2025

ORIGINATING DEPT:

Rochester Public Utilities

AGENDA SECTION:

Recognition

PRESENTER:

Board Chair Melissa Graner
Johnson

Action Requested:

Recognize and thank retiring Board Member Melissa Graner Johnson for her service.

Report Narrative:

The Board and RPU staff would like to recognize and thank Melissa Graner Johnson for her ten years of service and dedication to the Public Utility Board.

Prepared By:

Erin Henry-Loftus

Attachments:

[20251216 - Resolution - Recognition of Melissa Graner Johnson](#)



RESOLUTION

WHEREAS, Melissa Graner Johnson has diligently served on the Public Utility Board since 2016, specializing in communications, finance, administration and operations, and has served as Board President, and

WHEREAS, Melissa Graner Johnson has been a valuable asset and has contributed substantially to the well-being of Rochester Public Utilities and the local citizens through her leadership efforts and strengths in such areas as infrastructure and resource planning, project management, customer service, energy efficiency, environmental protection and sustainability, employee development, and internal transitions with the Utility, and

WHEREAS, Rochester has benefitted from the steady guidance and principled leadership of people like Mrs. Graner Johnson who believes in municipal ownership, and

NOW, THEREFORE BE IT RESOLVED, that the Rochester Public Utility Board wishes to recognize and thank Melissa Graner Johnson for her leadership, many talents, substantial time commitment, dedication to excellence, and service to the Board and community.

PASSED AND ADOPTED BY THE PUBLIC UTILITY BOARD OF THE CITY OF

ROCHESTER, MINNESOTA, THIS 16th DAY OF December, 2025.

PRESIDENT

SECRETARY



REQUEST FOR ACTION

Minutes of the Rochester Public Utility Board Meeting
of November 25, 2025

MEETING DATE:

December 16, 2025

ORIGINATING DEPT:

Rochester Public Utilities

AGENDA SECTION:

Consent Agenda

PRESENTER:

Tim McCollough, General
Manager

Action Requested:

Approve the minutes and video of the November 25, 2025, meeting of the Rochester Public Utility (RPU) Board.

Report Narrative:

Official minutes of the RPU Board are published in accordance with the 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 November 25, 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.

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

1) Approval of Agenda

Motion to approve the agenda.

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

2) Safety Moment

Safety Manager Bob Cooke gave a presentation to the Board.

3) Consent Agenda

3.A) Minutes of the Rochester Public Utility Board Meeting of October 28, 2025

Official Act: Approve the minutes and video of the October 28, 2025, meeting of the Rochester Public Utility (RPU) Board.

[Cover Page](#) 

[Exhibit - Public Utility Board Minutes from October 28, 2025](#) 

[Exhibit - 2026 Budget Book Recommended](#) 

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

3.B) Review of Accounts Payable

Official Act: Review the list of consolidated and summarized transactions for 10/10/2025 to 11/12/2025 in the total amount of \$15,357,862.49.

[Cover Page](#) 

[Exhibit - AP Board List Current Month](#) 

3.C) Board Policy 20: Rates

Official Act: Approve the revised Rates policy.

[Cover Page](#) 

[Exhibit - 20 Rates Policy 20251125 - Clean Version](#) 

[20251125 - Resolution - 20 Rates Policy](#) 

3.D) Purchase of Real Property

Official Act: Authorize staff to purchase real property, in partnership with other City of Rochester Departments, identified as Parcel Identification No. 642424041942, 642424041950, 642431041952, 642432041953, and 642434041956 for an amount not to exceed \$595,100, with a \$59,510 contingency for Rochester Public Utilities' share of the sale and delegate authorization to the Rochester Public Utilities General Manager and City Attorney to execute all required contracts for the real property purchase.

[Cover Page](#) 

[20251125 - Resolution - Purchase of Real Property](#) 

3.E) Paymentus Electronic Bill Payment Processing Contract Amendment

Official Act: Approve the second amendment to the Paymentus electronic bill payment contract and delegate authority to the General Manager and City Attorney to make final adjustments to the amendment.

[Cover Page](#) 

[Exhibit - Paymentus Rochester Public Utilities 2nd Amendment](#) 

[20251125 - Resolution - Paymentus Contract 2nd Amendement](#) 

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

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

Open Public Comment Period

[Sign Up Sheet](#) 

[James Rentz spoke before the Board.](#)

[Evin Lantz spoke before the Board.](#)

[Sarah Dukek spoke before the Board.](#)

[General Manager, Timothy McCollough, addressed the speakers.](#)

4) **Regular Agenda**

4.A) Budget Amendment for the 2025 Water Utility Budget Related to Water Main Oversizing Expenses

Official Act: Authorize a 2025 budget amendment for the water utility to convert water main oversizing reimbursement costs up to \$1,075,000 from a water utility capital expense to a water connection charge expense for fiscal year 2025.

[Director of Water, Todd Blomstrom, presented to the Board.](#)

[Cover Page](#) 

[20251125 - Resolution - Water Utility Budget Amendment](#) 

Motion to authorize a 2025 budget amendment for the water utility to convert water main oversizing reimbursement costs up to \$1,075,000 from a water utility capital expense to a water connection charge expense for fiscal year 2025.

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

4.B) Authorization for Battery Energy Storage Agreements

Official Act: Authorize the Rochester Public Utilities General Manager and the Rochester City Attorney to negotiate and finalize the Energy Storage Service Agreements with Lightshift Energy SPV, LLC, and that the above-referenced Energy Storage Service Agreements, once finalized, shall be recommended for approval by the Rochester Common Council forthwith.

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

[Cover Page](#) 

[20251125 - Resolution - Lightshift ESSA](#) 

[Exhibit - ESSA Risk Matrix](#) 

[Exhibit - RPU Energy Storage Services Agreement](#) 

Motion to authorize the Rochester Public Utilities General Manager and the Rochester City Attorney to negotiate and finalize the Energy Storage Service Agreements with Lightshift Energy SPV, LLC, and that the above-referenced Energy Storage Service Agreements, once finalized, shall be recommended for approval by the Rochester Common Council forthwith.

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

5) **Informational**

5.A) [Update on LSLR Program and Impact on Need for Water Short-Term Debt Credit Facility](#)

Official Act: Informational update only based on potential changes to state program grant funding in 2026. No action required.

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

[Cover Page](#) 

5.B) Cyber Security Professional Development for Board Members

Official Act: Information only. No action required.

[Director of Information Technology, James Keltgen, presented to the Board.](#)

[Cover Page](#) 

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

General Manager, Timothy McCollough, presented to the Board.

6.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](#) 

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

General Manager, Timothy McCollough, presented to the Board.

7.A) General Managers Report

Official Act: Informational only. No action required.

[Cover Page](#) 

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

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

8.A) Division Reports and Metrics for November 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.

[Cover Page](#) 

[Exhibit - November Division Reports](#) 

9) [**Other Business**](#)

None.

10) [**Adjournment**](#)

10) Adjournment

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

Meeting ended at 5:48 p.m.

Board President

Board Secretary

Date



REQUEST FOR ACTION

Review of Accounts Payable

MEETING DATE:

December 16, 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 11/13/2025 to 12/08/2025 in the total amount of \$14,387,212.89.

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 - AP Board List Current Month](#)

ROCHESTER PUBLIC UTILITIES
A/P Board Listing By Dollar Range
For 11/13/2025 To 12/08/2025
Consolidated & Summarized Below 1,000

Greater than 50,000 :

1	SOUTHERN MN MUNICIPAL POWER A	November SMMPA Bill	7,744,188.00
2	MN DEPT OF REVENUE	November Sales & Use Tax	914,714.37
3	NORTH RISK PARTNERS	Generating Property Ins 11/1/25-11/1/26	552,966.22
4	NORTH RISK PARTNERS	Excess Liability Policy 11/1/25 - 11/1/26	536,351.02
5	UTIL-ASSIST INC	AMI Systems Integrator	408,977.33
6	GE GRID SOLUTIONS LLC	6-DT1-170FK-40-F1 DeadTank Circuit Brkrs	289,317.60
7	NORTH RISK PARTNERS	Non-Gen Equipment Policy 11/1/25-11/1/26	239,331.63
8	CENTRALTANK COATINGS, INC.	Willow Heights Tower #94 Interior Painting	226,725.00
9	ITRON INC	Production/Non-Prod Env. Hosting Fee Year 2	215,180.62
10	LEAGUE OF MN CITIES INS TRUST	Non-Gen Prop/Casualty Policy 11/1/25-11/1/26	199,572.00
11	ASPLUNDH TREE EXPERT LLC (P)	2025 Hourly Tree Trimming	127,190.95
12	CONSTELLATION NEWENERGY-GAS D	October Gas Service - SLP	126,382.61
13	A & A ELECT & UNDERGROUND CON	2025 Directional Boring	121,448.53
14	NORTH RISK PARTNERS	Non-Gen Equipment Policy 11/1/25-11/1/26	107,174.37
15	MN DEPT OF HEALTH	Community Water Supply Fee Oct-Dec 2025	101,957.00
16	CITY OF ROCHESTER	Street Opening Repairs	98,710.75
17	VIRTUAL PEAKER INC	Distributed Energy Platform Svcs 25-26	96,707.00
18	N HARRIS COMPUTER CORP	SmartWorks AMI Integration	93,501.50
19	CITY OF ROCHESTER	Street Opening Repairs	90,024.00
20	PAYMENTUS CORPORATION	October 2025 Electronic Bill Payment Services	73,790.76
21	ECHO SOLAR 2022 HOLDCO LLC	October Solar Power	69,391.72
22	HYLAND SOFTWARE INC	2026 Perceptive Software Maintenance	61,135.76
23	DOBLE ENGINEERING COMPANY (P)	4EA-DGA,Monitor,Calisto Model 250	60,897.38
24	SOUTHERN ELECTRICAL EQUIPMENT	3EA-Break Switch, 161kv, 2000 Amp	56,376.96
25	N HARRIS COMPUTER CORP	Cayenta AMI Integration SOW - Phase 2	55,852.88
26	MITSUBISHI ELECTRIC POWER PRO	2EA-11B-ABE0060B DiamondPlus-1100B UPS S	52,694.51
27	USIC HOLDINGS INC	October/November 2025 Locating Services	51,591.38
28			
29		Price Range Total:	12,772,151.85

5,000 to 50,000 :

33	MASTEC NORTH AMERICA INC	2025 Manhole Rebuild Projects	49,372.33
34	LEAGUE OF MN CITIES INS TRUST	Non-Gen Prop/Casualty Policy 11/1/25-11/1/26	48,757.00
35	NORTH RISK PARTNERS	Cyber Liability Policy 11/1/25-11/1/26	44,925.44
36	EPLUS TECHNOLOGY INC	28EA-Catalyst 9200 48-Port Data Network	44,627.45
37	DOXIM UTILITEC LLC	November 2025 Bill Print and Mail Services	40,661.25
38	THE ENERGY AUTHORITY INC	MISO PRA Adj PY25/26 Summer - Part 3 of 3	39,297.50
39	BORDER STATES ELECTRIC SUPPLY	10990FT-Wire,AL,15KV,1/0 Solid, Non-Jacketed	36,022.80
40	SHORT ELLIOTT HENDRICKSON INC	Lead Service Line Replacement - Phase 1	35,370.05
41	EPLUS TECHNOLOGY INC	8EA-Catalyst 9300 48-Port POE	29,907.26
42	SPENCER FANE LLP	Legal Services for Wind PPA's	29,668.50
43	WHITLOCK CONSULTING GROUP LLC	AMI & MDM Implementation Services	28,594.51
44	SCHLOMKA'S VAC TRUCK SERVICE	Hydro Vac Service	26,906.72
45	AE2S	Water System Master Plan	26,219.75
46	NPL CONSTRUCTION	Ponds of Highland C Joint Trenching	25,792.50
47	CITY OF ROCHESTER	Pedestrian Ramp Rebuilds	24,418.85
48	EPLUS TECHNOLOGY INC	8EA-10GBase-ER SFP Module, Enterprise CL	23,338.59
49	HENTGES GLASS CO	SC Entrance Replacement - Door #5	22,300.00

ROCHESTER PUBLIC UTILITIES
A/P Board Listing By Dollar Range
For 11/13/2025 To 12/08/2025
Consolidated & Summarized Below 1,000

50	THE ENERGY AUTHORITY INC	Battery Energy Storage System Evaluation	21,000.00
51	ALLIED VALVE INC	1EA-Control Valve, Fisher 3" 1500# WCB	20,474.56
52	US BANK-VOYAGER	November Fuel	20,071.91
53	UDC dba	ESRI Electric Network Migration	18,290.00
54	TESCO - THE EASTERN SPECIALIT	1EA-Desktop Meter Qualification Board	18,136.35
55	BORDER STATES ELECTRIC SUPPLY	5372FT-Wire, AL, 15kV, 1/0 Solid, 1/C, Jacketed	18,036.54
56	ARCHKEY TECHNOLOGIES dba	Broadway Avenue Fiber Splicing	17,738.15
57	S L CONTRACTING INC	Water Main Break Repair-3rd Ave/W River	17,623.43
58	IRBY UTILITIES dba	10EA-Metal Sec. Encl,3ph,30" x 67" x 22"	16,400.00
59	RVNA TECHNOLOGIES LLC	October Vena Support Srvs	15,716.25
60	MIDCONTINENT ISO INC	November MISO Billing	15,288.86
61	CRESCENT ELECTRIC SUPPLY CO	7500FT-Conduit, HDPE, 4", SDR 13.5, Empt	15,067.49
62	DNV USA INC (P)	2026 Synergi Elec Maintenance & Support	13,877.71
63	HERZOG CRANE TRAINING & CONSU	NCCCO Digger Derrick Training Program	13,802.80
64	WESCO DISTRIBUTION INC	550GAL-Cable Pulling Lube, 275 Gal. Tote	13,084.00
65	BARR ENGINEERING COMPANY (P)	Groundwater Management Study	12,800.00
66	BAKER TILLY US, LLP	2023-2025 Audit Fees	12,740.00
67	MITSUBISHI ELECTRIC POWER PRO	1EA-VRLA 12HX540 Battery Replacement	12,271.21
68	CENTURYLINK (P)	2025 Monthly Telecommunications	12,097.51
69	SCHWEITZER ENGINEERING LABORA	2EA-Relay,SEL-587Z High-Impedance Diff Relay	11,503.34
70	NORTH RISK PARTNERS	Agency Agreement Fee	11,000.00
71	EPLUS TECHNOLOGY INC	4EA-C9300 DNA Advantage, 48-Port 3YR License	10,771.33
72	RESCO	32EA-Grd Sleeve, 1ph Trans, 37" x 43" x 15"	10,477.76
73	EPLUS TECHNOLOGY INC	14EA-C9200 Cisco DNA Essentials, 48-Port	10,477.46
74	FLOURISH CONSULTING LLC	Flourising Leaders Program 2025-26	10,375.00
75	WHKS & CO	Design Services for Ponderosa Pines Booster	9,720.00
76	AE2S	Hydraulic Model Update and Training	9,652.00
77	EPLUS TECHNOLOGY INC	2EA-Catalyst 9200L 48-Port POE+, 4X10G	9,641.86
78	EPLUS TECHNOLOGY INC	2EA-Catalyst IE3200 With 8 GE POE+ & 2	9,098.32
79	HATHAWAY TREE SERVICE INC	Brush Dump 10/31	8,750.00
80	EPLUS TECHNOLOGY INC	14EA-125W AC Config 6 Power Supply	8,655.78
81	DELL MARKETING LP	4EA-Computer, Dell Pro Rugged 14 RB14250	8,607.93
82	HTP ENERGY	2801GAL-Fuel Oil, Gas Turbine	8,541.66
83	DOBLE ENGINEERING COMPANY (P)	8EA-DGA Monitor 20" Hose and Connectors	8,208.00
84	VIKING ELECTRIC SUPPLY (P)	15EA-Elbow, 5", Steel, 36 Radius, 90Deg	8,162.15
85	ARCHKEY TECHNOLOGIES dba	Fiber Cable Termination	8,153.00
86	DAKOTA SUPPLY GROUP-ACH	12000FT-Conduit, HDPE, 2", SDR 13.5, Emp	8,111.59
87	WESCO DISTRIBUTION INC	45EA-Luminaire, Residential, LED, PC, 12	7,590.16
88	ARCHKEY TECHNOLOGIES dba	4th Ave SW Duct Bank Relocation	7,387.20
89	TIME CONSULTING LLC	SAP HCM/Payroll Assistance	7,200.00
90	KATS EXCAVATING LLC	SAW-Service Replacement	7,200.00
91	BOLTON AND MENK (P)	Water Tower Maintenance/Rehabilitation	7,175.00
92	EPLUS TECHNOLOGY INC	4EA-Catalyst 9300 8 X 10GE Network Mudule	7,048.76
93	PROLEC-GE WAUKESHA INC	1EA-N2-1 Standard 1 Enclosed Cylinder	6,623.00
94	WIESER PRECAST STEPS INC (P)	1EA-Manhole, Straight Thru, 8' x 6' x 5'	6,530.00
95	GDS ASSOCIATES INC	2025 Attachment O Consulting Service	6,295.00
96	HAWKINS INC	2025 Chlorine Gas	6,232.22
97	WELLS FARGO BANK ACCT ANALYSI	November 2025 Banking Services	6,127.63
98	IRBY UTILITIES dba	45EA-Pedestal, Base, Secondary, w/o Cove	6,075.00
99	ALLIED VALVE INC	Valve Actuator-WTB, Repair Materials & Labor	5,852.02
100	EPLUS TECHNOLOGY INC	4EA-10GBase-LR SFP Module, Enterprise	5,745.72

ROCHESTER PUBLIC UTILITIES
A/P Board Listing By Dollar Range
For 11/13/2025 To 12/08/2025
Consolidated & Summarized Below 1,000

101	GLOBAL RENTAL COMPANY INC	Buckyard Bucket Rental - AT48MW	5,676.56
102	VERIZON WIRELESS	2025 Cell & IPad Monthly Service	5,546.10
103	EPLUS TECHNOLOGY INC	2EA-ISA 3000 2 Copper 2 Fiber Port,Cisco	5,521.52
104	KATS EXCAVATING LLC	Service Failure Due to TI	5,500.00
105	FORTRA LLC	GoAnywhere Software - 1 yr Subscription	5,480.13
106	CLARK CONCRETE INC	Replace Panels 517 8th St SE,OH to UG 6340	5,400.00
107	BORDER STATES ELECTRIC SUPPLY	15EA-Grd Sleeve,3ph Enclosure,18" x 67" x 23"	5,222.10
108			
109		Price Range Total:	1,182,032.57
110			
111	<u>1,000 to 5,000 :</u>		
112			
113	EPLUS TECHNOLOGY INC	2EA-1KW AC Config 5 Power Supply,2nd Pwr	4,946.14
114	VIKING ELECTRIC SUPPLY (P)	200EA-RAY-NUH 10BTv1-CT Raychem	4,850.14
115	ARCHKEY TECHNOLOGIES dba	Installation, Field Fiber,Well #11	4,627.69
116	N HARRIS COMPUTER CORP	Contract Signing Smartworks CO #7	4,600.00
117	BORDER STATES ELECTRIC SUPPLY	100EA-Elbow, 15kV, 200A, LB,1/0 Sol,175	4,479.00
118	LEAGUE OF MN CITIES INS TRUST	Claim Settlement	4,475.11
119	REDS ELECTRIC LLC	SAE-New Stack,Bypass Meter	4,469.32
120	HDR ENGINEERING INC (P)	Update Water System Emergency Response Plan	4,142.28
121	NOVASPECT INC	1EA-Pressure Regulating Valve 1" NPT, WE	4,137.12
122	KATS EXCAVATING LLC	SAW-New Curb Stop & Stand Pipe	4,100.00
123	HAWKINS INC	330GAL-2025 Carus 8500	3,942.41
124	ULTEIG OPERATIONS LLC	Hydro-Plant Philosophy Documents SEL700G	3,900.00
125	DAKOTA SUPPLY GROUP-ACH	500FT-Conduit, 3", Corrugated PVC	3,822.94
126	PATRIOT CONSULTING TECHNOLOGY	Microsoft Sentinerl-DefThreat Hunting	3,807.42
127	READY MIX CONCRETE COMPANY LL	Concrete for Water Main Break Patching	3,739.25
128	US BANK PURCHASING CARD	Microsoft Azure 10/13-11/12	3,613.25
129	PULSTAR INC	6EA-Wall Mount, Rohn	3,610.94
130	SOUTHERN ELECTRICAL EQUIPMENT	3EA-Worm Gear Mechanism	3,537.60
131	WARTSILA NORTH AMERICA	1EA-Valve Rep Kit, Main Starting-217048	3,484.94
132	EPLUS TECHNOLOGY INC	4EA-715W AC 80+ Platinum,Second Pwr Supply	3,455.28
133	ARCHKEY TECHNOLOGIES dba	1EA-NEMA 12 Enclosure for Well #11	3,375.00
134	CITY OF ROCHESTER	Workers Compensation Premium	3,259.58
135	REDS ELECTRIC LLC	SAE-New Stack/Bypass Meter Socket	3,217.50
136	BORDER STATES ELECTRIC SUPPLY	144EA-Conn, Ped, 500, 6-Tap, Covered	3,169.44
137	REDS ELECTRIC LLC	SAE-Bore in Pipe-Baihly Hills Dr SW	3,147.50
138	RECREATION LANES PROPERTY MNG	CIP-Cooling Eq. (C&I)-Incentives/Rebates	3,133.10
139	TOTAL TOOL SUPPLY INC (P)	Annual Crane Inspection	3,080.00
140	IRBY UTILITIES dba	15EA-Conn, Trans, 1/0-1000, 12-Tap, Bare	3,075.00
141	VIKING ELECTRIC SUPPLY (P)	1760FT-Conduit, 3", PVC Sch 40	3,074.88
142	KTTC TV INC	Advanced Metering Ads	3,000.00
143	WINTHROP & WEINSTINE P.A.	October Legislative Advocacy	3,000.00
144	RESCO	25EA-Mast Arm, Residential LED, Extension	2,991.43
145	EPLUS TECHNOLOGY INC	4EA-PRTNR SUP 8X5XNBD Catalyst 9300, 1YR	2,935.04
146	KATAMA TECHNOLOGIES INC	Project Managment for AMI and MDM	2,925.00
147	LRS OF MINNESOTA LLC	2025 Waste Removal (SC)	2,841.00
148	DAIRYLAND POWER COOPERATIVE	1JOB-PSS/E Training	2,830.88
149	EVOQUA WATER TECHNOLOGIES LLC	4EA-Membrane, Filmtec BW30HRLE-440i Dry	2,827.96
150	EPLUS TECHNOLOGY INC	1EA-ISA 3000 2 Copper 2 Fiber Ports	2,760.76
151	TWIN CITY SECURITY INC	2025 Security Services	2,692.29

ROCHESTER PUBLIC UTILITIES
A/P Board Listing By Dollar Range
For 11/13/2025 To 12/08/2025
Consolidated & Summarized Below 1,000

152	US BANK PURCHASING CARD	Digicert-Secure Site Certificate	2,688.00
153	CDW GOVERNMENT INC	1EA-TV, Samsung 98", BE98DH, Black	2,639.81
154	SCHWEITZER ENGINEERING LABORA	2EA-Relay, SEL-2440 DPAC, 125VDC/AC, 48D	2,617.24
155	SCHWEITZER ENGINEERING LABORA	2EA-Relay,SEL-2440 DPAC,125VDC/AC,32DI/1	2,617.24
156	HAWKINS INC	5024.25LB-2025 Hydrofluosilicic Acid	2,564.88
157	US BANK PURCHASING CARD	Hydro Bubblers	2,551.75
158	SOUTHERN ELECTRICAL EQUIPMENT	Replace 161kV Disconnect Switches	2,522.00
159	MITSUBISHI ELECTRIC POWER PRO	1EA-Tariff Surcharge Battery Rplcmt PO 45-66102	2,469.81
160	BORDER STATES ELECTRIC SUPPLY	32EA-Conn,Trans, 500, 6-Tap, Bare	2,452.80
161	RESCO	25PKG-Label, Warning, Secondary Pedestal	2,337.89
162	BORDER STATES ELECTRIC SUPPLY	120EA-Conn,Trans, 500, 6-Tap, Covered	2,184.00
163	CRESCENT ELECTRIC SUPPLY CO	1800FT-Wire, AL, 600V, #2-#4 ACSR NEU	2,168.07
164	TSENG HUNG MING	Travel,Commercial Energy Advisor Applicant	2,162.90
165	ROCHESTER SWEEPING SERVICE LL	Blacktop Repair - Kingsley Auto-Truck Repair	2,137.50
166	ARCHKEY TECHNOLOGIES dba	RPU Conference Room Updates	2,130.00
167	VERIZON CONNECT NWF INC	November 2025 - GPS Fleet Tracking	2,127.12
168	GATCHECO NATALIE	Customer Refunds 33286	2,095.90
169	REDS ELECTRIC LLC	SAE-New Exterior Pipes & Wiring,Bypass Meter	2,095.55
170	BORDER STATES ELECTRIC SUPPLY	6EA-Cutout Door, 8A ELF, 15KV	2,058.12
171	RECREATION LANES PROPERTY MNG	CIP-Lighting (C&I)-Incentives/Rebates	2,020.94
172	RESCO	15EA-Bracket, Equip Mtg, 3ph, 48", 6 Mtg	2,019.00
173	VIKING ELECTRIC SUPPLY (P)	4EA-RAY-NUH JBS-100-L-A Single Entry	2,012.04
174	IRBY UTILITIES dba	16EA-Pedestal, Dome Cover, Box Style	2,000.00
175	SCHMIDT GOODMAN OFFICE PRODUC	Sliding Door	1,965.16
176	BARR ENGINEERING COMPANY (P)	2024-2025 General Groundwater Consulting	1,897.00
177	MITSUBISHI ELECTRIC POWER PRO	UPS #3 Main Replacement - BUCC	1,889.06
178	US BANK PURCHASING CARD	Gas Sensor Monitoring Services	1,866.04
179	POLLARDWATER dba	2EA-Alum Diff W/PITOT OPG	1,860.30
180	MERIT CONTRACTING INC (P)	WES Roof Repair	1,855.21
181	ALLIED VALVE INC	1EA-2.5" Safety Valve Repair	1,820.00
182	MINNESOTA ENERGY RESOURCES CO	Natural Gas for SC	1,741.13
183	WIESER PRECAST STEPS INC (P)	1EA-Grd Sleeve, Switch Basement, PME	1,730.00
184	PYE-BARKER FIRE & SAFETY LLC	SLP- Fire Alarm/Supp. Inspect. Srvs.	1,710.00
185	VIKING ELECTRIC SUPPLY (P)	4EA-RAY-NUH E-100-L-A High Profile	1,704.44
186	EPLUS TECHNOLOGY INC	15EA-10GBase-CU SFP+ Cable 5 Meter	1,688.85
187	VIKING ELECTRIC SUPPLY (P)	1EA-Enclosure, Wall Mount, 24x36x12 304S	1,621.28
188	EPLUS TECHNOLOGY INC	2EA-C9200L Cisco DNA Essentials,3YR License	1,599.68
189	VIKING AUTOMATIC SPRINKLER IN	Sprinkler Test	1,560.00
190	ALLIED VALVE INC	1EA-1.5" Safety Valve Repair	1,560.00
191	ONLINE INFORMATION SERVICES I	November 2025 Utility Exchange Report	1,540.11
192	GARCIA GRAPHICS INC	Layout & Design-2026 Tree Posters Calendar	1,500.00
193	ADVANTAGE DIST LLC (P)	20EA-Oil Sample Kit, WES	1,462.05
194	CORE & MAIN LP (P)	5SET-Flange, Round, Thread DI, 3"	1,450.00
195	ALTERNATIVE TECHNOLOGIES INC	Sample Testing	1,386.00
196	GREAT BLUE RESEARCH INC	Residential & Commercial Rates Survey	1,380.31
197	CORPORATE WEB SERVICES INC	2025 Website Services	1,348.06
198	GE GRID SOLUTIONS LLC REMIT	1-Bushing (Insul/Ctr Cond/Gaskets)	1,342.50
199	BROWN DARNELL	CRA-#2196512-s/b Owner Name-Brown,Darnell	1,337.99
200	ARNOLDS A KLEEN-TECH COMPANY	10CAS-Bonded Wipers (SC)	1,335.94
201	K A A L TV LLC	Advanced Metering Ads	1,330.00
202	US BANK PURCHASING CARD	Regulator Valve	1,310.29

ROCHESTER PUBLIC UTILITIES
A/P Board Listing By Dollar Range
For 11/13/2025 To 12/08/2025
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203	WESCO DISTRIBUTION INC	20EA-U-Guard, 3" X 10', Steel	1,295.54
204	VERIZON WIRELESS	AMI Phone Plan 10/9-11/8	1,289.52
205	OPEN ACCESS TECHNOLOGY	December Tag Agent webSmartTag User IDs	1,241.31
206	CENTRAL STATES GROUP	2EA-Filter, Pre-Filter Element	1,198.99
207	GRAINGER INC	1EA-Enclosure, 304 Stainless Steel 20"x1	1,183.51
208	MINNESOTA ENERGY RESOURCES CO	WES Bldg Gas	1,158.32
209	DELL MARKETING LP	6EA-Monitor, Computer, 27", Dell QHD	1,148.99
210	ENERVAC INTERNATIONAL ULC	Tariff Charge Invoice 041830 PO 45-66171	1,146.71
211	CORE & MAIN LP (P)	3EA-WB67 # 31 Valve Seat	1,132.56
212	ULTEIG OPERATIONS LLC	Engineering Services 2024-2026	1,131.00
213	IRBY UTILITIES dba	Material, Greenlee Gator- Crimper, #1	1,116.15
214	STELLAR INDUSTRIAL SUPPLY INC	25EA-Cap, AR-4, Beanie, Light - Weight	1,109.10
215	STELLAR INDUSTRIAL SUPPLY INC	25EA-Cap, AR-3, Beanie, Med - Weight	1,109.10
216	US BANK PURCHASING CARD	Travel,E.HLoftus,EA Ignite-Lodging	1,068.75
217	CORE & MAIN LP (P)	Watermain Break - 411 21 Ave SW	1,048.12
218	RESCO	9EA-Conn, Trans, 1/0-1000, 6-Tap, Bare	1,035.99
219	WESCO DISTRIBUTION INC	6EA-Fiber Optic, Rack, Splice Mount	1,035.30
220	DELL MARKETING LP	4EA-Dock, Dell Pro Thunderbolt 4 Smart D	1,029.16
221	BOLTON AND MENK (P)	T-Mobile CCM High Site #89 Review	1,025.00
222	ROCH AREA BUILDERS INC	2026 Home & Outdoor Show Booth Rental	1,000.00

Price Range Total: 259,044.27

0 to 1,000 :

228	US BANK PURCHASING CARD	Summarized transactions: 96	18,314.93
229	FIRST CLASS PLUMBING & HEATIN	Summarized transactions: 20	10,118.25
230	REDS ELECTRIC LLC	Summarized transactions: 22	9,538.79
231	EPLUS TECHNOLOGY INC	Summarized transactions: 20	7,303.22
232	CUSTOMER REFUNDS (CIS)	Summarized transactions: 57	6,404.18
233	AMARIL UNIFORM COMPANY	Summarized transactions: 35	5,864.43
234	VIKING ELECTRIC SUPPLY (P)	Summarized transactions: 39	5,266.77
235	CITY LAUNDERING COMPANY	Summarized transactions: 20	4,203.86
236	CITY OF ROCHESTER	Summarized transactions: 9	3,658.11
237	LAWSON PRODUCTS INC (P)	Summarized transactions: 11	3,569.63
238	BORDER STATES ELECTRIC SUPPLY	Summarized transactions: 16	3,411.66
239	CORE & MAIN LP (P)	Summarized transactions: 7	3,113.96
240	IRBY UTILITIES dba	Summarized transactions: 14	2,923.91
241	RESCO	Summarized transactions: 8	2,306.39
242	AUTOMATIONDIRECT.COM	Summarized transactions: 7	2,285.00
243	O'REILLY AUTO PARTS	Summarized transactions: 15	2,283.25
244	LRS OF MINNESOTA LLC	Summarized transactions: 4	2,253.24
245	HAWKINS INC	Summarized transactions: 5	2,117.84
246	FASTENAL COMPANY	Summarized transactions: 9	2,088.88
247	GRAINGER INC	Summarized transactions: 17	2,018.36
248	WESCO DISTRIBUTION INC	Summarized transactions: 10	2,011.48
249	CRESCENT ELECTRIC SUPPLY CO	Summarized transactions: 27	2,006.01
250	POMPS TIRE SERVICE INC	Summarized transactions: 6	1,936.78
251	GARCIA GRAPHICS INC	Summarized transactions: 8	1,823.50
252	WARTSILA NORTH AMERICA	Summarized transactions: 7	1,731.22
253	CENTURYLINK (P)	Summarized transactions: 7	1,672.62

ROCHESTER PUBLIC UTILITIES
A/P Board Listing By Dollar Range
For 11/13/2025 To 12/08/2025
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254	NETWORK SERVICES COMPANY	Summarized transactions: 8	1,629.87
255	QUALITROL COMPANY LLC (P)	Summarized transactions: 5	1,553.89
256	BOLTON AND MENK (P)	Summarized transactions: 3	1,435.00
257	SOUTHERN ELECTRICAL EQUIPMENT	Summarized transactions: 2	1,348.83
258	AIRGAS SAFETY INC	Summarized transactions: 8	1,338.19
259	VERIZON WIRELESS	Summarized transactions: 4	1,254.39
260	GOPHER STATE ONE CALL	Summarized transactions: 2	1,232.55
261	VEIT DISPOSAL SYSTEMS dba	Summarized transactions: 2	1,220.00
262	DAKOTA SUPPLY GROUP-ACH	Summarized transactions: 9	1,178.36
263	MOORE RYAN	Summarized transactions: 6	1,153.68
264	EVOQUA WATER TECHNOLOGIES LLC	Summarized transactions: 17	1,115.38
265	READY MIX CONCRETE COMPANY LL	Summarized transactions: 2	1,066.13
266	MCCOLLOUGH TIM	Summarized transactions: 5	1,065.98
267	ITRON INC	Summarized transactions: 2	1,046.40
268	ROBERTSON GORDON	Summarized transactions: 2	1,011.70
269	ULINE	Summarized transactions: 2	1,004.79
270	WINKELS ELECTRIC INC	Summarized transactions: 1	936.42
271	SCHWEITZER ENGINEERING LABORA	Summarized transactions: 2	934.65
272	KANAMARLAPUDI YASH	Summarized transactions: 4	933.87
273	WARNING LITES OF MN INC (P)	Summarized transactions: 1	925.80
274	THE ENERGY AUTHORITY INC	Summarized transactions: 1	913.94
275	BOB THE BUG MAN LLC	Summarized transactions: 1	900.96
276	TWIN CITY SECURITY INC	Summarized transactions: 1	897.43
277	REBATES	Summarized transactions: 2	870.02
278	CLARK CONCRETE INC	Summarized transactions: 1	855.00
279	MITSUBISHI ELECTRIC POWER PRO	Summarized transactions: 1	843.64
280	CITY LAUNDERING COMPANY	Summarized transactions: 4	839.76
281	READY MIX CONCRETE COMPANY LL	Summarized transactions: 1	814.39
282	PROLEC-GE WAUKESHA INC	Summarized transactions: 3	795.22
283	ADVANTAGE DIST LLC (P)	Summarized transactions: 4	780.77
284	LAMA PRIYANKA	Summarized transactions: 4	779.08
285	SOLID WASTE OLMSTED COUNTY	Summarized transactions: 2	774.53
286	INNOVATIVE OFFICE SOLUTIONS L	Summarized transactions: 5	755.44
287	ROCHESTER WELDING INC/NORTH S	Summarized transactions: 1	748.13
288	AT&T	Summarized transactions: 1	729.19
289	MODEM EXPRESS INC	Summarized transactions: 2	725.00
290	MILESTONE MATERIALS	Summarized transactions: 1	719.25
291	HACH COMPANY	Summarized transactions: 2	712.60
292	VIKING ELECTRIC SUPPLY (P)	Summarized transactions: 23	685.87
293	ELECTRICAL TRAINING ALLIANCE	Summarized transactions: 2	671.84
294	AMERICAN BUSINESS FORMS INC	Summarized transactions: 3	664.73
295	REINDERS INC	Summarized transactions: 1	656.70
296	ARNOLDS A KLEEN-TECH COMPANY	Summarized transactions: 9	655.14
297	ERC WIPING PRODUCTS INC	Summarized transactions: 3	653.46
298	N HARRIS COMPUTER CORP	Summarized transactions: 1	653.25
299	ACME ELECTRIC MOTOR, INC.	Summarized transactions: 1	610.38
300	EPLUS TECHNOLOGY INC	Summarized transactions: 5	607.53
301	SHERWIN WILLIAMS CO #3526	Summarized transactions: 2	603.19
302	SNAP ON INDUSTRIAL	Summarized transactions: 2	600.96
303	COMMUNITY EDUCATION	Summarized transactions: 1	600.00
304	SOMA CONSTRUCTION INC	Summarized transactions: 9	581.48

ROCHESTER PUBLIC UTILITIES
A/P Board Listing By Dollar Range
For 11/13/2025 To 12/08/2025
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305	PEOPLES ENERGY COOPERATIVE	Summarized transactions: 3	580.49
306	MINNESOTA ENERGY RESOURCES CO	Summarized transactions: 4	564.18
307	TOTAL TOOL SUPPLY INC (P)	Summarized transactions: 2	554.47
308	POLLARDWATER dba	Summarized transactions: 4	552.93
309	ALTEC INDUSTRIES INC	Summarized transactions: 1	546.00
310	DIGIKEY CORPORATION	Summarized transactions: 6	495.79
311	REGULATORY COMPLIANCE SERVICE	Summarized transactions: 1	495.00
312	WARNING LITES OF MN INC (P)	Summarized transactions: 1	477.60
313	MARCO TECHNOLOGIES LLC (P)	Summarized transactions: 1	477.00
314	VALOR MECHANICAL	Summarized transactions: 1	475.00
315	DOBLE ENGINEERING COMPANY (P)	Summarized transactions: 4	456.36
316	HAPPY CHRYSLER DODGE JEEP RAM	Summarized transactions: 2	411.48
317	CITY OF ROCHESTER	Summarized transactions: 1	395.00
318	JOHN HENRY FOSTER MN INC (P)	Summarized transactions: 4	383.76
319	HENRY-LOFTUS ERIN	Summarized transactions: 4	380.50
320	PEOPLES ENERGY COOPERATIVE	Summarized transactions: 2	366.34
321	WIESER PRECAST STEPS INC (P)	Summarized transactions: 1	350.00
322	VIOLA NURSERY & GREENHOUSE	Summarized transactions: 2	345.20
323	HELLMAN RAQUEL	Summarized transactions: 2	324.96
324	POMPEII PAINTING INC	Summarized transactions: 2	320.46
325	PROPERTY RECORDS OLMSTED COUN	Summarized transactions: 5	318.00
326	VAN METER INC dba	Summarized transactions: 4	314.88
327	NORTHERN / TREVI PAY	Summarized transactions: 3	308.10
328	HANSON PATRICIA S	Summarized transactions: 1	301.00
329	BROTHERS PLUMBING CO	Summarized transactions: 1	300.00
330	CHOSEN VALLEY TESTING	Summarized transactions: 1	293.00
331	AIRGAS USA, LLC (P)	Summarized transactions: 6	271.75
332	MISSISSIPPI WELDERS SUPPLY CO	Summarized transactions: 3	255.50
333	HIGH FOREST AUTOMOTIVE EQUIPM	Summarized transactions: 1	250.08
334	FARRELL EQUIPMENT (P)	Summarized transactions: 6	248.52
335	J & S REPAIR	Summarized transactions: 2	238.46
336	SANCO ENTERPRISES	Summarized transactions: 1	234.99
337	MITSUBISHI POWER AERO LLC (P)	Summarized transactions: 1	230.55
338	NUVERA	Summarized transactions: 1	223.04
339	USA BLUE BOOK dba	Summarized transactions: 1	205.10
340	MENARDS ROCHESTER NORTH	Summarized transactions: 6	201.48
341	CORPORATE WEB SERVICES INC	Summarized transactions: 1	200.95
342	STILLER NEIL	Summarized transactions: 1	185.00
343	FEDEX SHIPPING	Summarized transactions: 14	184.26
344	B & K WATER LLC	Summarized transactions: 2	178.44
345	ONLINE INFORMATION SERVICES I	Summarized transactions: 1	162.75
346	ENPRO INC	Summarized transactions: 3	157.43
347	RONCO ENGINEERING SALES INC	Summarized transactions: 6	157.09
348	PROACTIVE ENVIRONMENTAL PRODU	Summarized transactions: 2	153.40
349	HYLAND SOFTWARE INC	Summarized transactions: 1	150.76
350	VANCO SERVICES LLC	Summarized transactions: 1	147.04
351	MENARDS ROCHESTER SOUTH	Summarized transactions: 3	145.66
352	MSC INDUSTRIAL SUPPLY CO INC	Summarized transactions: 5	144.48
353	SOUND AND MEDIA SOLUTIONS	Summarized transactions: 1	144.28
354	PROTECH SKILLS INSTITUTE	Summarized transactions: 1	142.07
355	PULSTAR INC	Summarized transactions: 1	136.35

ROCHESTER PUBLIC UTILITIES
A/P Board Listing By Dollar Range
For 11/13/2025 To 12/08/2025
Consolidated & Summarized Below 1,000

356	OSWEILER TODD	Summarized transactions: 1	130.20
357	DAKOTA SUPPLY GROUP-ACH	Summarized transactions: 3	129.60
358	PAULS LOCK & KEY SHOP INC	Summarized transactions: 1	117.56
359	BAUER BUILT INC (P)	Summarized transactions: 2	110.69
360	AUTO VALUE	Summarized transactions: 2	107.47
361	NALCO COMPANY LLC	Summarized transactions: 2	104.49
362	HTP ENERGY	Summarized transactions: 1	103.96
363	NAPA AUTO PARTS dba	Summarized transactions: 5	97.29
364	STELLAR INDUSTRIAL SUPPLY INC	Summarized transactions: 2	90.38
365	SCHLOMKA'S VAC TRUCK SERVICE	Summarized transactions: 2	89.38
366	TESCO - THE EASTERN SPECIALIT	Summarized transactions: 1	88.49
367	BASIMAMOVIC VEDRANA	Summarized transactions: 1	82.25
368	HOLTORF DAVE	Summarized transactions: 1	80.00
369	CHS ROCHESTER	Summarized transactions: 1	79.68
370	DELL MARKETING LP	Summarized transactions: 2	69.34
371	GOODIN COMPANY	Summarized transactions: 2	69.15
372	BATTERIES PLUS	Summarized transactions: 1	59.32
373	WIRKUS MIKE	Summarized transactions: 1	53.00
374	DAVIES PRINTING COMPANY INC	Summarized transactions: 1	51.56
375	MN DEPT OF LABOR & INDUSTRY	Summarized transactions: 1	50.00
376	BATTERIES PLUS	Summarized transactions: 2	43.90
377	NORTH CENTRAL INTERNATIONAL L	Summarized transactions: 1	39.89
378	FARRELL EQUIPMENT (P)	Summarized transactions: 2	37.83
379	MCMASTER CARR SUPPLY COMPANY	Summarized transactions: 5	33.85
380	NORTH AMERICAN ELECTRIC RELIA	Summarized transactions: 1	33.10
381	CENTRAL STATES GROUP	Summarized transactions: 2	32.11
382	FASTENAL COMPANY	Summarized transactions: 1	27.98
383	SCHMIDT GOODMAN OFFICE PRODUC	Summarized transactions: 1	26.72
384	STELLAR INDUSTRIAL SUPPLY INC	Summarized transactions: 3	25.16
385	SWAGELOK MN INC (P)	Summarized transactions: 1	23.28
386	BURGGRAFS ACE HARDWARE OF ROC	Summarized transactions: 1	21.35
387	FIRST SUPPLY (P)	Summarized transactions: 6	15.00
388	PROLINE DISTRIBUTORS	Summarized transactions: 1	12.26

Price Range Total: 173,984.20

Grand Total: 14,387,212.89



REQUEST FOR ACTION

Reject Bid for Construction of Ponderosa Pines Booster Station - Project #2025-15

MEETING DATE:

December 16, 2025

ORIGINATING DEPT:

Rochester Public Utilities

AGENDA SECTION:

Consent Agenda

PRESENTER:

**Todd Blomstrom, Director of
Water**

Action Requested:

Approve the rejection of the bid from Elcor Construction for the construction of the Ponderosa Pines Booster Station.

Report Narrative:

On November 21, 2025, bids were opened for the Ponderosa Pines Booster Station. Two submittals were received, but only one included pricing and constituted a complete submittal. Elcor Construction submitted a bid valued at \$709,440 which exceeded the Engineers Estimate by over \$230,000.

This solicitation drew a fair amount of interest but resulted in just one complete bid. This is a unique project and would be the first booster of this type in the system. Staff believes the unusual nature of the project and required technical coordination contributed to the limited response and higher than expected pricing.

The RPU team recommends the rejection of this bid and will re-evaluate project delivery with the goal of completing the project in 2026. RPU is exploring options to self-perform the installation next year.

Prior Legislative Actions & Community Engagement:

On May 6, 2024, City Council authorized a contribution agreement with developer Pine South West, LLC, in the amount of \$104,000 to be paid by the developer, to increase water pressure within the Ponderosa Pine development to not less than 35 psi. The \$104,000 contribution is the developer's share to facilitate the design and construction of the Ponderosa Pines Booster Station.

Fiscal & Resource Impact:

The 2026 Water Division CIP included \$575,000 for construction of the Ponderosa Pines Booster Station, including \$104,000 of Developer Contribution. One bid was received for the work, valued at \$709,440 from Elcor Construction.

Prepared By:

Luke Payne

Attachments:

[20251216 - Resolution - Bid Rejection for Construction of Ponderosa Pines Booster](#)



RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester to approve the rejection of the bid from Elcor Construction for the construction of the Ponderosa Pines Booster Station.

PASSED AND ADOPTED BY THE PUBLIC UTILITY BOARD OF THE CITY OF
ROCHESTER, MINNESOTA, THIS 16th DAY OF DECEMBER 2025.

PRESIDENT

SECRETARY



REQUEST FOR ACTION

2026 Hourly Power Line Clearance Tree Services

MEETING DATE:

December 16, 2025

ORIGINATING DEPT:

Rochester Public Utilities

AGENDA SECTION:

Consent Agenda

PRESENTER:

Neil Stiller, Manager of
Maintenance and
Construction

Action Requested:

Approve a resolution for accepting the 2026 hourly tree trimming labor and equipment rates for services with Asplundh Tree Expert, LLC, and authorize the Project Manager to execute the services up to the approved budget amount. Annual costs for this contract will be funded through approval of the budget.

Report Narrative:

Hourly crews perform day-to-day tree trimming work throughout the City based on customer requests, storm work, or other areas impacted by specific projects. RPU is presently in a multi-year contract for hourly services. That contract began January 1, 2021, for a five-year term with the option to extend for up to an additional two years, based on mutual agreement. The hourly contract designates that the contractor is required to provide a three-person and a two-person crew, plus equipment. The hourly also stipulates that year-by-year adjustments to the hourly rate are allowed by negotiation. This resolution is to accept the 2026 labor and equipment hourly rates for the sixth year of the multi-year contract. To date, RPU staff are very satisfied with the performance of this contractor. Staff recommends continuing the contract. The labor portion of the contract is increasing 3.5% and equipment rates remain unchanged. These rates are all within expected margins.

Fiscal & Resource Impact:

The total 2026 budget for tree trimming services is \$1.92 million. This item determines the portion of the overall tree trimming budget committed for the 2026 hourly work. In addition to the hourly services, staff will seek approval of contracts for the Lump Sum portion of RPU's tree trimming program as a separate action item.

Prepared By:

Neil Stiller

Attachments:

[Exhibit - Asplundh Hourly Rates - Schedule of Rates and History 2026](#)

[20251216 - Resolution - 2026 Hourly Power Line Tree Clearance](#)

Asplundh Rates with Change Orders

Item No.	Description	2021 Rates	2022 Rates	2023 Rates	2024 Rates	2025 Rates	2026 Rates	Cost Difference	Hours (2025 Avg.)	Impact of Change
1	Foreperson x 2	\$51.60	\$53.15	\$55.42	\$57.36	\$59.60	\$61.68	\$2.08	3800	\$7,904.00
2	Trimmer x 2	\$48.16	\$49.60	\$51.48	\$53.28	\$55.24	\$57.13	\$1.89	3800	\$7,182.00
3	Ground Person	\$35.25	\$35.25							
4	Trimmer Trainee (Change Order #4)		\$43.28	\$45.89	\$47.50	\$49.31	\$50.98	\$1.67	1908	\$3,186.36
5	Aerial lift truck with chip dump box, having a minimum reach height of 50 feet.	\$15.89	\$16.29	\$17.01	\$17.52	\$18.14	\$18.14	\$0.00	1900	\$0.00
6	Aerial lift truck with chip dump box, having a minimum reach height of 60 – 70 feet.	\$20.06	\$20.46	\$21.36	\$22.00	\$22.77	\$22.77	\$0.00	1900	\$0.00
7	Brush truck with grapple boom.	\$33.38	\$33.38	\$36.00	\$37.26	\$37.26	\$37.26	\$0.00	1900	\$0.00
8	Pickup truck (Change Order #5)					\$12.97	\$12.97	\$0.00	0	\$0.00
9	All-terrain boom having a minimum reach height of 50 feet.	\$39.31	\$39.31	\$41.05	\$41.05	\$41.05	\$41.05	\$0.00	0	\$0.00
10	Backyard track-mounted aerial lift having a minimum reach height of 60 feet.	\$34.60	\$34.60	\$36.12	\$37.20	\$38.05	\$38.05	\$0.00	1900	\$0.00
11	Backyard track-mounted aerial lift having a minimum reach height of 50 feet (Change Order #2)	\$30.85	\$30.85	\$34.65	\$35.69	\$35.69	\$35.69	\$0.00	0	\$0.00
12	Brush handling mini-grapple machine	\$8.02	\$8.02	\$8.37	\$8.62	\$8.62	\$8.62	\$0.00	1900	\$0.00
13	Vermeer BC1500 or equivalent chipper	\$8.97	\$8.97	\$8.97	\$9.25	\$9.25	\$9.25	\$0.00	0	\$0.00
14	Vermeer BC1000 or equivalent chipper (Change Order #1)	\$4.96	\$4.96	\$4.96	\$5.13	\$5.13	\$5.13	\$0.00	0	\$0.00
										\$18,272.36

CO #1 - Alternate size chipper

CO #2 - Added backyard trackmount aerial lift 50'

CO #3 - Staff and equipment rates effective 2/1/2022

CO #4 - Two year training program; person is promoted to Trimmer (Journeyman Trimmer) after 2 years. Rate effective 1/1/2022

CO #5 - Added Pickup Truck Rate. Rate effective 11/2024

Note for Item No. 9: This is an All-Terrain Machine that was requested on the original bid. Asplundh's interpretation of this bid unit at the time was a machine similar to a Morooka (with tracks) which is a large machine designed for rigorous cross country ROW work.

Note for Item No. 10: Text change to distinguish equipment by minimum reach height. Item No. 10 represents 3 different backyard lifts that Asplundh has. Altec TD-58 with a 62' WH, Terex TL-55 with a 61' WH, and the current unit RPU is assigned which is a Skylift 61' (WH).

Note for Item No. 11: Text change to distinguish equipment by minimum reach height. This was the original rate negotiated as a result of understanding what RPU needed and is a basic backyard lift. (Original unit was a 53' Skylift)



RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester to approve of the 2026 hourly tree trimming labor and equipment rates for services with Asplundh Tree Expert, LLC.

BE IT FURTHER RESOLVED by the Public Utility Board of the City of Rochester to authorize the Project Manager to execute the services up to the approved budgeted amount. Annual costs for this contract will be funded through the approved budget.

PASSED AND ADOPTED BY THE PUBLIC UTILITY BOARD OF THE CITY OF
ROCHESTER, MINNESOTA, THIS 16th DAY OF December 2025.

PRESIDENT

SECRETARY



REQUEST FOR ACTION

2026 Lump Sum Power Line Clearance Tree Services

MEETING DATE:
December 16, 2025

ORIGINATING DEPT:
Rochester Public Utilities

AGENDA SECTION:
Consideration of Bids

PRESENTER:
Neil Stiller

Action Requested:

Approve a resolution to accept the bids for the 2026 Lump Sum tree trimming services as follows:

- 1) Asplundh Tree Expert, LLC \$109,197.00 + tax
- 2) New Age Tree Service, LLC \$685,661.55 + tax

and authorize the Project Manager to manage the contracts up to the approved budget amount. All awards are subject to applicable tax.

Report Narrative:

The results of the bids for the 2026 Lump Sum Power Line Clearance Tree Services are attached. Lump sum work is chosen based on RPU's maintenance cycle and includes a fixed price for the trimming portion, plus a not to exceed price for tree removals within the easement. During the project, the contractor also seeks landowner permission to remove trees outside the easement that would benefit RPU safety and system reliability if removed. In all cases, the contractor and RPU work closely with property owners to reach an agreeable solution for tree removals. These costs result in a change order to the contract. The total of all bid items is within the uncommitted portion of the 2026 tree-trimming budget. Staff requests the Board approve the bids for all bid items. The Project Manager monitors expenditures throughout the year and determines the optimal manner of completing the work within the constraints of the budget.

Fiscal & Resource Impact:

The 2026 budget for tree trimming services is \$1.92 million. The combination of hourly and lump sum power line clearance tree services contracts are managed within the constraints of the annual budget.

Prepared By:

Neil Stiller

Attachments:

[Exhibit - 2026 Lump Sum Bid Tab](#)

[20251216 - Resolution - 2026 Lump Sum Power Line Clearance Tree Services](#)

Line (Map)	Asplundh					New Age				
	Per Unit	Removal Costs NTE	Total Per Unit & Removals	Tree removal hourly rate	# of Removals	Per Unit	Removal Costs NTE	Total Per Unit & Removals	Tree removal hourly rate	# of Removals
305	\$189,191.00	\$2,850.00	\$192,041.00	\$195.00	8	\$116,872.00	\$0.00	\$116,872.00	\$175.00	
402	\$302,583.00	\$3,990.00	\$306,573.00	\$195.00	11	\$186,040.47	\$0.00	\$186,040.47	\$175.00	
612	\$55,004.00	\$380.00	\$55,384.00	\$195.00	1	\$40,960.20	\$0.00	\$40,960.20	\$175.00	
712	\$273,013.00	\$29,450.00	\$302,463.00	\$195.00	80	\$224,176.88	\$0.00	\$224,176.88	\$175.00	
713	\$125,226.00	\$10,260.00	\$135,486.00	\$195.00	28	\$117,612.00	\$0.00	\$117,612.00	\$175.00	
901	\$99,697.00	\$9,500.00	\$109,197.00	\$195.00	26	\$126,505.00	\$0.00	\$126,505.00	\$175.00	
Total Low Bid(s):			\$109,197.00				Total Low Bid(s):			\$685,661.55
Total Bid:			\$1,101,144.00				Total Bid:			\$812,166.55



RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester to accept bids for the 2026 lump sum power line tree trimming services as follows:

- 1) Asplundh Tree Expert, LLC \$109,197.00 + tax
- 2) New Age Tree Service, LLC \$685,661.55 + tax

BE IT FURTHER RESOLVED by the Public Utility Board of the City of Rochester to authorize the Project Manager to manage the contracts up to the approved budget amount. All awards are subject to applicable tax.

PASSED AND ADOPTED BY THE PUBLIC UTILITY BOARD OF THE CITY OF

ROCHESTER, MINNESOTA, THIS 16th DAY OF December 2025.

PRESIDENT

SECRETARY



REQUEST FOR ACTION

Enterprise Resource Planning (ERP) Project

MEETING DATE:

December 16, 2025

ORIGINATING DEPT:

Rochester Public Utilities

AGENDA SECTION:

Regular Agenda

PRESENTER:

**Peter Hogan, Director of
Corporate Services**

Action Requested:

Adopt a Resolution amending the Electric Utility budget consistent with the updated financing plan and to authorize the expenditure of the approved ERP implementation funds. This authorization includes entering into additional contracts within the approved budget to support RPU specific integrations, customization, and related implementation activities necessary for the SAP S4HANA deployment.

Report Narrative:

The City of Rochester and Rochester Public Utilities (RPU) have jointly undertaken a multi-year assessment of enterprise business systems with the assistance of the Government Finance Officers Association (GFOA) to identify operational needs, modernize core financial and human resources processes, and prepare for replacement of several aging systems. The City's existing ERP, JD Edwards, is 26 years old and approaching end of life. RPU's existing ERP, SAP ECC, was deployed in 1999 and requires replacement or upgrading as extended support for the current environment ends in 2030. These timelines present a rare opportunity to align on a single modernized ERP platform capable of serving both organizations for the next 20 or more years.

Following a rigorous evaluation of 22 proposals from 11 vendors, the joint selection committee identified SAP S/4HANA, implemented through HCL Tech, as the solution best suited to meet both City and RPU requirements, including work management, asset management, finance, regulatory reporting, inventory, procurement, human resources, data analysis, and integrated data governance. The solution consolidates several aging and disparate systems into a unified platform and positions both organizations to meet growing needs associated with digital transformation and advanced analytics.

The Rochester City Council approved execution of the ERP agreements on December 8, 2025 and authorized the overall project financing plan, which includes modifying RPU's 2026 to 2027 Electric Utility budget to reflect RPU's share of the implementation cost. This action was contingent upon concurrence by the RPU Board.

The approved amendment increases the Electric Utility's ERP project allocation from 11,946,112 dollars to 15,491,241 dollars for the 2026 to 2027 budget cycle. This adjustment aligns RPU's budget with the finalized ERP implementation scope, contingency structure, and the shared cost model developed jointly by City and RPU staff.

Policy Considerations & DEI Impact:

A common ERP platform supports RPU's strategic goals around efficiency, transparency, and

operational reliability by streamlining workflows, improving data accessibility, and integrating financial and asset management systems across the city.

Prior Legislative Actions & Community Engagement:

- November 14, 2022 - Council authorized a contract with GFOA for the ERP needs assessment and action plan.
- October 29, 2024 - RPU Board approved the budget for the ERP needs assessment and action plan.
- October 20, 2025 - Council adopted Resolution No. 262-25 authorizing finalization of an ERP agreement with SAP and HCL Tech.
- October 28, 2025 - RPU Board approved the 2026 to 2027 Electric Utility budget including the ERP project.
- December 1, 2025 - Council approved the 2026 to 2027 Board recommended Electric Utility budget including the ERP project.
- December 8, 2025 - Council considered ERP contract execution and the request for a corresponding RPU budget amendment contingent upon RPU Board approval.

Fiscal & Resource Impact:

The approved 2026-2027 RPU budget includes \$11,946,112 for ERP implementation activities and subscription costs during deployment. Based on the finalized cost model and contingency structure, the total required funding is \$15,491,241, an increase of \$3,545,129. This increase is driven primarily by two factors: establishing a project contingency budget appropriate for a multi year ERP implementation and adding funding for an external project management consultant to provide dedicated guidance, coordination, and oversight throughout the project.

The amended budget aligns RPU's financial commitment with the negotiated multi year implementation plan. Through a joint City and RPU approach, overall implementation and long term operating costs are reduced. Additional long term value is expected through consolidation of legacy systems into the ERP platform, reduced dependence on aging applications, avoidance of end of life system expenditures, and shared expertise in supporting a unified ERP environment.

Prepared By:

Peter Hogan

Attachments:

[20251216 - Resolution - Enterprise Resource Planning \(ERP\) Project](#)



RESOLUTION

WHEREAS the City of Rochester and Rochester Public Utilities (RPU) desire to enter into an agreement to deploy a common enterprise resource planning (ERP) solution, and

WHEREAS the ERP projects allocated costs for RPU exceed the current approved budget, and

WHEREAS the Common Council of the City of Rochester approved an amendment to the 2026 - 2027 Electric Utility's ERP implementation budget from \$11,946,112 to \$15,491,241 on December 8, 2025, contingent upon the Public Utility Board approval,

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve an amendment to the 2026 - 2027 electric utility budget for the enterprise resource planning (ERP) implementation project from \$11,946,112 to \$15,491,241, and

BE IT FURTHER RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to expend approved budget funds for the Utility's allocation of the SAP S/4HANA ERP implementation and authorize staff to enter into additional contracts within the approved budget to facilitate RPU specific integrations, customization and related implementation activities.

PASSED AND ADOPTED BY THE PUBLIC UTILITY BOARD OF THE CITY OF

ROCHESTER, MINNESOTA, THIS 16th DAY OF DECEMBER, 2025.

PRESIDENT

SECRETARY



REQUEST FOR ACTION

Grid North Partners Joint Development Agreement for Rochester Public Utilities' participation in the Mankato to Mississippi River Transmission Project

MEETING DATE:

December 16, 2025

ORIGINATING DEPT:

Rochester Public Utilities

AGENDA SECTION:

Regular Agenda

PRESENTER:

**Scott Nickels, Director of
Power Delivery and Randy
Anderton, Manager of
Electrical Engineering**

Action Requested:

Adopt a resolution formally recommending that the Rochester City Council approve the Joint Development Agreement (JDA) for Rochester Public Utilities' participation in the Mankato to Mississippi River Transmission Project at an ownership level of \$28,884,000, plus a 15% contingency of \$4,332,600, for a total authorized amount of \$33,216,600 and that the Rochester City Council delegate authority to the RPU project manager to perform the acts to execute the project. Further, recommend that the City Council delegate to the RPU General Manager and the Rochester City Attorney the authority to approve any final non-material changes to the JDA prior to execution. Also recommend that the City Council delegate to the RPU General Manager and the Rochester City Attorney the authority to approve the execution of all future amended and restated December 2012 CapX2020 operating agreements required to incorporate the Mankato to Mississippi River Project facilities, including but not limited to the Joint Cooperation Agreement, Transmission Capacity Exchange Agreement, Transmission-to-Transmission Interconnection Agreement, Project Participation Agreement, Minnesota Construction Management Agreement, and the Minnesota Operation and Maintenance Agreement.

Report Narrative:

The Midcontinent Independent System Operator (**MISO**), of which RPU is a transmission-owning member, has developed a series of **Long-Range Transmission Planning (L RTP)** studies for the Midwest Subregion. At the November 2022 and January 2025 Public Utility Board meetings, staff provided informational presentations outlining MISO's long-range transmission planning objectives, the identified **Tranche 1 Bulk Electric System expansion projects**, RPU's estimated ownership opportunity, the project schedule, and an analysis of the financial benefits to RPU of transmission ownership.

Through **Grid North Partners (GNP)**, RPU is partnering with Xcel Energy, the Southern Minnesota Municipal Power Agency (**SMMPA**), and Dairyland Power Cooperative on the construction and joint ownership of the **Mankato to Mississippi River Transmission Project**, one of MISO's priority Tranche 1 projects. This segment is designated as L RTP 4 within the Tranche 1 portfolio.

Originally formed as **CapX2020** in 2004 to design, route, and construct multiple interstate 345-kV transmission projects in and around Minnesota, Grid North Partners has evolved into a collaborative

group of ten investor-owned, cooperative, and municipal utilities working together to strengthen the region's transmission network. The GNP utilities collectively serve nearly three million electric customers across Minnesota, North Dakota, South Dakota, and Wisconsin, and they own and operate transmission infrastructure throughout their respective service territories. Since completing the CapX2020 projects in 2017, GNP has continued to provide coordinated input in state, federal, and MISO transmission-planning processes, including long-range planning goals and system-expansion studies.

In **January 2026**, each utility participating in the Mankato to Mississippi River Transmission Project (LRTP 4) will formalize its ownership share by executing a **Joint Development Agreement (JDA)**. Execution of the JDA signals each utility's commitment to participate in and fund its portion of the project. For RPU, approval and execution of the JDA, through the City of Rochester, would commit the utility to an ownership level of **\$28,884,000**, plus a **15% contingency**, for a total authorized amount of **\$33,216,600**. The JDA is the foundational agreement that officially establishes financial participation and governance for the project.

Later in 2026, the LRTP 4 utilities will amend and restate the original **December 2012 CapX2020 operating agreements** to incorporate the new 2025 Mankato to Mississippi River 345-kV project facilities. RPU is requesting and recommending to the City Council delegated authority for the RPU General Manager and the Rochester City Attorney to approve the execution of these future amended and restated agreements due to the short lead times required to remain on the project schedule. The December 2012 operating agreements were recommended for execution by the RPU Board on December 11, 2012, and authorized by the City Council on December 17, 2012. Amendments to these agreements will address incorporation of the new facilities and maintain the original documents' detailed provisions regarding construction and maintenance responsibilities, present and future project rights, and legal arrangements including default, indemnification, and asset-management provisions.

The CapX2020 agreements expected to be amended and restated include, but may not be limited to:

- Joint Cooperation Agreement (Dec 21, 2012)
- Transmission Capacity Exchange Agreement (Dec 21, 2012)
- Transmission-to-Transmission Interconnection Agreement (Dec 21, 2012)
- Project Participation Agreement (Dec 21, 2012)
- Minnesota Construction Management Agreement (Dec 21, 2012)
- Minnesota Operation and Maintenance Agreement (Dec 21, 2012)

Construction for LRTP 4 will be led by **Xcel Energy**, and the project is progressing through the Minnesota Public Utilities Commission (**PUC**) Certificate of Need and routing approval processes. The current schedule anticipates construction beginning in **2026**, with completion in **2028**.

Policy Considerations & DEI Impact:

This project represents a significant strategic opportunity for RPU. Constructing and owning new regional transmission assets directly supports RPU's Power Supply Plan by strengthening the transmission network that delivers generation to the RPU load center, improving regional grid resilience, and helping mitigate present and future congestion-related financial impacts. Ownership also allows RPU to offset costs that would otherwise be recovered solely through transmission charges, while providing the opportunity to earn a regulated return on investment.

These investments align with RPU's **20-year financial forecast, five-year pro forma, 2027 bonding strategy**, and the **recently approved 2026–27 budget that includes the multi-year capital project funding in the amount of \$31,230,000 for the Grid North Partners Project**.

Prior Legislative Actions & Community Engagement:

- **November 29, 2022** – Utility Board Informational Presentation: *MISO Tranche 1 Transmission Project – Project Participation Justification*.
- **December 31, 2024** – Federal Energy Regulatory Commission (FERC): *Approval of the incentive-*

rate filing for RPU's proposed investment.

- **January 21, 2025** – Utility Board Informational Presentation: *MISO Tranche 1 Transmission Project – Project Status Update.*
- **August 26, 2025** – RPU Board Action: *The Board authorized staff to proceed with the MISO Tranche 1 Transmission Project, allowing future expenditures to be capitalized.*

Fiscal & Resource Impact:

The MISO Tranche 1 transmission projects have been classified by the Midcontinent Independent System Operator (**MISO**) as **Multi-Value Projects (MVPs)**. MVP projects are **100% cost-shared** among all load-serving entities within the MISO Midwest Subregion. Under **MISO Tariff Attachment FF**, transmission owners of MVP facilities are eligible to earn a **10.52% return on equity** for qualified MVP investments. RPU's ownership in an MVP transmission project will generate revenue that helps offset a portion of RPU's load-serving megawatt-hour share of the broader MISO Tranche 1 project portfolio.

Prepared By:

Scott Nickels

Attachments:

[Exhibit - La Crosse MN LRTP 4 Joint Development Agreement](#)

[20251216 - Resolution - GNP Joint Development Agreement for LRTP4](#)

**LA CROSSE (MN) LRTP 4 / LA CROSSE (MN) PHASE 5
TRANSMISSION PROJECT**

**(NORTH ROCHESTER SUBSTATION TO MISSISSIPPI RIVER)
(NORTH ROCHESTER TO CHESTER)**

JOINT DEVELOPMENT AGREEMENT

Dated as of January 16, 2026

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JOINT DEVELOPMENT AGREEMENT

This **JOINT DEVELOPMENT AGREEMENT** (this “**Agreement**”), dated as of 12:01 AM January 16, 2026 (the “**Effective Date**”), is made by and among Northern States Power Company, a Minnesota corporation (“**NSP, MN**”), Dairyland Power Cooperative, a cooperative association incorporated under the laws of the state of Wisconsin (“**DPC**”), the City of Rochester, a Minnesota municipal corporation acting through its Public Utility Board (“**RPU**”) and Southern Minnesota Municipal Power Agency, a municipal corporation and political subdivision of the state of Minnesota (“**SMMPA**”) (individually each a “**Minnesota Owner**” and a “**Party**” and, collectively, the “**Minnesota Owners**” and the “**Parties**”). NSP, MN also joins in this Agreement solely in its capacity as the Development Manager (as defined herein).

Northern States Power Company, a Wisconsin corporation (“**NSP, WI**”), WPPI Energy, a municipal electric company, political subdivision and body politic and corporate of the state of Wisconsin (“**WPPI**”), and DPC join in this Agreement in their capacity as “**Wisconsin Owners**” as defined in that certain Joint Cooperation Agreement dated as of December 21, 2012, by and among the Minnesota Owners and the Wisconsin Owners (the “**JCA**”) for the purpose of project coordination and Management Committee representation as Coordinated Owners of the Southeast Twin Cities – Rochester – La Crosse Transmission Project (Minnesota) (the “**La Crosse MN Project**”) and the Southeast Twin Cities – Rochester – La Crosse Transmission Project (Wisconsin) (the “**La Crosse WI Project**”). The La Crosse MN Project and the La Crosse WI Project may be collectively referred to herein as the “**Coordinated Projects**.” The Minnesota Owners and the Wisconsin Owners hereinafter may be referred to individually as a “**Coordinated Owner**” and collectively as the “**Coordinated Owners**.”

RECITALS

A. The Parties are parties to those certain agreements executed on and delivered on December 21, 2012 (the “**Effective Time**”), and any other amendments entered into by the Parties after the Effective Time but on or before the Effective Date, in connection with the La Crosse MN Project, including the JCA, the Project Participation Agreement (the “**PPA**”), the Construction Management Agreement (the “**Original CMA**”), the Operation and Maintenance Agreement (the “**OMA**”), the Transmission Capacity Exchange Agreement (the “**TCEA**”), and other such agreements as the Parties entered into before the Effective Date to govern, construct, operate and maintain, and equitably allocate transmission capacity for the La Crosse MN Project (collectively, the JCA, PPA, Original CMA, OMA, and TCEA, are referred to herein as the “**Original Project Agreements**”).

B. As of the Effective Time, the Minnesota Owners and the Wisconsin Owners entered into the JCA. The JCA was entered into by the Coordinated Owners to establish protocols and procedures designed to assure Coordinated Owner collaboration for and governance of the Coordinated Projects, including the design, development, procurement, construction, Commissioning and completion, and to establish, among other things, (i) the rights and obligations of each Coordinated Owner with respect to certain construction matters, (ii) protocols and procedures for governance of the Coordinated Projects by the Management Committee, and (iii) procedures for the reconciliation of Integrated Percentage Interests (as defined by the PPA) among the Coordinated Owners.

C. The PPA, OMA, and TCEA of the Original Project Agreements will be amended and restated (individually, each an “**Amended and Restated Original Project Agreement**” and, collectively, the “**Amended and Restated Original Project Agreements**”) as of a concurrent restatement time specified in each Amended and Restated Original Project Agreement (the “**Restatement Time**”). The Original CMA will terminate in accordance with its terms and will not be amended and restated. The Parties will execute a new Construction Management Agreement (as defined herein) which will be a Project Agreement. The JCA may be amended and restated by the Coordinated Owners and, if such amendment and restatement takes place in connection with the Project (as defined below), the amended and restated JCA will become an Amended and Restated Original Project Agreement.

D. The Original Project Agreements are each in full force and effect as of the Effective Date and, except for the Original CMA, will remain in full force and effect through the execution and delivery of the Project Agreements, in accordance with the terms set forth in the Project Agreements.

E. The Board of Directors of Midcontinent Independent System Operator, Inc. (“**MISO**”) studied, reviewed, and approved the Long-Range Transmission Planning (“**LRTP**”) Tranche 1 Portfolio (the “**Tranche 1 Portfolio**”) in July, 2022 as part of MISO’s 2021 Transmission Expansion Plan report (“**MTEP21**”). As part of MTEP21, MISO found that the Tranche 1 Portfolio was in part needed to address regional reliability issues on the existing transmission system in southern Minnesota and western Wisconsin.

F. To address these regional reliability concerns, MISO approved in MTEP21 the construction of several separate transmission lines as part of its Tranche 1 Portfolio known as LRTP 4. The Minnesota segments of LRTP 4 are collectively referred to as the Mankato-Mississippi River Transmission Project (the “**LRTP 4 MN Project**”) and consists of: (i) a new approximately one hundred thirty (130) mile 345 kV transmission line between the Wilmarth substation in Mankato, Minnesota and the Mississippi River, including upgrade of existing 161 kV transmission line to 345 kV transmission line and second circuit 345 kV transmission line installation in Segment 3 (as defined below), and (ii) a new approximately twenty (20) mile 161 kV transmission line between the North Rochester substation that is owned by NSP, MN (the “**Substation**”) near Pine Island, Minnesota and the Chester substation that is owned by RPU.

G. Because of the different characteristics of the portions of the LRTP 4 MN Project, it has been divided into four (4) segments consisting of (i) transmission lines and associated assets owned by NSP, MN, and (ii) transmission lines and associated assets owned jointly as tenants-in-common by the Minnesota Owners.

H. The transmission lines of segment 1 and segment 2 of the LRTP 4 MN Project are each discretely owned by NSP, MN. Segment 1 consists of an approximately 41-48 mile new 345 kV transmission line between the Wilmarth substation and a point near the West Faribault substation (“**Segment 1**”). Segment 2 consists of an approximately 33-40 mile new 345 kV transmission line between a point near the existing West Faribault substation and the Substation (“**Segment 2**”). Segment 1 and Segment 2 construction by NSP, MN is individually referred to herein as the “**Segment 1 NSP, MN Construction**” and the “**Segment 2 NSP, MN Construction**” and collectively as the “**NSP, MN Construction.**”

I. The transmission lines of segment 3 and segment 4 of the LRTP 4 MN Project are owned jointly as tenants-in-common by the Minnesota Owners. Segment 3 consists of (i) the addition of a new 345 kV transmission line of the La Crosse MN Project between the Substation and the Mississippi River, which will convert approximately twenty-seven (27) miles of existing 161/345 kV transmission line to 345/345 kV transmission line, and (ii) installation of approximately sixteen (16) miles of new 345 kV transmission line on La Crosse MN Project 345/345 double circuit structures (“**Segment 3**”). Segment 4 consists of removal and relocation of a portion of a 161 kV transmission line from the Substation to Chester junction which is required because a portion of the new 345 kV transmission line in Segment 3 would displace the 161 kV transmission line that is currently double circuited with an existing 345 kV transmission line (“**Segment 4**”). Collectively, Segment 3 and Segment 4 are referred to herein as the “**NRMRC Project**.” The transmission lines and associated transmission assets of Segment 3 and Segment 4 are individually referred to as a “**NRMRC Transmission Line**” and collectively as the “**NRMRC Transmission Lines**.”

J. The relocation of the wholly owned DPC 161 kV transmission line specified by Segment 4 requires construction by DPC of (i) a new, approximately twenty (20) mile 161 kV transmission line between the Substation and an existing transmission line northeast of Rochester, Minnesota, and (ii) underlying system improvements (the “**DPC Wabaco Relocation Project**”).

K. None of Segment 1, Segment 2, the DPC Wabaco Relocation Project, the Wilmarth substation nor the West Faribault substation is part of the NRMRC Project nor part of the Project (as defined herein), but each is integral to the LRTP 4 MN Project.

L. Development and advanced construction of the NRMRC Transmission Lines (as defined below) will be jointly developed, owned, and funded by the Parties in accordance with the provisions set forth in this Agreement. The Substation Expansion (as defined below) will be developed, owned, and funded by NSP, MN, consistent with its discrete ownership of the Substation.

M. The NRMRC Project will include the development, permitting, engineering, construction, and operation of the NRMRC Transmission Lines, including but not limited to, associated easements, transmission structures, conductors, static wire, insulators, and hardware from the Substation to the Mississippi River. The Substation will be expanded and otherwise upgraded to facilitate the NRMRC Transmission Lines and other modifications of the existing La Crosse MN Project. The expansion and upgrade of the Substation, along with the development, permitting, engineering, and upgrade of the Substation, is referred to herein as the “**Substation Expansion**.”

N. The NRMRC Project and the Substation Expansion will be collectively referred to herein as the “**Project**,” and as more specifically described in **Exhibit A** (Project Description).

O. The Management Committee has determined by resolution dated 12:00 AM on the Effective Date, among other things, (i) to pursue the development of the Project and to incorporate the NRMRC Transmission Lines as Phase 5 of the La Crosse MN Project (“**Phase 5**”), thereby to be governed by the Project Agreements, and (ii) to appoint NSP, MN to act as the Development Manager of the Project for the matters arising under this Agreement.

P. Each Party is empowered by Applicable Law to acquire, construct, maintain and operate facilities for the transmission of electrical energy and to acquire, construct and maintain all rights, properties, improvements and other interests necessary therefor in the state of Minnesota.

Q. On April 2, 2024, NSP, MN filed an Application for a Certificate of Need and Route Permit for the LRTP 4 MN Project.

R. Subject to the terms and conditions of this Agreement, the Parties desire to jointly pursue the development of the Project, and the Parties also desire to establish a written understanding by and among the Parties regarding Project-related issues and costs. The Parties desire that this Agreement will be temporary in nature and will be superseded by the Project Agreements.

S. Capitalized words and terms not otherwise defined by this Agreement have the meaning set forth in the Original Project Agreements.

AGREEMENT

NOW THEREFORE, in consideration of the foregoing Recitals, each of which is incorporated herein as an essential term hereof, and the covenants and agreements as herein set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, the Parties and the Development Manager agree as follows:

ARTICLE 1 DEFINITIONS AND INTERPRETATION

Section 1.1 Defined Terms. The following terms when used in this Agreement, including its Recitals, will have the following meanings. Terms or phrases not defined herein have the meaning set forth in the Project Agreements.

“**Advanced Construction Costs**” has the meaning set forth in **Section 7.2.2.**

“**Advanced Construction Work**” has the meaning set forth in **Section 5.1.2.**

“**Affiliate**” of a specified Person means any other Person (other than a natural Person), directly or indirectly controlling, controlled by, or under common control with the Person specified. For purposes of this Agreement, the term “control” (including its correlative meanings, “controlled by” and “under common control with”) will mean ownership, directly or indirectly, of fifty percent (50%) or more of the shares of stock entitled to vote for the election of directors, in the case of a corporation, or fifty percent (50%) or more of the equity interests in the case of any other type of legal entity, or status as a general partner in any partnership, or any other arrangement whereby a Person controls or has the right to control the board of directors or equivalent governing body of a corporation or other entity.

“**Agreement**” has the meaning set forth in the Preamble.

“Amended and Restated Original Project Agreement” and **“Amended and Restated Original Project Agreements”** have the meanings set forth in the Recitals.

“AOP” means the asset ownership percentages set forth in **Exhibit B** (Development Period Asset Ownership Percentages) agreed upon by the Parties for the NRMRC Project for the term of this Agreement as calculated by the Development Manager and approved by the Management Committee. By way of clarification, the final Asset Ownership Percentages as defined in **Section 3.1.3.1.2** of the PPA will be determined in accordance with the amended and restated PPA.

“Applicable Law” means any statute, law, ordinance, executive order, rule, or regulation (including a regulation that has been formally promulgated in a rule making Proceeding but, pending final adoption, is in proposed or temporary form having force of law); guideline or notice having force of law; or approval, permit, license, franchise, judgment, order, decree, injunction, or writ of any Governmental Authority applicable to a specified Person or specified property, as in effect from time to time.

“Approved Budget” means the Development Period Budget described in **Section 7.1** (Development Period Budget and Development Period Costs) composed of Development Period Costs as approved by the Parties on the Effective Date pursuant to recommendation by the Management Committee, and as increased by the Management Committee from time to time after the Effective Date. The Maximum Development Period Budget Amount is the amount that cannot be exceeded by the Development Manager without approval of the Management Committee.

“Business Day” means any day except Saturday, Sunday or any other day on which the Federal Reserve member banks are required or authorized to close for business.

“Code” means the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder, and any superseding Applicable Law enacted for implementation of a revenue code.

“CON” means a Certificate of Need as applied for to the MPUC and supplemented, as applicable, by a Party and ultimately issued, if at all, by the MPUC.

“Confidential Information” means confidential or proprietary information, whether or not it constitutes a trade secret under Applicable Law, including (i) any and all data, plans, proposals or other material related to the development, design, construction, configuration or operation of the Project, (ii) business operations, customer technology and risk management information; (iii) personnel, benefits and human resource information; (iv) data, plans, proposals or other material related to information systems or intellectual property; (v) legal information; (vi) supplier and vendor information; (vii) information concerning sources or terms of financing or credit; (viii) Tax, financial and market analysis information; (ix) technical, process and product information; (x) service information; (xi) pricing information, formulae and formulations; (xii) control, installation and operating procedures; (xiii) operating or maintenance manuals, instructions and other user documentation; and (xiv) technical and marketing information, designs and data. “Confidential Information” will not include information that: (A) has become part of the public domain other than by acts or omissions of the receiving Party or its representatives, (B) to the receiving Party’s knowledge, has been furnished or made known to the receiving Party

by third parties (other than those acting on behalf of the disclosing Party) as a matter of legal right and without relevant restriction on disclosure or use, (C) was in the receiving Party's possession prior to disclosure by the disclosing Party and was not previously acquired by the receiving Party or its representatives directly or indirectly from the disclosing Party or (D) was independently developed by representatives of the receiving Party without access to Confidential Information.

"Construction Management Agreement" means that certain construction management agreement to be entered into by NSP, MN and the other Parties pursuant to Section 4.2 (Project Agreements). By way of clarification, the Original CMA will terminate in accordance with and upon the execution and delivery of the Amended and Restated Original Project Agreements and will not be amended and restated.

"Consultants" means consultants and engineers for the conduct and performance of system impact studies, economic assessments, environmental assessments, engineering and public outreach and activities associated with obtaining Governmental Approvals required to develop the NRMRC Project.

"Contract" means each contract, agreement, license, authority, or other arrangement, either oral or written, establishing the terms of performance of contract work.

"Contractors" means any Person that enters into a Contract with the Development Manager, or one or more of the Parties that are authorized to enter into a Contract under this Agreement, for Development Work or Advanced Construction Work with respect to the NRMRC Project, as such Contracts are permitted under this Agreement.

"Coordinated Owner" and **"Coordinated Owners"** have the meanings set forth in the Preamble.

"Coordinated Projects" has the meaning set forth in the Preamble.

"Critical Permits" means the CON, Route Permit, and, if applicable, a Permit or Permits that must be granted by the U.S. Army Corps of Engineers, a Governmental Authority.

"Damages" means without limitation any loss arising from claims, suits, actions, costs (including reasonable fees and reasonable costs of investigation), expenses, fines, interest, penalties, assessments, judgments, demands, causes of action and litigation of any kind, whether based in tort, contract, or any other cause of action, excluding any Party-Specific Tax.

"Defaulting Party" means a Party that breaches its representations or warranties hereunder, or otherwise fails to perform any of its covenants hereunder, including payment obligations under Section 7.4 (Reimbursement of Development Period Costs) and performance obligations under Section 5.2.4 (Standard of Performance), and does not cure such breach or failure within thirty (30) days after receipt of notice of such breach or failure; **provided, however**, that, except for breach of payment obligations, if such breach or failure is incapable of cure within such thirty (30) day period (despite the diligent efforts of the breaching Party), the breaching Party will have a reasonable time to effect such cure if such cure is diligently pursued on a continuous basis by the breaching Party; **provided, further**, in order to terminate this Agreement such breach or failure to perform must be material and adverse to the other Parties as a whole or the Project.

“Development Costs” has the meaning set forth in **Section 7.2.1**.

“Development Manager” means NSP, MN in its capacity separate from a Party to this Agreement, as the appointed and designated Development Manager for the NRMRC Project and coordination of the Project until execution and delivery of the Project Agreements. By way of clarification, while NSP, MN is a Party to this Agreement in its capacity as a Minnesota Owner, the Development Manager is not a “Party” to this Agreement and NSP, MN is not a Party when it enters into this Agreement in the designated capacity as the Development Manager. The Development Manager is authorized and directed by the Parties to carry out, as agent for and on behalf of the Parties, Development Work and Advanced Construction Work in accordance with the terms of this Agreement. This agency relationship is created solely for the purpose of Development Work and Advanced Construction Work, and the fact that NSP, MN is also a Party to this Agreement does not in any way change, modify, or release the Development Manager from its rights, interests, and obligations in its capacity as the Development Manager.

“Development Period Budget” has the meaning set forth in **Section 7.1**.

“Development Period Costs” has the meaning set forth in **Section 7.2**.

“Development Work” has the meaning set forth in **Section 5.1.1**.

“DPC” has the meaning set forth in the Preamble.

“DPC Wabaco Relocation Project” has the meaning set forth in the Recitals.

“Effective Date” has the meaning set forth in the Preamble.

“Effective Time” has the meaning set forth in the Recitals.

“Encumbrance” means any lien, security interest, mortgage, pledge, hypothecation, assignment, easement, right-of-way, servitude, other encumbrance, equitable interest, charge, restrictive covenant, or other restriction or matter affecting title to the involved property.

“FERC” means the Federal Energy Regulatory Commission or any Governmental Authority succeeding to the powers of such entity.

“Final Order” means action by a Governmental Authority, which has become effective and has not been vacated, reversed, set aside, annulled or suspended and as to which: (i) no request for stay by such Governmental Authority of the action is pending, no such stay is in effect, and, if any deadline for filing any such request is designated by Applicable Law, such deadline has passed, (ii) no petition for rehearing or reconsideration of such action is pending before such Governmental Authority, and if any deadline for filing any such petition is designated by Applicable Law, such deadline has passed, (iii) such Governmental Authority does not have the action under reconsideration on its own motion, and (iv) no appeal to a court, or request for stay by a court, of such Governmental Authority’s action is pending or in effect, and, if any deadline for filing any such appeal or request is designated by Applicable Law, such deadline has passed.

“GAAP” means generally accepted accounting principles for companies in the United States in effect from time to time.

“Good Utility Practice” means those design, construction, operation, maintenance, repair, removal and disposal practices, methods, and acts that are engaged in by a significant portion of the electric transmission industry in the United States during the relevant time period, or any other practices, methods or acts that, in the exercise of reasonable judgment in light of the facts known at the time a decision is made, could have been expected to accomplish a desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be the optimum practice, method, or act to the exclusion of others, but rather to be a spectrum of acceptable practices, methods, or acts generally accepted in such electric transmission industry for the design, construction, operation, maintenance, repair, removal and disposal of electric transmission facilities in the United States. Good Utility Practice will not be determined after the fact in light of the results achieved by the practices, methods, or acts undertaken but rather will be determined based upon the consistency of (i) the practices, methods, or acts when undertaken with (ii) the standard set forth in the first two (2) sentences of this definition at such time.

“Governmental Approval” means any consent, approval, permit, license, franchise, order, or other authorization, or a variance or exemption therefrom or waiver thereof, from a Governmental Authority.

“Governmental Authority” means any court, tribunal, arbitrator, authority, agency, commission, official or other instrumentality of the United States, any foreign country or any domestic or foreign state, county, city or other political subdivision or similar governing entity.

“In-Service Date” means the date on which all of the initial facilities comprising the Project are energized and available to MISO for transmission service. This Agreement does not state an In-Service Date and any In-Service Date will be established by the Project Agreements.

“Initial Invoice” has the meaning set forth in Section 7.4.2(iii).

“Interest Rate” means the interest rate provided for in 18 C.F.R. § 35.19a(a)(2)(iii)(A) (or any successor provision).

“Internal Reimbursable Costs” has the meaning set forth in Section 7.2.4.

“JCA” has the meaning set forth in the Preamble.

“Joint Intellectual Property” means all intellectual property created, developed or prepared in connection with the development and construction of the NRMRC Project, including all Approved Budgets, NRMRC Project financial models and financial plans, studies and reports prepared by Consultants, external due diligence investigations, environmental and feasibility studies, NRMRC Project-related plans, designs or drawings, and permits and permit applications. Joint Intellectual Property will not include any property created by a Party that is confidential to such Party with respect to Substation Expansion, its internal financial models, plans, studies, reports, or designs and drawings created, developed or prepared by or at the direction of a Party that was not used in connection with a Contractor or Consultant, which have not been utilized in

connection with the development of the NRMRC Project and have not been charged to a Party hereunder as Development Period Costs.

“Joint Property” means the NRMRC Project and all development assets (tangible or intangible personal, real, or mixed property) arising from, in connection with, and incident to this Agreement, including the Joint Intellectual Property; **provided, however,** Joint Property will not include Substations or Substation Expansions thereto, underlying system improvements, underbuild lines, and similar assets ancillary to the Project that are presently owned or will be constructed and individually owned by the respective Parties.

“La Crosse MN Project” has the meaning set forth in the Preamble.

“La Crosse WI Project” has the meaning set forth in the Preamble.

“LRTP” has the meaning set forth in the Recitals.

“LRTP 4 MN Project” has the meaning set forth in the Recitals.

“Major Contract” means a Contract with a Consultant or Contractor that at the time of execution has an individual, or when considered with all other agreements with such Consultant or Contractor has an aggregate, amount of Two Hundred Fifty Thousand Dollars (\$250,000) or more, or which otherwise is designated as a Major Contract by the Management Committee.

“Management Personnel Costs” means the salaries and benefits of the personnel employed by the Development Manager or a Party and appointed or provided by the Development Manager or such Party (or if such personnel are not dedicated full time to the Project) in accordance with **Schedule 7.2.4(A)** (Development Manager Reimbursement for Cost of Services) and **Schedule 7.2.4(B)** (Non-NSP, MN Parties’ Reimbursement for Cost of Services), respectively, together with the costs of such other administrative services as the Development Manager or the applicable Party deems necessary to support such personnel in accordance with this Agreement.

“Maximum Development Period Budget Amount” has the meaning set forth in **Section 7.1**.

“Minnesota Owner” and **“Minnesota Owners”** have the meanings set forth in the Preamble.

“MISO” has the meaning set forth in the Recitals and further means MISO, or successors thereto, an Independent System Operator (ISO) and Regional Transmission Organization (RTO).

“MISO Tariff” means the MISO Open Access Transmission, Energy and Operating Reserve Markets Tariff (as amended from time to time and approved by FERC), including all schedules, modules, attachments and protocols thereto.

“MPUC” has the meaning set forth in the Recitals.

“MTEP21” has the meaning set forth in the Recitals.

“NRMRC Project” has the meaning set forth in the Recitals.

“NRMRC Transmission Line(s)” has the meaning set forth in the Recitals.

“NSP, MN” has the meaning set forth in the Preamble.

“NSP, MN Construction” has the meaning set forth in the Recitals.

“NSP, WI” has the meaning set forth in the Preamble.

“OMA” has the meaning set forth in the Recitals.

“Original CMA” has the meaning set forth in the Recitals.

“Original Project Agreements” has the meaning set forth in the Recitals.

“Party” and **“Parties”** have the meanings set forth in the Preamble. By way of clarification, the Development Manager is not a Party to this Agreement.

“Party-Specific Tax” means any Tax that is: (i) under Applicable Law, associated with or imposed upon a Party with respect to its ownership, use, operation or maintenance of its undivided interest in the Joint Property; or (ii) imposed, based upon or calculated with reference to the income or receipts of a Party, including federal and state income Taxes and state franchise Taxes.

“Person” means an individual, trust, estate, corporation, partnership, joint venture, limited liability company, business trust, association, unincorporated association, a government or agency or political subdivision thereof, or other entity with legal constitution under Applicable Law.

“Phase 5” has the meaning set forth in the Recitals.

“PPA” has the meaning set forth in the Recitals.

“PPA Transfer Provisions” has the meaning set forth in **Section 11.1**.

“Proceeding” means any suit, litigation, arbitration, hearing, audit, investigation or other action (whether civil, criminal, administrative or investigative) commenced, brought, conducted, or heard by or before, or otherwise involving, any Governmental Authority or arbitrator.

“Project” has the meaning set forth in the Recitals and as defined with particularity in **Exhibit A** (Project Description) hereto. For the avoidance of doubt, the NRMRC Project is included in the LRTP 4 MN Project. A map of the LRTP 4 MN Project is set forth in **Exhibit A**.

“Project Agreements” means, collectively, each of the Amended and Restated Original Project Agreements, the Construction Management Agreement to be entered into by the Parties as set forth in the Recitals, and other agreements specified by the Management Committee as necessary or desirable for addressing the Parties’ rights and obligations respecting the La Crosse MN Project, including the addition of the Project that is added as Phase 5 of the La Crosse MN

Project. Each of the Project Agreements may be individually referred to as a “**Project Agreement**,” and prefaced by the name of the individual Project Agreement referenced.

“**Real Property Contracts**” means, collectively, easements, leases, licenses, instruments, agreements, fee interests and documents that grant rights with respect to real property.

“**Remaining Party**” and “**Remaining Parties**” have the meaning set forth in **Section 8.1.3**.

“**Restatement Time**” has the meaning set forth in the Recitals.

“**ROFR**” means the first refusal rights granted to incumbent electric transmission owners under Minn. Stat. §216B.246 to build transmission lines that connect to their existing facilities.

“**Route Permit**” means any original route permit, any new route permit, and any amended route permit for the LRTP 4 MN Project as applied for from or issued by the MPUC and any other Governmental Authority.

“**RPU**” has the meaning set forth in the Preamble.

“**Segment 1**” has the meaning set forth in the Recitals.

“**Segment 1 NSP, MN Construction**” has the meaning set forth in the Recitals.

“**Segment 2**” has the meaning set forth in the Recitals.

“**Segment 2 NSP, MN Construction**” has the meaning set forth in the Recitals.

“**Segment 3**” has the meaning set forth in the Recitals.

“**Segment 4**” has the meaning set forth in the Recitals.

“**Settlement Agreement**” has the meaning set forth in **Section 9.1**.

“**Shared Liability**” has the meaning set forth in **Section 10.2.1**.

“**Shared Liability Claim**” has the meaning set forth in **Section 10.2.2**.

“**SMMPA**” has the meaning set forth in the Preamble.

“**Substation**” has the meaning set forth in the Recitals.

“**Substation Expansion**” has the meaning set forth in the Recitals.

“**Substation Jumpers**” means the slack span between the Substation Takeoff Tower and the dead-end structure inside the Substation fence.

“**Substation Takeoff Tower**” means the last structure owned by Parties just outside of the Substation fence.

“**Tax**” means any tax, surtax, charge, fee, levy or other assessment imposed by any Governmental Authority, including income, excise, property, sales, transfer, franchise, special franchise, payroll, recording, withholding, social security or other tax, or any liability for any tax incurred by reason of joining in the filing of any consolidated, combined or unitary tax returns, in each case including any interest, penalty or addition attributable thereto.

“**TCEA**” has the meaning set forth in the Recitals.

“**Terminated Party**” means the Defaulting Party with respect to any termination of a Party pursuant to clause (ii) of **Section 8.1.1** (General Termination Provisions).

“**Terminating Party**” has the meaning set forth in **Section 8.1.1(ii)**.

“**Termination Date**” has the meaning set forth in **Section 8.1.1**.

“**Third Party Claim**” means a claim, demand, cause of action or Proceeding made or brought by a Person that is not a Party or an Affiliate of a Party.

“**Third Party Costs**” has the meaning set forth in **Section 7.2.5**.

“**Tranche 1 Portfolio**” has the meaning set forth in the Recitals.

“**Transfer**” has the meaning set forth in **Section 11.1**.

“**Wisconsin Owners**” has the meaning set forth in the Preamble.

“**WPPI**” has the meaning set forth in the Preamble.

Section 1.2 Interpretation. In this Agreement, unless a clearly contrary intention appears:

- (i) the singular includes the plural and vice versa;
- (ii) reference to any Person includes such Person’s successors and assigns but, if applicable, only if such successors and assigns are permitted by this Agreement, and reference to a Person in a particular capacity excludes such Person in any other capacity;
- (iii) reference to any gender includes each other gender;
- (iv) reference to any agreement (including this Agreement), document or instrument means such agreement, document or instrument as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof, and by its use is incorporated by reference herein;
- (v) reference to any article, section, or schedule means such article, section, or schedule to this Agreement;

- (vi) the words “hereunder,” “hereof,” “hereto,” “herein” “herefrom” and words of similar import are reference to this Agreement as a whole and not to any particular section, article or other provision hereof;
- (vii) relative to the determination of any period of time, “from” means “from and including,” “to” means “to but excluding” and “through” means “through and including;”
- (viii) the words “including” “include” and “included” will be deemed to be followed by “without limitation”;
- (ix) reference to any law (including statutes and ordinances) means such law as amended, modified, codified or reenacted, in whole or in part, and in effect from time to time, including rules and regulations promulgated thereunder; **provided**, that any representation or warranty made as of a specific date in reference to and as governed by Applicable Law on such date will refer to such Applicable Law on and as of such date;
- (x) where two (2) or more Persons comprise a Party, all references to such Party will mean such Persons jointly and severally, and all obligations of such Party hereunder will be the joint and several obligations of such Persons; and
- (xi) references to “days” means calendar days, unless otherwise indicated.

ARTICLE 2

RELATIONSHIP OF PARTIES AND OWNERSHIP MATTERS

Section 2.1 Legal Relationship and Ownership Matters. The provisions of this **Section 2.1** are subject to the provisions of **Section 3.4** (Statutory and Regulatory Obligations) below.

2.1.1 **Substation Ownership.** The Substation Expansion will be funded, constructed, and owned by NSP, MN. No Party will have any right, title, or other interest in or to, or obligation (financial or otherwise) with respect to, the Substation or the Substation Expansion thereto, except as provided in the Amended and Restated Original Project Agreements; **provided, however**, that each Party acknowledges and agrees that (i) completion of any and all work on the Substation Expansion will be essential to completion of the Project and (ii) NSP, MN will covenant in the PPA Project Agreement to use commercially reasonable efforts to complete such work in accordance with any mutually agreed Project schedule and In-Service Date established by the Project Agreements.

2.1.2 **NRMRC Transmission Line Ownership and Waiver of Partition.** The NRMRC Transmission Lines will be owned by the Parties, with each Party having an undivided interest in the NRMRC Transmission Lines as tenants-in-common in accordance with its Asset Ownership Percentage as defined in **Section 3.1.3.1.2** of the PPA, and as calculated in accordance with **Article 3** of the **amended and restated PPA** and **Article VIII** of the **JCA**. The Parties agree to waive any right of partition of property, including the NRMRC Transmission Lines, that is owned by the Parties as tenants-in-common.

2.1.3 Independent Parties. The legal relationship of (i) the Parties to each other, and (ii) the Parties to the Development Manager hereunder is collaborative, voluntary, and mutual, and is governed solely by the terms of this Agreement and, if applicable, the Original Project Agreements by and among the Parties. The covenants, obligations, and liabilities of the Parties are intended to be several and not joint or collective and nothing herein contained will ever be construed to create an association, joint venture, trust, partnership or other legal entity or Person, or to impose a trust or partnership covenant, obligation, or liability on or with regard to any Party. No Party will hold itself out to any Person as a partner of, or principal trustee or agent for, any other Party, except to the extent expressly authorized in this Agreement.

2.1.4 No Sharing of Income and Profits. No Party will have the right to share, in whole or in part, the income and profits from, or be responsible for the losses and expenses with respect to, any other Party's undivided interest in the Joint Property. The income and profits produced by each Party's undivided interest in the Joint Property will belong solely to such Party.

2.1.5 Relationship Limited to Project. The Parties further agree this relationship is limited to the Project and that no transfer or consolidation of interests in the Project may be effected among or between the Parties except in accordance with the Original Project Agreements. No commitment by any Party to another Party or Parties for investments or other interests exists with respect to participation in any other project of any kind except as set forth herein.

2.1.6 Parties' Legal Responsibilities. Each Party will be individually responsible for its own covenants, obligations, and liabilities as herein provided. No Party will be under the control of or will be deemed to control any other Party. No Party acting in any capacity, other than NSP, MN acting in the capacity as the Development Manager under this Agreement, will be the agent of or have a right or power to bind any other Party without its express written consent, except as set forth in this Agreement.

2.1.7 Actions Reserved to the Parties. All powers that are not granted to the Management Committee or the Development Manager under this Agreement are reserved to the Parties. The foregoing shall not be construed to limit the powers of the Parties to direct or otherwise override any decision of the Management Committee.

2.1.8 Integrated Percentages True-Up. Upon completion of the Project, the final determinations of Percentage Interest, Asset Ownership Percentage, and Integrated Percentage Interests of the Coordinated Owners will be governed by (i) **Article VIII** (Integrated Percentage Interest Requirements, Payment Adjustments and Reconciliation) of the JCA, as and if amended, (ii) **Section 3.1.3** (Percentage Interest, Asset Ownership and Integrated Percentage Interest) of the amended and restated PPA, and (iii) consistent and in accordance with anticipated waivers and approvals given or otherwise granted by the Coordinated Owners (including temporary or permanent adjustments to investment rights and formulas with respect to Percentages (as defined in the PPA, as amended)).

Section 2.2 Property Rights and Waiver of Partition.

2.2.1 Certain Acquired Assets and Tenancy-in-Common. Unless otherwise agreed by the Parties, after the Effective Date (i) any real property interests and any permits for the NRMRC Project will be acquired in the name of the Parties and held as tenants-in-common, and (ii) all Contracts entered into in connection with the NRMRC Project (specifically excluding any Contracts for Substation Expansion) will provide that the Parties are entering into the Contracts as tenants-in-common and that any such Contract may be assigned to a Party without the consent or approval of the third party thereto. The Development Manager has been delegated the right and authority to enter into Contracts on behalf of the Parties to the extent set forth in **Section 6.1** (Contract Authority).

2.2.2 Joint Property Interests. If this Agreement is terminated before the execution and delivery of the Project Agreements, the Parties will each exercise rights as a tenant-in-common with respect to Joint Property pursuant to the operation of this Agreement and under the common law with respect to such Joint Property interests; **provided, however,** no Party will have any duty to render an accounting with respect to its use of such Joint Property interests following the termination of this Agreement and no Party will be entitled, and hereby irrevocably waives its rights, to seek to partition of such Joint Property rights. A Party's interest in Joint Property arising under this Agreement (i) prior to execution of the Project Agreements shall be determined in accordance with the AOP of such Party as set forth in **Exhibit B** (Development Period Asset Ownership Percentages), and (ii) upon and after execution and delivery of the Project Agreements shall be determined in accordance with the calculation of the final Asset Ownership Percentages as defined in **Section 3.1.3.1.2** of the amended and restated PPA. (See **Section 2.1.8** (Integrated Percentages True-Up) for general description of the Integrated Percentages True-Up of the Coordinated Owners.)

2.2.3 Parties' Property Rights Upon Termination. Upon mutual termination of this Agreement pursuant to **Section 8.1.1(i)** (General Termination Provisions) and **Section 8.1.2** (Termination by Parties' Agreement), each Party and the Development Manager, will respectively provide to the other Parties and the Development Manager a copy of all studies, reports, Contracts and other similar data and other similar information constituting Development Work and Advanced Construction Work that is in the respective possession of a Party or the Development Manager, as the case may be, as Joint Intellectual Property. Except as provided in **Section 8.1.3** (Other Terminations) with respect to a Terminated Party and a Terminating Party, each of the Parties will respectively be entitled and permitted to use any such Joint Intellectual Property for any purposes desired, subject only to applicable confidentiality restrictions. If any Party has acquired tangible or intangible personal, real, or mixed property in connection with the Project that constitutes Joint Property and was reimbursed for such Joint Property as Development Period Costs, then the Party acquiring such Joint Property will cause (i) the Transfer to the other Parties of an undivided right, title, and interest in and to such Joint Property in percentages equal to the other Parties' respective AOP as set forth in **Exhibit B** (Development Period Asset Ownership Percentages) (with such Party retaining its AOP in such Joint Property), and/or (ii) sell the Joint Property and pay the proceeds from such sale to the other Parties in accordance with their AOP as set forth in **Exhibit B** (with such Party retaining its AOP in

the proceeds resulting from the sale of such Joint Property).

2.2.4 No Right to Participate in Other Projects. Upon and after termination of this Agreement (i) nothing herein will require any Party to offer to any other Party the right to participate in any subsequent work or project with respect to electric transmission routes or lines, or any other efforts of such Party, and (ii) unless authorized by Applicable Law, no Party will claim any right, title or interest in or to any such work or project of another Party where the asserted basis of such claim is a result of its rights or interest in this Agreement.

Section 2.3 Disclaimer of Certain Duties. No Party nor any of its Affiliates will owe a fiduciary duty or duty of loyalty to any other Party or any of the other Parties' Affiliates in connection with this Agreement, the Project or the exercise, granting or withholding of its voting, consent or approval rights under this Agreement; **provided, however,** that each Party will owe a duty to the other with respect to the financial accounting and reporting that is required under this Agreement. To the maximum extent permitted by Applicable Law, each Party hereby releases and forever discharges the other Parties and their representative(s) from all liabilities based on a breach or violation of any fiduciary duty or duty of loyalty. The Development Manager is an independent contractor in relation to the Parties and does not owe a fiduciary duty or duty of loyalty to any Party, except as may be evidenced by a written agency agreement pursuant to which specific fiduciary duties are set forth therein.

Section 2.4 Liability to Third Parties. The debts, obligations and liabilities of each Party pursuant to this Agreement or otherwise in connection with the Project, whether arising in contract, tort or otherwise, will be solely the debts, obligations and liabilities of such Party. The debts, obligations, and liabilities of a Party may include those debts, obligations, and liabilities that are allocated to the Parties pursuant to the terms of this Agreement and, if allocated pursuant to the terms of this Agreement in accordance with such Parties' AOP as calculated in accordance with this Agreement or the Original Project Agreements, as applicable.

Section 2.5 Risk of Loss. Except for occurrences for which a Party is liable pursuant to the terms and conditions of this Agreement, each Party will maintain the risk of loss of its undivided interest in the Joint Property.

Section 2.6 Several Liability and Socialized Cost. The liability of each Party hereunder or with respect to the NRMRC Project will be several and not joint or collective; **provided, however,** the foregoing will not limit the other applicable terms of this Agreement, as between and among the Parties, including the other provisions of this Agreement regarding socialized sharing of certain costs, indemnification obligations, and contribution obligations. For clarity, and subject to the applicable indemnification terms hereof, no Party other than NSP, MN, solely in its capacity as owner of the Substation, will be responsible for liabilities of the other Parties in connection with the Substation or the Substation Expansion.

Section 2.7 Tax Filings by the Parties. Each Party agrees to (i) file its Tax returns consistent with **Section 2.1.3** (Independent Parties) above, and (ii) exclude the transactions created by this Agreement from the application of Chapter 1, Subchapter K, of the Code.

Section 2.8 Regulatory Filing of Agreement. The Parties have agreed that once executed and delivered by the Parties, this Agreement will be timely filed with FERC, which is understood by the Parties to be within thirty (30) days of the Effective Date. NSP, MN will file this Agreement on behalf of itself and the other Parties subject to FERC jurisdiction. Prior to such filing with FERC, NSP, MN shall provide the Parties meaningful advance opportunity to review and provide comment on the filing.

Section 2.9 Relation with Project Agreements. This Agreement is entered into for the purposes set forth herein and will terminate as of the Restatement Time upon execution and delivery of the amended and restated PPA as one of the Amended and Restated Original Project Agreements. Upon such termination, the Joint Property by operation of this Agreement and such amended and restated PPA will be added to Exhibit A (Development Period Assets) of the amended and restated PPA.

ARTICLE 3 MANAGEMENT COMMITTEE; PERSONNEL; REPORTING

Section 3.1 Management Committee.

3.1.1 Management Committee. The Coordinated Owners acknowledge that they have established the Management Committee under **Article II** of the JCA.

3.1.2 Joint Cooperation Agreement Management Committee Provisions. The La Crosse MN Project governance provisions as set forth in **Article II** of the JCA include the powers, meeting provisions, and voting rights and levels among and between the Minnesota Owners and the Wisconsin Owners. The Coordinated Owners granted the Management Committee all authority, right, and power to exercise the Management Committee Powers, as defined in the JCA; **provided, however,** that voting powers with respect to the Original Project Agreements and Construction Management Agreement matters, and the applicability to the particular La Crosse MN Project or the La Crosse WI Project, are set forth in **Section 2.1.4** (Voting) of the JCA.

3.1.3 Appointment of Representatives. The Management Committee pursuant to the JCA will consist of the members currently serving on the date of this Agreement, subject to replacement of one or more of its appointed regular or alternate Management Committee members by providing written notice to the other Parties as provided in the JCA. The existing members of the Management Committee as appointed by each Party under the JCA will each be entitled to one vote, and the basis for voting will be determined by the applicable provisions of the JCA.

3.1.4 Voting Rights Relating to the Respective Coordinated Projects. By way of clarification, the voting rights and limitations set forth in **Sections 2.1.4.1.5 through 2.1.4.1.7** (Voting with respect to the PPA, OMA, TCEA, and the Construction Management Agreement) of the JCA with respect to the Coordinated Projects will apply to this Agreement. The Parties and the Wisconsin Owners acknowledge and agree that voting limitations are established by the JCA with respect to certain Original Project Agreements matters as set forth in **Schedules 2.1.4.1.5 through 2.1.4.1.7** of the JCA.

Section 3.2 Personnel. Any Party may assign personnel to work on the Project. Each Party will be responsible for assigning appropriate personnel to Project activities, and for making changes in such assignments as required from time to time.

Section 3.3 Reporting. The Development Manager will prepare monthly reports summarizing the status of the Development Work and Advanced Construction Work, recent progress on such Development Work and Advanced Construction Work, the next phase of Development Work and Advanced Construction Work to be undertaken, and any other information reasonably requested by the Management Committee. The Development Manager will also prepare monthly reports on NRMRC Project expenditures and cash flows, and actual Development Period Costs to date relative to the applicable Approved Budget, consistent with the requirement of this Agreement, including **Section 7.5** (Books and Records). The Parties will report on their specific Development Work activities arising from **Schedule 5.2.3(B)** (Parties' Development Work) from time to time and as needed.

Section 3.4 Statutory and Regulatory Obligations. The Parties acknowledge that the authority of each Party is established by statute and that their direct or indirect participation in the Project, including their compliance with the terms of this Agreement, will require compliance with obligations under Applicable Law.

ARTICLE 4

COMPLETION OF DEVELOPMENT WORK AND COMMENCEMENT OF PROJECT

Section 4.1 Completion of Development Work. Upon recommendation of the Development Manager, pursuant to a written report submitted to the Management Committee, the Management Committee will determine whether the Development Work has been sufficiently completed to commence construction of the Project. The commencement of the Project by the Parties will be evidenced by execution and delivery of the Project Agreements. Based on the recommendation of the Management Committee, the Parties shall either (x) approve commencement of construction of the Project, or (y) defer commencement of construction of the Project pursuant to a determination that the Project conditions precedent required by this **Section 4.1** have not yet been satisfied. Unless the Parties otherwise agree in writing, the Project may not be approved for commencement of construction unless all of the following conditions precedent have been satisfied: (i) the Parties are in receipt of Final Orders for all (A) environmental impact statements and environmental assessments to be issued under Applicable Law for the Project and (B) Critical Permits and all other material permits and authorizations then-required for commencement of construction by Applicable Law, and (ii) the Parties have entered into the Project Agreements.

Notwithstanding the provision of **Section 4.1(i)**, the Management Committee is authorized to waive the appeal period for all Final Orders as described in this **Section 4.1**.

Section 4.2 Project Agreements. Each Party will make good faith efforts to negotiate and enter into the Project Agreements, including any and all prior amendments and material transactions entered into by the Parties that must or should be reflected in the Original Project Agreements. Following execution and delivery of this Agreement by the Parties, the Parties will make good faith efforts to facilitate the development of the Project Agreements and complete such

agreements with all material terms and information necessary for the final execution and delivery of the Project Agreements upon completion of the Development Work and the recommendation of the Management Committee to the Parties to commence construction of the Project.

ARTICLE 5 DEVELOPMENT ACTIVITIES; REAL PROPERTY

Section 5.1 Development Work and Advanced Construction Work.

5.1.1 Development Work. Development Work will include all activities necessary or desirable and in accordance with Good Utility Practice for development of the Project as set forth on **Schedule 5.1.1** (“**Development Work**”). By way of clarification, Development Work refers to development of the Project generally and the NRMRC Project specifically and with reference to Development Period Costs incurred. Any development activities performed separately by or with the owners of a substation is for coordination of the entire Project to assure the completion of the NRMRC Project and is included in the Development Work.

5.1.2 Advanced Construction Work. The Development Manager may engage in certain construction activities in connection with completion of the Development Work and incur Advanced Construction Costs (as defined in **Section 7.2.2** (Advanced Construction Costs)) as set forth on **Schedule 5.1.2** (the “**Advanced Construction Work**”). By way of clarification, the Development Manager may enter into any form of Contract that is consistent with the terms of this Agreement, including Contracts for construction, and such Contracts will be deemed to be either Development Work or Advanced Construction Work.

Section 5.2 Performance of Development Work and Advanced Construction Work.

5.2.1 Management Committee Development Activities. Subject at all times to the direction of the Parties and the requirements of this Agreement, the Management Committee will have primary responsibility for (i) providing general oversight and guidance for the planning and coordination of Development Work and Advanced Construction Work, as respectively defined in **Section 5.1** (Development Work and Advanced Construction Work) and as further described or referenced in **Schedule 5.2.1** (Management Committee Development Work) attached hereto, (ii) providing general direction to and supervision of the Development Manager, (iii) approving increases in the Development Period Budget pursuant to **Section 7.1** (Development Period Budget and Maximum Development Period Budget Amount), and (iv) approving material revisions to any mutually agreed Project schedule between the Parties and the Development Manager. The Management Committee will not have the authority to determine the manner or means by which the Development Manager performs its duties hereunder.

5.2.2 Development Manager Appointment. By execution and delivery of this Agreement, the Parties appoint NSP, MN to act on their behalf as the Development Manager and to take such actions and exercise such powers as are set forth herein.

5.2.3 Division of Responsibility for Execution of Development Activities. On and after the Effective Date, the Development Manager and each Party, respectively, will have primary responsibility for the execution of those aspects of the Development Work and Advanced Construction Work described or referenced in Schedule 5.2.3(A) (Development Manager Development Work) and Schedule 5.2.3(B) (Parties' Development Work) attached hereto. With respect to the foregoing:

- (i) The Development Manager, will competently and diligently, and in accordance with all Applicable Laws, directives and policies of the Management Committee, and in accordance with Good Utility Practice (A) carry out the Development Work and Advanced Construction Work described or referenced in Schedule 5.2.3(A), (B) conduct all other activities deemed by the Management Committee as necessary and proper to complete the Development Work and Advanced Construction Work pursuant to and consistent with the requirements of this Agreement, and (C) perform such other functions and duties as may be assigned to the Development Manager, and as appropriately authorized in writing and budgeted by the Management Committee.
- (ii) Each of the Parties will competently and diligently, and in accordance with all Applicable Laws, directives and policies of the Management Committee, and in accordance with Good Utility Practice (A) carry out the Parties' Development Work and Advanced Construction Work described or referenced in Schedule 5.2.3(B), and (B) perform such other Development Work and Advanced Construction Work functions and duties as may be agreed to and appropriately authorized in writing and budgeted by the Management Committee.

5.2.4 Standards of Performance. The Management Committee, the Development Manager and each of the Parties will perform their respective Development Work and Advanced Construction Work obligations pursuant to this Agreement in accordance with Good Utility Practice and will use commercially reasonable efforts to perform and complete the Development Work and Advanced Construction Work assigned to it so as to timely progress with such work by the agreed upon milestone dates. Upon reasonable request, the Development Manager and each of the Parties will each provide progress reports to the other and will cause their respective Affiliates and personnel to comply with the terms and conditions of this Agreement.

Section 5.3 Governmental Approvals.

5.3.1 Governmental Approvals Required. The Development Manager will have the primary responsibility for seeking and obtaining required Governmental Approvals for the NRMRC Project, except for the CON and Route Permit for which the Parties will be jointly responsible for seeking and obtaining approval from the MPUC (the cost of which is set forth in the Development Period Budget). The Development Manager will also monitor the Governmental Approvals sought by NSP, MN as the owner of the Substation. The Parties will use commercially reasonable efforts to assist the Development Manager,

to the extent reasonably necessary, in seeking such required Governmental Approvals, but such responsibility will be supportive in nature to the responsibilities of the Development Manager.

5.3.2 Parties' Responsibilities Regarding Governmental Approvals. Each Party will: (i) respond as promptly as practicable to any inquiries or requests issued to it by any Governmental Authority in respect of the Project; and (ii) reasonably cooperate with the Development Manager and the other Parties in the Governmental Approval process; **provided** that a Party will not be obligated pursuant to this **Section 5.3.2** to disclose Confidential Information except to the extent required (A) by Applicable Law, (B) by any Governmental Authority, or (C) pursuant to the express terms of this Agreement. No Party will, nor will it permit any of its Affiliates to, oppose, obstruct, or otherwise interfere with the efforts of any other Party to obtain any Governmental Approval required in connection with the Project.

5.3.3 Parties' Right to Participate in Proceedings. Each Party agrees, on behalf of itself and its Affiliates, that it will not: (i) oppose the right of any other Party or any of its Affiliates to participate in any regulatory Proceedings concerning the Project; (ii) file any application, pleading, or other document in any process or Proceeding relating to the Project without first providing the other Parties a reasonable opportunity to review and comment upon any such application, pleading, or other document; or (iii) engage in any substantive communications with any Governmental Authority or its personnel concerning the Project without providing the other Parties with reasonable advance notice of the proposed communication and a reasonable opportunity to participate therein, except to the extent providing such advance notice is prohibited by Applicable Law.

5.3.4 Appeals. Each Party has the right to determine whether it will appeal any decision of a Governmental Approval either individually or jointly with any other Party. The Management Committee will promptly review any such decision of the Governmental Authority and promptly determine and recommend to the Parties whether a joint appeal should be taken.

5.3.5 Personnel. Each Party will make available the personnel and resources necessary to complete such Party's responsibilities under this Agreement.

Section 5.4 Real Property Acquisition. This Agreement is a development agreement for the Project and contemplates the possible acquisition of Real Property Contracts (easements, leases, licenses, instruments, etc.), in addition to those existing under the La Crosse MN Project, as may be reasonably necessary for the completion of Development Work or as necessary for commencement of NRMRC Project construction as Advanced Construction Work.

ARTICLE 6 CONTRACT AUTHORITY

Section 6.1 Contract Authority. Agreements for Third Party Costs associated with the NRMRC Project will be entered into by the Development Manager, subject to the provisions of this Agreement. By way of clarification, NSP, MN will enter into its own Contracts for Substation

Expansion. The Development Manager, will have primary responsibility for the review, approval, documentation requirements, and payments for billing and disbursement of Third Party Costs under this Agreement. The Development Manager is authorized and directed by the Parties to carry out, as agent for and on behalf of the Parties, Development Work and Advanced Construction Work, when authorized to do so in accordance with the terms of this Agreement. This agency relationship is created solely for the purpose of Development Work and Advanced Construction Work, and the fact that NSP, MN is also a Party does not in any way change, modify or release the Development Manager from its rights, interests and obligations in its capacity as a Party to this Agreement. The Parties will reasonably cooperate and coordinate with (i) each other regarding all Contracts to be entered into in connection with the NRMRC Project, and (ii) NSP, MN as the owner of the Substation with respect to planning and interconnections with the Substation from the NRMRC Transmission Lines. The Development Manager will provide regular reports and accounting of such work to the Management Committee, and, subject to any limitations contained in **Section 7.5** (Books and Records), will provide such documentation with respect to Third Party Costs as any member of the Management Committee may reasonably request. For clarity, the Parties will share certain costs in accordance with (i) the liability provisions of **Section 2.6** (Several Liability and Socialized Cost), and (ii) the reimbursement provisions of **Section 7.4** (Reimbursement of Development Period Costs).

ARTICLE 7

DEVELOPMENT PERIOD BUDGET AND DEVELOPMENT PERIOD COSTS

Section 7.1 Development Period Budget and Maximum Development Period Budget Amount. The budget for the Development Period Costs (as defined in **Section 7.2** (Development and Advanced Construction Costs)) is Six Million Five Hundred Sixty-two Thousand Nine Hundred Twelve Dollars (\$6,562,912) (the “**Development Period Budget**”). The Development Manager will not incur, or allow to be incurred, Development Period Costs (inclusive of Internal Reimbursable Costs and Third Party Costs) that exceed in the aggregate an amount equal to Seven Million Eight Hundred Seventy-five Thousand Four Hundred Ninety-five Dollars (\$7,875,495) (the “**Maximum Development Period Budget Amount**”) **provided, however,** that the Development Manager will not be responsible and will not have liability if the Development Period Costs exceed the Maximum Development Period Budget Amount except to the extent caused by the Development Manager’s breach of its obligations under this Agreement. The Development Period Budget is the Approved Budget for the NRMRC Project under this Agreement and reflects all agreed-upon Development Period Costs (as defined in **Section 7.2** (Development Costs and Advanced Construction Costs) incurred to date and all anticipated Development Period Costs. The Development Manager may periodically propose Development Period Budget revisions to the Management Committee. Any such proposal by the Development Manager will be made upon not less than thirty (30) days advance notice and will include all relevant information reasonably required for the Management Committee to review and act upon the proposal. Any increase in the aggregate Development Period Budget, taking into account all other approved increases in the Development Period Budget in accordance with this Agreement, will be subject to approval by the Management Committee; **provided** that the failure to approve an increase will not otherwise affect the status of the Development Period Budget then in effect. The Development Period Budget includes only the cost to develop the NRMRC Project and not the development cost of the Substation Expansion or the development of facilities or other assets to be solely owned by a single Party.

Section 7.2 Development Costs and Advanced Construction Costs. Development Costs and Advanced Construction Costs defined below, in the aggregate, may be referred to herein as the “**Development Period Costs.**”

7.2.1 Development Costs.

- (i) “**Development Costs**” means the aggregate sum of Internal Reimbursable Costs and Third Party Costs reasonably incurred by the Parties in accordance with Good Utility Practice in order to develop the NRMRC Project in accordance with this Agreement, including all Development Work related to the NRMRC Project exclusively, and any other costs incurred for siting, preliminary design and in connection with the application for MPUC approval of the CON and the Route Permit, and other Governmental Approvals from Governmental Authorities. Development Costs include (A) costs and expenses that have been paid, are payable, or have been incurred (as a future obligation) in connection with development of the NRMRC Project without regard to the Effective Date, and (B) insurance purchased and paid by a Party for NRMRC Project matters.
- (ii) Development Costs will not include costs and expenses incurred by a Party for (A) internal studies to determine the usefulness, legality, and feasibility of proceeding with the Project, unless such efforts were necessary and appropriate to the preparation of any submission(s) to a Governmental Authority for purposes of obtaining the Governmental Approvals, (B) dispute resolution with respect to any disputes among the Parties in connection with the Project, (C) legal costs and expenses for drafting and negotiation of this Agreement or any Project Agreement, and (D) Advanced Construction Costs and other construction costs associated with the Project.

7.2.2 Advanced Construction Costs.

- (i) “**Advanced Construction Costs**” means Internal Reimbursable Costs and Third Party Costs reasonably and respectively incurred by each of the Parties in accordance with Good Utility Practice prior to the Effective Date in the performance of the Advanced Construction Work and arising under, within the scope of, and set forth specifically on the Development Period Budget. Advanced Construction Costs include (A) costs and expenses incurred that have been paid, remain payable, or have been incurred (as a future obligation) without regard to the Effective Date of this Agreement in connection with construction of the NRMRC Project, and (B) insurance purchased and paid by a Party for NRMRC Project matters.
- (ii) Advanced Construction Costs may also include the costs associated with converting the existing 161 kV infrastructure to 345 kV as part of Segment 3. For the avoidance of doubt, such conversion will require the Development Manager to purchase the existing 161 kV assets to be converted (including, without limitation and by way of example only, wires,

insulators and davit arms) from the respective owners of such 161 kV assets as a Development Period Cost. In the event such asset purchase is not included as an Advanced Construction Cost, it will be captured as a construction requirement in the Construction Management Agreement.

- (iii) Advanced Construction Costs will not include costs and expenses incurred by a Party for (A) internal studies to determine the usefulness, legality, and/or feasibility of proceeding with the Project, unless such efforts were necessary and appropriate to the preparation of any submission(s) to a Governmental Authority for purposes of obtaining the Governmental Approvals, (B) dispute resolution with respect to any disputes among the Parties in connection with the Project, (C) legal costs and expenses for drafting and negotiation of this Agreement or any Project Agreement, and (D) Development Costs associated with the Project.

7.2.3 Allocation of Certain Development Costs. The Development Costs of the CON and Route Permit will be allocated (i) between NSP, MN (as the owner of Segment 1 and Segment 2) and the Parties (as the owners of the NRMRC Project), and (ii) among the Parties in accordance with **Schedule 7.2.3** (Cost Allocation Percentages for CON and Route Permit).

7.2.4 Internal Reimbursable Costs. “**Internal Reimbursable Costs**” means, collectively, (i) Management Personnel Costs, (ii) other direct labor expenses determined on an hourly basis (fully-loaded, including salary, wages, and benefits), (iii) reasonable allocations of general administrative overhead and support costs for (A) the Development Manager as set forth in **Schedule 7.2.4(A)** (Development Manager Reimbursement for Cost of Services), and (B) each Party, other than NSP, MN, as set forth in **Schedule 7.2.4(B)** (Non-NSP, MN Parties’ Reimbursement for Cost of Services), (iv) out-of-pocket costs and expenses, including third party costs, and travel expenses that are reasonably incurred by the applicable Party as Development Period Costs on the NRMRC Project (v) internal legal costs and expenses associated with regulatory Proceedings for the Project, and (vi) internal engineering costs and expenses associated with development of the Project. Internal Reimbursable Costs and other billed costs presented in monthly invoices described in **Section 7.4.2(iv)** (Reimbursement) will not include a Party’s allowance for funds used during construction (AFUDC).

7.2.5 Third Party Costs. “**Third Party Costs**” means all reasonably incurred and documented fees, costs, liabilities, claims, expenses and amounts for equipment, materials or services provided in connection with the Development Period Costs on the NRMRC Project, including costs and expenses of Consultants, the costs and expenses associated with due diligence investigations, environmental and feasibility studies, and the development and preparation of permit applications, application fees, filing fees, and any fees, charges or costs imposed by a Governmental Authority in connection with efforts of the Parties to obtain Governmental Approvals for the NRMRC Project.

Section 7.3 Provision for Addition of Non-NSP, MN Parties Reimbursement for Cost of Services.

7.3.1 Request for Development Work and/or Advanced Construction Work. On the Effective Date, the Parties have not (i) identified services that might be rendered as Internal Reimbursable Costs by one or more of the non-NSP, MN Parties, and (ii) included a budgetary allocation for such non-NSP, MN Parties' Internal Reimbursable Costs. During the term of this Agreement, any non-NSP, MN Party may be requested or may request to perform Development Work and/or Advanced Construction Work.

7.3.2 Request by Non-NSP, MN Party. Any request by a non-NSP, MN Party (made in the sole discretion of such non-NSP, MN Party) to perform either or both Development Work or Advanced Construction Work will be made in writing to the chair of the Management Committee, with a concurrent copy of the request to the Development Manager, specifying the Development Work and/or Advanced Construction Work to be performed and the budget cost thereof, including Internal Reimbursable Costs. The Management Committee will seek the recommendation of the Development Manager and will determine by a Level B Vote (as defined in the JCA) as to whether the proposal by the non-NSP, MN Party will be accepted. If accepted, the non-NSP, MN Party and the Parties will promptly enter into an agreement that is acceptable to the non-NSP, MN Party and the Parties. Under no circumstances will the Development Manager be responsible for any of the Development Work and/or Advanced Construction Work performed, or costs incurred, by any non-NSP, MN Party.

7.3.3 Request by Management Committee. Any request by the Management Committee to a non-NSP, MN Party to perform either or both Development Work and/or Advanced Construction Work will specify the desired Development Work and/or Advanced Construction Work to be performed. Such a request by the Management Committee will only be made after such proposed work is approved by a Level B Vote of the Management Committee. If such non-NSP, MN Party is willing and able (as determined in the sole discretion of the applicable non-NSP, MN Party) to perform the Development Work and/or Advanced Construction Work requested by the Management Committee, the non-NSP, MN Party will prepare and concurrently submit to the Management Committee and the Development Manager, a cost budget, including Internal Reimbursable Costs, for such Development Work and/or Advanced Construction Work. Upon acceptance of the non-NSP, MN Party's budget by the Management Committee pursuant to a Level B Vote, the non-NSP, MN Party and the Parties will promptly enter into an agreement that is acceptable to the non-NSP, MN Party and the Parties. Under no circumstances will the Development Manager be responsible for any of the Development Work and/or Advanced Construction Work performed, or costs incurred, by any non-NSP, MN Party.

7.3.4 Effect on Development Work and Advanced Construction Work Performed by Development Manager. Any Development Work and/or Advanced Construction Work that is performed by the non-NSP, MN Party must be supplemental to the work that is assigned to the Development Manager under this Agreement. The Management Committee does not have power or authority to re-allocate (i) Development Work and/or

Advanced Construction Work from the Development Manager to a non-NSP, MN Party, nor (ii) Development Period Costs from the Development Period Budget and the Maximum Development Period Budget Amount, in each case of (i) and (ii) immediately above, without the express written consent of the Development Manager in a signed writing.

7.3.5 Management Committee Authority. The Management Committee has only the authority set forth in this Section 7.3 to authorize and budget the Development Work and/or Advanced Construction Work and the Development Period Costs from the Development Period Budget and the Maximum Development Period Budget Amount with respect to performance and payment of such services by a non-NSP, MN Party. If, **however**, the provisions of this Section 7.3 have been followed, the Management Committee will have the authority to (i) update and revise Schedule 7.2.4(B) (Non-Parties' Reimbursement for Cost of Services), and (ii) revise the amounts set forth as the Development Period Budget and the Maximum Development Period Budget Amount to account for the reimbursement of cost of services for non-NSP, MN Parties, without further approval of the Parties or amendment of this Agreement by the Parties. The revisions authorized in this Section 7.3.5 shall constitute authorized amendment(s) of this Agreement.

Section 7.4 Reimbursement of Development Period Costs.

7.4.1 Development Period Costs Responsibility. Subject to the provisions of this **Article 7**, each Party will be responsible for its AOP percentage of all Development Period Costs incurred that do not exceed the Maximum Development Period Budget Amount.

7.4.2 Reimbursement.

(i) The Development Manager, and any non-NSP, MN Party authorized to complete Development Work or Advanced Construction Work pursuant to Section 7.3 (Provision for Addition of Non-NSP, MN Parties for Reimbursement for Cost of Services), shall be entitled to reimbursement for Development Period Costs incurred pursuant to authorization under this Agreement or by agreement of the Parties as described and otherwise provided herein.

(ii) Prior to the Effective Date, NSP, MN has incurred authorized Development Period Costs related to Development Work. All such prior incurred Development Period Costs will be shared by the Parties and remitted to the Development Manager in accordance with their respective AOP percentages.

(iii) Within forty-five (45) days following the Effective Date, the Development Manager will provide an accounting of Development Period Costs and submit invoices to the Parties for such expenditures incurred as Development Period Costs prior to the Effective Date (the **"Initial Invoice"**). The Parties will have thirty (30) days to remit payment to the Development Manager, subject to any good faith items of dispute.

(iv) The Development Manager will not later than the twenty-fifth (25th) day after the end of each month during the term of this Agreement present the Parties with an invoice for the previous month's Development Period Costs incurred by the Development Manager, along with supporting information as reasonably requested by a Party. Not later than thirty (30) days after the submission date of the invoice, a payment will be made by each Party to the Development Manager in the amount invoiced for the undisputed Development Period Costs billed on the invoice. Each Party has the right to dispute in good faith items of expenditure included on any invoice with respect to such Development Period Costs.

7.4.3 Effect of Disputed Development Period Costs. If a Development Period Cost incurred by the Development Manager is disputed by a Party, the Development Manager will be paid the undisputed amount and the disputed amount will not be remitted until the dispute is resolved; undisputed amounts will be paid when otherwise due. At all times under this Agreement the Parties' contribution and interest in this Agreement will be in accordance with their respective AOP, notwithstanding greater expenditures by one Party over any other Party; **provided, however,** that any expenditures made by one Party on behalf of another Party will be subject to a right of contribution.

7.4.4 Coordination Among the Parties. The Parties will coordinate their Development Work, Advanced Construction Work (if any), and associated activities to ensure, to the extent reasonably practicable, that Third Party Costs and Internal Reimbursable Costs that are incurred are neither duplicated nor increased by reason of the Development Work or Advanced Construction Work being performed by any other Party pursuant to this Agreement.

7.4.5 Interest on Unpaid Reimbursements and Development Period Costs. Any amounts not timely paid by a Party when due hereunder (excluding disputed payments under **Section 7.4.3** (Effect of Disputed Development Period Costs)) will accrue interest at the Interest Rate until the date paid. Any amounts invoiced by a Party that are paid by one or more of the other Parties, but later determined not to have been owed will be repaid within forty-five (45) days of issuance of an invoice therefor, with interest at the Interest Rate accrued from the date paid until the date repaid.

Section 7.5 Books and Records.

7.5.1 Maintenance of Records. Each Party will maintain accurate documentation, records, books of account, invoices, Contracts, mileage records and other evidence reasonably pertinent to the determination of the Development Period Costs incurred and paid by it.

7.5.2 Records. The Development Manager will be responsible for maintaining complete and accurate books, records and accounts with respect to all Development Period Costs incurred in connection with the NRMRC Project and the Parties' respective payments and contributions related thereto, including payments and reimbursements made pursuant to this Agreement.

7.5.3 Financial Statement. The Development Manager will cause to be prepared a special procedures financial statement for the Development Period Costs with respect to the NRMRC Project within one hundred-twenty (120) days after the termination of this Agreement, except as otherwise determined by the Management Committee. If the Parties deem it necessary, such financial statements may be prepared by an independent certified public accountant selected by the Management Committee. The costs associated with the preparation of such financial statements will be shared by the Parties in accordance with their AOP percentages.

7.5.4 Standard of Accounting. All books, records and accounts required to be maintained pursuant to this Agreement will be maintained: (i) in accordance with GAAP or, to the extent applicable, the Uniform System of Accounts prescribed by FERC for Class A public utilities and licensees; and (ii) in a form satisfactory for the auditing requirements of an independent certified public accountant selected by the Management Committee. All accounting records pertaining to the NRMRC Project will be maintained on the basis of a fiscal year that is the calendar year.

7.5.5 Inspection of Books and Records. Each Party will have the right once each calendar year, at its sole cost, upon reasonable notice to the Development Manager, during the Development Manager's regular business hours, and at the Development Manager's corporate offices, to have any qualified independent third party inspect, audit, and make copies of any non-confidential books, records, systems, policies and procedures, and other documentation and information related to the NRMRC Project that is in the Development Manager's possession or under its control, including preliminary design drawings, feasibility studies, cost analysis, and other documentation pertaining to the NRMRC Project, or related to the Development Period Costs incurred by the Development Manager in connection with the NRMRC Project; **provided, however,** that (i) any copies made of such documentation and information will be subject to confidential treatment by the qualified independent third party in favor of the Development Manager, and (ii) this **Section 7.5.5** will not obligate the Development Manager to create any information that does not already exist.

7.5.6 Use of Authorized Agents and Representatives. The Parties will exercise any rights described in this **Section 7.5** through a qualified independent agent or Consultant designated in writing, including any accountant, engineer or attorney. Confidential Information obtained pursuant to this **Section 7.5** will be subject to the provisions of **Article 8** (Termination).

Section 7.6 Exemptions; Filings; Audits and Investigations. To the extent requested by a Party, the other Parties will use commercially reasonable efforts to assist and cooperate with such requesting Party with respect to: (i) a claim for exemption from a Party-Specific Tax that relates to the ownership, operation, use or maintenance of any Joint Property or the provision of services with respect to any such Joint Property; (ii) the filing or the payment of any Party-Specific Taxes that relate to the ownership, operation, use or maintenance of any Joint Property or the provision of services with respect to any such Joint Property; and (iii) any audit, claim, investigation, inquiry, assessment or reassessment of any Party-Specific Taxes described in clause (ii) above.

ARTICLE 8 TERMINATION

Section 8.1 Termination.

8.1.1 General Termination Provisions. This Agreement may be terminated by a Party upon:

- (i) the Parties' written agreement to terminate,
- (ii) written notice of termination given by a non-Defaulting Party (the "**Terminating Party**") to a Defaulting Party, after such Defaulting Party's failure to effect a cure in accordance with the provisions of this Agreement, and any further conditions for termination upon a breach or other default hereunder have been satisfied, or
- (iii) thirty (30) days' written notice of termination given by a Terminating Party to the other Parties if the Parties have been unable to resolve a dispute despite completion of the procedures set forth in **Section 9.1** (Negotiation and Mediation of Claims), but only with respect to the Terminating Party.

The date of termination pursuant to the foregoing sentence will be the "**Termination Date.**"

For purposes of **Section 8.1.1(ii)** and **8.1.1(iii)** above, if a Party has received notice that it is a Defaulting Party and has not cured the breach or failure giving rise to such notice within the timeframe set forth in the definition of "Defaulting Party", such Party shall not be deemed a non-Defaulting Party having the right to terminate this Agreement as a "Terminating Party".

8.1.2 Termination by Parties' Agreement. If this Agreement is terminated pursuant to clause (i) of **Section 8.1.1** (General Termination Provisions), a final settlement and reconciling payments will be made, as determined by the Development Manager in accordance with the terms of this Agreement, provided that if NSP, MN is the Defaulting Party, the Management Committee, excluding the Management Committee member appointed by NSP, MN shall make such determination, and any Joint Property will be allocated among the Parties in accordance with their respective AOP as set forth in **Exhibit B** (Development Period Asset Ownership Percentages), or as otherwise agreed in writing by the Parties.

8.1.3 Other Terminations. If this Agreement is terminated pursuant to clauses (ii) or (iii) of **Section 8.1.1** (General Termination Provisions), then, on or before the 30th day following the Termination Date, any Party that is not either the Terminated Party or the Terminating Party (each a "**Remaining Party**" and collectively, the "**Remaining Parties**") will have the right, exercisable in its discretion, to notify in writing the Terminated Party or the Terminating Party, as the case may be, that it elects to acquire, on the terms and conditions set forth in this **Section 8.1.3**, the Terminated Party's or the Terminating

Party's, as the case may be, right, title, and interest in and to the development, construction, and ownership of the NRMRC Project and any Joint Property identified in writing by a Remaining Party, free and clear of Encumbrances. If a Remaining Party exercises such right:

(i) subject to obtaining any required regulatory or other approvals by a Governmental Authority or a third Person, the Terminated Party or the Terminating Party, as the case may be, will deliver to each Remaining Party such executed bills of sales, deeds, assignments, releases and other documents and instruments as are appropriate and reasonably requested by a Remaining Party (the form of which documentation will be reasonably acceptable to a majority of the Remaining Parties) to Transfer to the Remaining Parties all rights and interests in development, construction and ownership in the NRMRC Project assets and all other NRMRC Project assets properly identified in writing by the Remaining Parties, free and clear of all Encumbrances. The Terminated Party or the Terminating Party, as the case may be, will cooperate with the Remaining Parties in respect of any reasonable further actions required by the Remaining Parties to effectuate fully the Transfers and conveyances contemplated hereby. Nothing in the foregoing will require or permit the Remaining Parties to have any interest in or right to acquire the Terminated Party's or the Terminating Party's, as the case may be, non-NRMRC Project assets, including electric facilities, substations (including the Substation), and other interests and rights, used as a part of the Terminated Party's or Terminating Party's, as the case may be, operations as a transmission utility;

(ii) in consideration of the interests so transferred, within thirty (30) days after the Termination Date the Remaining Parties will pay to the Terminated Party or the Terminating Party, as the case may be, in accordance with their recalculated AOP percentages, in immediately available funds, a purchase price equal to all the Development Period Costs paid by the Terminated Party or the Terminating Party, as the case may be, with respect to the NRMRC Project, with interest on such aggregate amount at the Interest Rate from the date of payment by the Terminated Party or the Terminating Party, as the case may be, to the date on which the payment for such Development Period Costs is made by the Remaining Parties. The Parties will agree to a schedule of the Development Period Costs and associated interest at the Interest Rate to be paid. Any disputed amount will not be remitted with this payment, but all undisputed amounts will be promptly remitted in accordance with this **Section 8.1.3**. Any disputed amounts will be subject to the dispute resolution provisions set forth in **Article 9** (Dispute Resolution). The Remaining Parties will have the inspection rights provided for in **Section 7.5.5** (Inspection of Books and Records) with respect to any Development Period Costs.

8.1.4 Survival of Representations and Warranties, Covenants and Agreements. Each of the (i) representations and warranties of the Parties contained in this Agreement

and in any ancillary documents delivered by or on behalf of a Party pursuant to this Agreement and the transactions contemplated hereby will survive in accordance with the statutes of limitations applicable to claims arising from the breach of any such representations and warranties, and (ii) covenants and agreements arising from, incident to or in connection with this Agreement will indefinitely survive the termination or expiration of this Agreement; **provided, however**, (A) covenants and agreements will survive only to the date when they are fully satisfied and require no performance or forbearance, and (B) the rights of a Party expire on a specific date by the terms hereof or the terms of such covenants and agreements. By way of clarification, the obligations set forth in **Sections 7.4** (Reimbursement of Development Period Costs) and **7.5** (Books and Records), and **Articles 2** (Relationship of the Parties and Ownership Matters), **8** (Termination), **10** (Indemnification; Limited Liability), **13** (Confidentiality; Publicity), **14** (Representations and Warranties), and **15** (Miscellaneous) will, notwithstanding any other provision of this Agreement, survive expiration and termination of this Agreement.

8.1.5 **Termination Covenant of the Parties.** Following the termination of this Agreement without completion of the Project, the Parties will negotiate in good faith agreements for the interconnection of the NRMRC Project, and any other reasonable and necessary rights with respect to the operation of the NRMRC Project in accordance with Good Utility Practices, with, as applicable, a Terminated Party's or Terminating Party's Substation located on the NRMRC Transmission Lines.

8.1.6 **Wind-Up; Cooperation.** Upon termination of this Agreement, each Party will promptly and cooperatively assist the other Parties and the Development Manager with the process of winding up the Project, including notification of appropriate Governmental Authorities, Consultants, and Contractors, termination of outstanding Development Work and Advanced Construction Work Contracts and other engagements, and payment of all remaining outstanding obligations and liabilities associated with the NRMRC Project or otherwise arising under this Agreement or the activities arising hereunder. The Parties will use commercially reasonable efforts to cooperate and complete the wind-up process as expeditiously as possible.

8.1.7 **Costs and Expenses of Wind-Up.** Costs and expenses incurred in connection with the wind-up upon termination pursuant to **Section 8.1.6** (Wind-Up; Cooperation) (including settlement of Development Work and Advanced Construction Work liabilities and obligations for existing Contracts) will be deemed Development Period Costs and are subject to the ordinary reimbursement and payment requirements set forth in this Agreement, notwithstanding that the Development Period Budget does not budget for wind-up costs and expenses. To the extent such budgets are not sufficient to absorb the costs and expenses of wind-up, the Parties hereby (i) authorize such costs and expenditures, and (ii) specifically direct that such authorized costs and expenditures will be paid by the Parties in accordance with their AOP percentages.

ARTICLE 9 DISPUTE RESOLUTION

Section 9.1 Negotiation and Mediation of Claims. In the event of any controversy, claim or dispute between or among the Parties arising out of or relating to this Agreement, including its enforcement, such controversy, claim or dispute, including disputes regarded as such by only one of the Parties, the Parties will negotiate in good faith to resolve such dispute, including third party mediation, if the Parties so agree. Upon a Party's written notification to the other Parties of a dispute, which notification must include a written explanation of the dispute and the material particulars of the notifying Party's position as to the dispute, authorized representatives of each of the Parties will meet promptly to attempt to settle the dispute. If such representatives are unable to settle the dispute within seven (7) Business Days of such meeting, each Party will nominate one (1) executive representative with the authority to bind such Party. The nominated representatives will meet not later than ten (10) Business Days or as otherwise mutually agreed thereafter to attempt in good faith to resolve the dispute and to produce written terms of settlement for the dispute (a "**Settlement Agreement**"). A Settlement Agreement executed by each executive representative will serve as conclusive evidence of the resolution of such dispute.

Section 9.2 Failure of Negotiation and Mediation. If the executive representatives do not produce and execute the Settlement Agreement within thirty (30) days after the date of the first meeting or within a longer period agreed to by each executive representative, then any Party, upon written notice to the other Parties, may pursue all its rights and remedies provided at law or equity or otherwise in this Agreement. The time limitations herein will not preclude the filing of an action to avoid the running of any applicable statute of limitation or repose, and then staying the action until the steps at settlement above have been exhausted, at which time the stay will be removed.

Section 9.3 Other Dispute Resolution Matters.

9.3.1 Authorization to Seek Equitable Relief. Notwithstanding any other provision of this Agreement, each Party will be entitled to access the courts to obtain appropriate injunctive relief to preserve their respective rights during the pendency of the resolution process of **Sections 9.1** (Negotiation and Mediation of Claims) and **9.2** (Failure of Negotiation and Mediation), to preserve the status quo, or to prevent irreparable harm.

9.3.2 Stay of Termination. During the pendency of any dispute resolution procedure pursuant to this **Article 9**, the effectiveness of any notice of termination given pursuant to **Article 8** (Termination) with respect to the dispute that is subject to the dispute resolution procedure will be suspended.

9.3.3 Exclusion from Evidence. All negotiations and written statements conducted or made pursuant to this **Article 9** are confidential and will be treated as compromise and settlement negotiations for purposes of Federal Rules of Evidence, and any state counterparts.

9.3.4 Attorneys' Fees. In any Party-to-Party (or Party-to-Development Manager) action commenced hereunder, the Party (or Development Manager, as applicable) that prevails in such action shall be entitled to recovery of the reasonable costs thereof,

including reasonable attorneys' fees. For clarity, the foregoing will apply to any action to enforce a Party's right to indemnification under **Article 10** (Indemnification; Limited Liability).

ARTICLE 10 INDEMNIFICATION; LIMITED LIABILITY

Section 10.1 Indemnification

10.1.1 Indemnification of Parties by Parties. To the maximum extent permitted by Applicable Law, each individual Party will indemnify, defend, and hold harmless each other Party and its Affiliates and their respective members, directors, officers, shareholders, partners, employees, and agents, successors and permitted assigns from and against any and all Third Party Claims for Damages arising from, in connection with, or incident to any one or more of the following:

- (i) The individual Party's breach of this Agreement,
- (ii) The individual Party's acts or omissions related to the Project to the extent that they constitute such Party's gross negligence or intentional misconduct (including fraud) rather than ordinary negligence, and
- (iii) The individual Party's acts or omissions (whether or not involving ordinary negligence, gross negligence or intentional misconduct) that are (x) unrelated to the Project, or (y) related solely to that individual Party's substation assets, underlying system improvements, underbuild lines, or other non-NRMRC Project assets.

10.1.2 Indemnification of the Parties by the Development Manager. To the maximum extent permitted by Applicable Law, the Development Manager will indemnify, defend, and hold harmless each Party and its Affiliates and their respective members, directors, officers, shareholders, partners, employees, and agents, successors and permitted assigns from and against any and all Third Party Claim for Damages arising from, in connection with, or incident to any one or more of the following:

- (i) The Development Manager's breach of this Agreement, and
- (ii) The Development Manager's acts or omissions related to the NRMRC Project to the extent that they constitute the Development Manager's gross negligence or intentional misconduct (including fraud) rather than ordinary negligence.

10.1.3 Indemnification of the Development Manager by the Parties. To the maximum extent permitted by Applicable Law, each individual Party will indemnify, defend, and hold harmless the Development Manager and its Affiliates and their respective members, directors, officers, shareholders, partners, employees, and agents, successors and permitted assigns from and against any and all Third Party Claim for Damages arising

from, in connection with, or incident to any one or more of the following:

- (i) The individual Party's breach of this Agreement,
- (ii) The individual Party's acts or omissions related to the Project to the extent that they constitute such Party's gross negligence or intentional misconduct rather than ordinary negligence, and
- (iii) The individual Party's acts or omissions (whether or not involving ordinary negligence, gross negligence or intentional misconduct) that are (x) unrelated to the Project, or (y) related solely to that individual Party's substation assets, underlying system improvements, underbuild lines, or other non-NRMRC Project assets.

Section 10.2 Shared Liability.

10.2.1 Shared Liability. The Parties agree to share in accordance with their AOP percentages as an additional Development Period Costs any Damages not paid by insurance and legally required to be paid by such Party to third party as result of a Third Party Claim brought against a Party for such Party's actions or omissions to the extent (i) related to the Project, (ii) which constitute the ordinary negligence of such Party and not such Party's gross negligence or intentional misconduct, and (iii) do not constitute a breach of this Agreement by such Party (a "**Shared Liability**"). For clarity, any Damages indemnifiable by a Party under **Section 10.1** (Indemnification) are not a Shared Liability.

10.2.2 Shared Liability Claim. Each Party will promptly notify the Management Committee of any Third Party Claim that may reasonably be determined to constitute a Shared Liability (a "**Shared Liability Claim**"), specifying in reasonable detail the basis therefor to the extent then known, after such Party receives notice of such Shared Liability Claim. Each Party will use commercially reasonable efforts to pursue any insurance that may be available to cover such Shared Liability Claim. The Management Committee will assume the defense of all Shared Liability Claims on behalf of the Parties with counsel of its choice. All costs and expenses associated with the defense of a Shared Liability Claim will be Development Period Costs. The Management Committee may settle a Shared Liability Claim by unanimous vote. No Party will pursue, defend, settle or compromise a Shared Liability Claim on its own without the consent of the Management Committee. Each Party will (i) at its own cost or expense cooperate with the Management Committee and provide the Management Committee with such information and assistance as the Management Committee reasonably requests in connection with a Shared Liability Claim and (ii) at its own expense, have the right to participate and be represented by counsel of its own choice (by attendance and observation only) in connection therewith.

Section 10.3 Liability Exclusions.

10.3.1 Liability Exclusion. NEITHER THE DEVELOPMENT MANAGER NOR ANY PARTY, OR ANY OF ITS OR THEIR RESPECTIVE AFFILIATES, MEMBERS, DIRECTORS, MANAGERS, OFFICERS, EMPLOYEES OR AGENTS WILL BE LIABLE TO THE DEVELOPMENT MANAGER OR ANY PARTY, ITS AND THEIR

AFFILIATES OR ANY OF THEIR RESPECTIVE MEMBERS, DIRECTORS, OFFICERS, EMPLOYEES OR AGENTS FOR ANY PUNITIVE, EXEMPLARY, CONSEQUENTIAL OR SPECIAL DAMAGES IN CONNECTION WITH THE PROJECT, REGARDLESS OF THE NEGLIGENCE, GROSS NEGLIGENCE, INTENTIONAL MISCONDUCT (INCLUDING FRAUD), STRICT LIABILITY OR OTHER FAULT OR RESPONSIBILITY OF ANY SUCH PERSON; **PROVIDED** THAT THIS **SECTION 10.3.1** WILL NOT PREVENT RECOVERY AGAINST AN INDEMNIFYING PARTY FOR AN OTHERWISE INDEMNIFIABLE CLAIM FOR ANY PUNITIVE, EXEMPLARY, CONSEQUENTIAL, OR SPECIAL DAMAGES PAID OR PAYABLE BY AN INDEMNIFIED PARTY TO A THIRD PARTY.

10.3.2 **Parties' Affiliates and Representatives Exclusion.** The obligations of a Party to this Agreement, including the indemnity and Shared Liability obligations of a Party under this **Article 10**, are obligations of that Party only, and no recourse or liability will be available against any director, officer, shareholder, member, partner, employee, or agent of that Party or of its Affiliates in connection therewith, consistent with the provisions of **Section 15.13** (No Liability for Directors, Officers, Shareholders, Members, etc., and Other Representatives).

Section 10.4 Insurer Obligations. The provisions of this **Article 10** will not be construed so as to relieve any insurer of its obligation to pay any insurance claims in accordance with insurance policies obtained for the Development Work and Advanced Construction Work.

ARTICLE 11 TRANSFERS

Section 11.1 Transfer Rules and Restrictions; Certain Transfers Specifically Approved.

11.1.1 **Transfer Rules and Restrictions.** Subject to the provisions of **Section 8.1.3** (Other Terminations), except for Permitted Transfers as defined in and governed by **Article 10** (Transfers) of the PPA (the “PPA Transfer Provisions”), which **Article 10** provisions are incorporated by reference herein, and any waivers provided by the Minnesota Owners and the Wisconsin Owners set forth in this Agreement, no Party may directly or indirectly (including by operation of law) sell, assign, transfer, pledge, lease, mortgage, or otherwise encumber (individually and collectively, a “Transfer”) (i) all or any part of its right, title, or other interest in this Agreement, or (ii) all or any part of its AOP, its other Percentages (as defined in the PPA) or any other interest in the La Crosse MN Project. For purposes of this Agreement and the application of the PPA Transfer Provisions, a Party’s interests in this Agreement shall be an “interest” in the La Crosse MN Project. Notwithstanding the foregoing, the PPA will be amended and restated to state that no Transfer is authorized, and no Transfer can take effect, that would be in violation of Applicable Law or rights of the Parties, including specifically any Transfer that would or could give rise to violation of any requirement of or the Project status as a ROFR project in the state of Minnesota.

11.1.2 **Certain Transfers Specifically Approved.** Each of NSP, MN, SMMPA,

and WPPI will be allocating investment dollars to RPU for investment in the NRMRC Project as set forth in **Exhibit B** (Development Period NRMRC Project Asset Ownership Percentages). In order to address these transfer allocations which are not allowed under the Original Project Agreements unless transferred pursuant to certain procedures and agreed upon writings, the Parties will obtain written approvals and waivers in order to comply with, among other things, the provisions of (i) the PPA Transfer Provisions, (ii) the integrated percentage interest requirements of Article VIII (Integrated Percentage Interest Requirement, Payment Adjustment and Reconciliation) and (iii) the right of first negotiation provisions of Article X (Right of First Negotiation in the Event of Certain Transfers).

ARTICLE 12 INSURANCE

Section 12.1 Insurance Coverage. Each Party will carry and maintain in force insurance coverage of such types, in such amounts and with such named insureds and loss payees as the Parties will agree upon in writing from time to time, provided that the minimum insurance required to be maintained by the Development Manager is set forth in **Schedule 5.2.3(A)** (Development Manager Development Work). Nothing in this **Section 12.1** will prevent any Party from obtaining such additional insurance as it may deem desirable.

Section 12.2 Insurance Recovery. If there is a recovery under any insurance policy, the premiums for which are paid by the Parties pursuant to this Agreement, such recovery will be allocated among the Parties in accordance with their respective AOP percentages.

ARTICLE 13 CONFIDENTIALITY; PUBLICITY

Section 13.1 Confidentiality.

13.1.1 **Confidentiality - General.** Each Party hereby agrees that it will not disclose or cause to be disclosed to third Persons any Confidential Information. The foregoing will not prohibit disclosure of this Agreement and its content. All Confidential Information and all Joint Intellectual Property will be used only with regard to the Project and not for any other purpose. The mere possession by a Party of Confidential Information or Joint Intellectual Property is not intended to preclude or inhibit such Party from engaging in a Transfer; **provided** that such Party has otherwise complied with the terms hereof.

13.1.2 **Effect of Termination.** If this Agreement terminates for any reason, then all Confidential Information furnished hereunder will remain confidential, unless such Confidential Information is a trade secret under state law, in which case such Confidential Information that constitutes a trade secret will indefinitely remain Confidential Information subject to this **Article 13**. The disposition of Confidential Information in the event of termination of this Agreement will be deemed to be Joint Intellectual Property. Any Joint Intellectual Property will remain confidential, except that it will not be confidential on the part of the Remaining Parties to the extent acquired by a Remaining Party.

13.1.3 **Equitable Remedies.** The Parties acknowledge and agree that the harm that would be caused by a breach of this **Section 13.1** would be difficult, if not impossible, to calculate, and accordingly each Party and its Affiliates will be entitled to seek, without the necessity of posting bond, injunctive or other equitable relief to compel compliance with the provisions of this **Section 13.1**. The provisions of this **Section 13.1** are intended to benefit, and to be enforceable by, each Party and its Affiliates, and will survive the termination of this Agreement.

Section 13.2 Publicity. No public announcement regarding the Project will be made without the prior approval of the Parties, except for any communication or filing by a Party or its Affiliates required by Applicable Law or stock exchange requirements and then, to the extent practicable, only after prior consultation among the Parties.

ARTICLE 14 REPRESENTATIONS AND WARRANTIES

Each Party represents and warrants to each of the other Parties that:

Section 14.1 Due Organization. Such Party is a duly organized and validly existing limited liability company, corporation, or municipal corporation and is in good standing under the laws of the jurisdiction of its organization or incorporation and is duly qualified to do business and in good standing as a foreign entity in all jurisdictions where such qualification is required.

Section 14.2 Power and Authority. Such Party has the full legal right, power and authority to enter into this Agreement and perform its obligations hereunder.

Section 14.3 Due Authorization. Such Party has taken all appropriate and necessary limited liability company, corporate action or other action as required in its governing documents to authorize its execution, delivery and performance of this Agreement.

Section 14.4 Consents. Each Party has obtained all Governmental Approvals in connection with such Party's execution, delivery and performance of this Agreement required to be obtained by it; **provided** that no Party makes any representation to the other Parties with respect to any Governmental Approvals necessary for development, construction, operation, and capacity exchanges of and with respect to the Project.

Section 14.5 Binding Obligation. This Agreement constitutes a legal, valid and binding obligation of such Party, enforceable against such Party in accordance with its terms, subject to limitations on or exceptions to the enforceability of this Agreement by (i) bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium, or other similar laws affecting creditors' rights, or (ii) general principles of equity relating to the availability of equitable remedies (regardless of whether this Agreement is sought to be enforced in a Proceeding at law or in equity).

Section 14.6 No Violation. The execution, delivery and performance by such Party of this Agreement, and the compliance with the terms and provisions hereof, (i) do not conflict with and will not result in a breach or violation of any of the terms or provisions of the organizational documents of such Party and (ii) do not conflict with and will not result in a breach or violation of any of the terms or provisions of any Applicable Law to which such Party is subject or by which

it or any of its property is bound, or any material agreement or instrument to which such Party is a party or by which it or any of its property is bound, or constitutes or will constitute a default thereunder or will result in the imposition of any Encumbrance upon any of its property.

Section 14.7 No Litigation. There is no litigation pending or, to such Party's knowledge, threatened to which such Party or any of its Affiliates is a party that, if adversely determined could reasonably be expected to affect such Party's ability to perform its obligations under this Agreement or otherwise have a material effect with respect to the development of the Project as contemplated hereunder.

Section 14.8 Authorized Signatory. The individual representative executing this Agreement on behalf of such Party is duly authorized to execute this Agreement on such Party's behalf and to bind such Party hereunder.

ARTICLE 15 MISCELLANEOUS

Section 15.1 Applicable Law; Forum. This Agreement will be governed by, interpreted, construed, and enforced in accordance with the internal laws of the state of Minnesota, without regard to conflicts of law provisions. The Parties agree and consent to the non-exclusive jurisdiction and venue of any state or federal court sitting in either Hennepin County, Minnesota or Ramsey County, Minnesota.

Section 15.2 WAIVER OF RIGHT TO JURY TRIAL. TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, AND AS SEPARATELY BARGAINED-FOR CONSIDERATION, EACH PARTY HEREBY WAIVES ANY RIGHT TO TRIAL BY JURY IN ANY ACTION, SUIT, PROCEEDING, OR COUNTERCLAIM OF ANY KIND ARISING OUT OF OR RELATING TO THIS AGREEMENT.

Section 15.3 Binding Agreement. This Agreement will be binding upon and will inure to the benefit of the Parties and their respective successors and permitted assigns.

Section 15.4 Notices. All notices, requests, demands, invoices, waivers, consents and other communications under this Agreement will be in writing and will be effective (i) upon personal delivery thereof, including by overnight mail or courier service, with a record of receipt, (ii) in the case of notice by United States mail, certified or registered, postage prepaid, return receipt requested, upon the fourth (4th) day after mailing, or (iii) in the case of notice by facsimile, upon transmission; **provided** that such facsimile transmission is promptly confirmed by either of the methods set forth in the foregoing clause (i) or (ii), in each case, addressed to the Parties and the Development Manager, respectively, at its address set forth in **Exhibit C** (Notices) or at such other address as a Party or the Development Manager may from time to time designate by written notice to the other Parties and the Development Manager pursuant to this **Section 15.4**. A notice given in connection with this **Section 15.4** but received on a day other than a Business Day, or after business hours in the situs of receipt, will be deemed to be received on the next Business Day.

Any Party and the Development Manager may, at any time, by written notice to the other Parties and Development Manager, designate different or additional Persons at different addresses for giving of notices, demands, or requests to it hereunder.

Section 15.5 Entire Agreement. This Agreement and its exhibits and schedules contain the entire agreement between and among the Parties relative to the subject matter hereof, except to the extent that provisions of the Original Project Agreements apply or supersede the provisions hereof. Except as stated herein, this Agreement supersedes any prior understandings, oral or written agreements, representations and warranties, and any course of conduct and dealing between and among the Parties with respect to the subject matter of this Agreement.

Section 15.6 Severability. If any one or more of the provisions contained in this Agreement, or the application thereof to any Party or to circumstances that may arise hereunder, will for any reason be held to be invalid, illegal, or unenforceable in any respect, the remainder of this Agreement will not be affected thereby and will be enforced to the greatest extent permitted by Applicable Law. The Parties specifically consent to the “blue-penciling” of this Agreement by any Governmental Authority to construe as valid and enforceable the terms and conditions of this Agreement, consistent with the intent of the Parties hereto. Such Governmental Authority will have the authority to reform and interpret the terms and conditions of this Agreement to find a valid and enforceable construction of this Agreement that is consistent with the intent of the Parties and holds all invalid and unenforceable provisions, if any, as separate from all other remaining provisions.

Section 15.7 Other Instruments. The Parties covenant and agree that they will execute such other and further instruments and documents as are or may become necessary or convenient to effectuate and carry out the intentions of the Parties consistent with this Agreement.

Section 15.8 Amendments. Except as otherwise specifically provided in this Agreement, with specific reference to **Section 7.3** (Provision for Addition of Non-NSP, MN Parties Reimbursement for Cost of Services), no amendment, modification, or change of this Agreement, or any part thereof, will be valid and effective unless made in writing and signed by each of the Parties.

Section 15.9 Waivers. The terms, conditions, warranties, representations, and covenants contained in this Agreement, including the exhibits, schedules, documents, instruments, and agreements executed and delivered by the Parties pursuant hereto, may be waived, and will only be binding only upon execution and delivery of a writing signed by the Party to be charged with such waiver. Any such waiver will be effective for the specific purpose for which it was given, and no waiver of any breach or condition of this Agreement will be deemed to be a waiver of any subsequent breach or other condition whether of like or different nature. No failure or delay on the part of a Party to exercise any right under this Agreement will operate as a waiver thereof, nor will any single or partial exercise or any right under this Agreement preclude any other or future exercise thereof or the exercise of any other right.

Section 15.10 Execution in Counterparts and Delivery of Electronic Signatures. This Agreement, and any documents or instruments arising under this Agreement, including written consents of the Parties and the Management Committee, may be executed in any number of counterparts. All such counterparts will be deemed to be originals and will together constitute but one and the same instrument. This Agreement and any such other documents and instruments described above will become effective upon its execution by each of the Persons hereto. The executed counterparts may be delivered by electronic means, such as but not limited to email and

facsimile, and the receiving Party may rely on the receipt of such executed counterpart as if the original had been received. In addition, the words “execution,” “signed,” and “signature,” and words of like import, in or referring to any document so signed will be deemed to include electronic signatures and/or the keeping of records in electronic form, which will be of the same legal effect, validity and enforceability as a manually executed signature and/or the use of a paper-based recordkeeping system, to the extent and as provided for in any applicable law.

Section 15.11 Headings. The headings of the articles, sections and subsections of this Agreement are intended for the convenience of the Parties only and will in no way be held to explain, modify, construe, limit, amplify or aid in the interpretation of the provisions hereof. The terms “this Agreement,” “hereof,” “herein,” “hereunder,” “hereto” and similar expressions refer to this Agreement as a whole and not to any particular article, section, subsection or other portion hereof and include the appendices, schedules and exhibits hereto and any document, instrument or agreement executed and/or delivered by the Parties pursuant hereto.

Section 15.12 No Rights or Benefits to Third Parties. The Parties do not create rights in or grant remedies to any third-party Person as an intended or incidental beneficiary of this Agreement or create any duty to or standard of care on behalf of any third-party Person by any covenant, obligation, or undertaking established herein. There will be no incidental third-party Person beneficiaries to this Agreement and, by way of clarification and not of limitation, no Governmental Authority, customer, or member of a Party or customer of a Party’s member is an intended or incidental third-party Person beneficiary hereof.

Section 15.13 No Liability for Directors, Officers, Shareholders, Members, etc., and Other Representatives. All covenants, agreements, stipulations, promises, and other obligations of the Parties contained herein will be deemed to be covenants, agreements, stipulations, promises, and other obligations of the Party so making, and not of any director, officer, shareholder, member, partner, employee, agent, or other representative of a Party in his or her individual capacity, and no recourse will be had hereunder against any such director, officer, shareholder, member, partner, employee, agent, or other representative of a Party in such capacity or as an individual.

Section 15.14 Equitable Relief. The Parties acknowledge that the rights and obligations set forth in this Agreement, and the covenants of the Parties herein, are unique and of a special nature, and that any violation of this Agreement may result in immediate and irreparable harm to one or the other of the Parties, as applicable, and in the event of any actual or threatened breach or violation of any of the provisions of this Agreement, other than a monetary breach, each Party will be entitled as a matter of right to seek injunctive relief or a decree of specific performance, or other equitable remedies, from any court of competent jurisdiction, notwithstanding any contrary provision of this Agreement. The alleged breaching Party waives the right to assert the defense that such breach or violation can be compensated adequately in Damages in an action at law.

Section 15.15 Remedies Cumulative. All rights and remedies set forth in this Agreement are cumulative and in addition to the Parties’ rights and remedies at law or in equity. A Party’s exercise of any such right or remedy will not prevent the concurrent or subsequent exercise of any other right or remedy.

Section 15.16 Further Assurances. Each Party will take all additional actions and will execute all other and further instruments and documents as are necessary or appropriate to give full effect to the provisions of this Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Minnesota Owners have caused this Agreement to be duly executed and delivered by their duly authorized officers as of the date(s) set forth below to be effective as of the Effective Date.

MINNESOTA OWNERS:

**NORTHERN STATES POWER COMPANY, a
Minnesota corporation**

BY _____
Bria Shea

ITS President, Xcel Energy – Minnesota, North
Dakota and South Dakota

DATE _____

DAIRYLAND POWER COOPERATIVE

BY _____
Ben Porath

ITS COO

DATE _____

ROCHESTER PUBLIC UTILITIES

BY _____
[Insert Name]

ITS General Manager

DATE _____

CITY OF ROCHESTER

BY _____
[Insert Name]

ITS Mayor

DATE _____

REVIEWED AS TO FORM:

BY _____
[Insert Name]

ITS City Attorney

DATE _____

ATTEST:

BY _____
[Insert Name]

ITS City Clerk

DATE: _____

**SOUTHERN MINNESOTA MUNICIPAL
POWER AGENCY**

BY _____
Jeremy Sutton

ITS Director of Operations & Chief Operating
Officer

DATE: _____

**THE MINNESOTA OWNERS EXECUTE THIS AGREEMENT IN THEIR RESPECTIVE CAPACITIES AS (i) A
COORDINATED OWNER, AND (ii) A SUBSTATION OWNER, AS AND IF APPLICABLE.**

**[MINNESOTA OWNERS SIGNATURE PAGE TO LA CROSSE (MINNESOTA) LRTP 4
TRANSMISSION PROJECT JOINT DEVELOPMENT AGREEMENT]**

NSP, MN, in its capacity as Development Manager, acknowledges its appointment by the Parties as Development Manager of the LRTP 4 MN Project and accepts such appointment in accordance with the terms and conditions of this Agreement, including the responsibilities and obligations of the Development Manager as set forth herein (including the indemnification provisions of and exhibits and schedules to this Agreement) and milestone performance dates reasonably established by mutual agreement of the Management Committee and the Development Manager. The Development Manager has caused this Agreement to be duly executed and delivered by its duly authorized officer as of the date set forth below to be effective as of the Effective Date.

DEVELOPMENT MANAGER:

**NORTHERN STATES POWER COMPANY,
a Minnesota corporation
(solely in its capacity as Development Manager)**

**BY _____
Bria Shea**

ITS: President, Xcel Energy – Minnesota, North Dakota and South Dakota

DATE: _____

IN WITNESS WHEREOF, the Wisconsin Owners have joined in and caused this Agreement to be duly executed and delivered by their duly authorized officers as of the date(s) set forth below to be effective as of the Effective Date for the sole purpose of (i) acknowledging the LRTP 4 MN Project to be completed by the Minnesota Owners, and (ii) its grant of approvals and certain waivers of its rights with respect to participation in and variances from the requirements of the Original Project Agreements, as more fully set forth in such approval and waiver instrument(s).

WISCONSIN OWNERS

**NORTHERN STATES POWER COMPANY,
a Wisconsin corporation**

BY _____
Karl Hoesly

ITS President

DATE _____

DAIRYLAND POWER COOPERATIVE

BY _____
Ben Porath

ITS COO

DATE _____

WPPI ENERGY

BY _____
Michael Peters

ITS President and Chief Executive Officer

DATE _____

THE WISCONSIN OWNERS EXECUTE THIS AGREEMENT IN THEIR CAPACITY AS A COORDINATED OWNER.

**[WISCONSIN OWNERS SIGNATURE PAGE TO LA CROSSE (MINNESOTA) LRTP 4
TRANSMISSION PROJECT JOINT DEVELOPMENT AGREEMENT]**

126437007.16 0064942-00002

EXHIBIT A

PROJECT DESCRIPTION

General Description

The Project consists of (i) the addition of a new 345 kV transmission line to the La Crosse MN Project between the Substation and the Mississippi River, which will convert approximately twenty-seven (27) miles of existing 161/345 kV transmission line to 345/345 kV transmission line, (ii) installation of approximately sixteen (16) miles of new 345 kV transmission line on La Crosse MN Project 345/345 double circuit structures, (iii) removal and relocation of a portion of a 161 kV transmission line from the Substation to Chester junction, and (iv) the Substation Expansion. The Project also includes (A) development, permitting, engineering, construction, and operation of the NRMRC Transmission Lines, which by definition includes associated easements, transmission structures, conductors, static wire, insulators, and hardware and (B) development, permitting, engineering, and upgrades/construction of the Substation.

The points of demarcation between the NRMRC Project and each Substation shall be where the NRMRC Transmission Lines terminate at the Substation Takeoff Tower and where the NRMRC Project connects to Substation Jumpers at that same Substation Takeoff Tower.

The NRMRC Project is anticipated to commence construction in the fourth quarter of 2026. The completion date of the NRMRC Project will be determined by the Project Agreements, subject to (i) receipt of Critical Permits and all other material permits and authority required by Applicable Law, (ii) market conditions, and (iii) timely completion of the Substation Expansion.

The Project and the NRMRC Project will be more specifically described in the Project Agreements and schedules, exhibits, and appendices thereto, including design documents and maps.

The initial LRTP 4 MN Project Map is set forth on the next page of this **Exhibit A. Route Options.**

The MPUC is currently reviewing and evaluating public comments regarding the design and route of the NRMRC Project. Consequently, the Project as described above may be subject to change. The matters being evaluated by MPUC are under consideration and discussion by the Management Committee.

Possible Line Sharing Agreement

There is a possible double circuiting required from Segment 2 (owned by NSP, MN) with the existing La Crosse Project Transmission Line 0964 (Hampton substation to the Substation) for 3-7 miles depending on the route selected. This would entail the installation by NSP, MN in the second circuit position of the existing La Crosse Project Transmission Lines. This configuration is under study and not finalized. This use of the existing La Crosse Project Transmission Lines would require a separate Transmission Line Sharing Agreement between NSP, MN and the La Crosse, MN Owners.

EXHIBIT A (CONTINUED)

L RTP 4 MN PROJECT MAP

Segment 1: 5662 345kV WLM-WEF 41 – 48 miles	Route Option	Construction Notes
<ul style="list-style-type: none"> Scope: WLM Sub Expansion and new 345kV line Operating Authority: Xcel Primary Maintenance: Xcel RISK: Will need a TR at Eastwood if S route is chosen. WLM may require wetland mitigation 	1 North	Phase I: Foundations & Structure Set (Sept. 2026 – Oct. 2027) Phase II: Wilmarth Sub Expansion (June 2027 – Oct. 2028) Phase III: String second circuit 345kV line (5662) WLM – WEF, double circuit as needed (Nov. 2026 – Dec. 2028) ISD: Dec. 2028
	1 South	Same as above but would include installing new equipment at Eastwood Substation to accommodate bringing in line 0708 69kV line
Segment 2: 5662 345kV WEF – NRH 33 – 40 miles	Route Option	Construction Notes
<ul style="list-style-type: none"> Scope: NRH buildout and new 345kV line Operating Authority: Xcel Primary Maintenance: Xcel RISK: Can't in-service until WLM-WEF is complete as well 	2 North	Phase I: Foundations & Structure Set (Dec. 2026 – Oct. 2027) Phase II: NRH Sub Expansion (Sept. 2027 – Oct. 2028) Phase III: String second circuit 345kV line (5662) WEF – NRH, double circuit as needed (Apr. 2027 – Dec. 2028) ISD: Dec. 2028
	2 South	Same as above. Would require more purchasing of easements due to greenfield route.

L RTP 4 Mankato to Mississippi River		
Segment 3: 5663 345kV NRH – River 43 miles	Route Option	Construction Notes
<ul style="list-style-type: none"> Scope: Install second circuit 345kV and upgrade existing 161kV to 345 kV Operating Authority: Xcel Primary Maintenance: Xcel RISK: NRH-CHT & DPC 161 need to be relocated prior in-service 	3	Phase I: Foundations & Structure Set (April 2029 – May 2029) Phase II: String second circuit 345kV (Sept. 2029 – Feb. 2030) ISD: Feb. 2030
Segment 4: 5309 161kV NRH – CHT 20 – 24 miles	Route Option	Construction Notes
<ul style="list-style-type: none"> Scope: Relocate 161kV to new corridor Operating Authority: Xcel Primary Maintenance: Xcel RISK: Multiple system alternatives proposed in scoping 	4 East	Phase I: Foundations & Structure Set (Aug. 2027 – May 2029) Phase II: String greenfield 161kV line (Dec. 2028 – Oct. 2029) ISD: Oct. 2029
	4 West	Same as above but would parallel 345kV line 0979 before turning East and continuing as a greenfield route.
	Northern Hills	Same as above but would double-circuit RPU's Northern Hills 161kV line (5310).

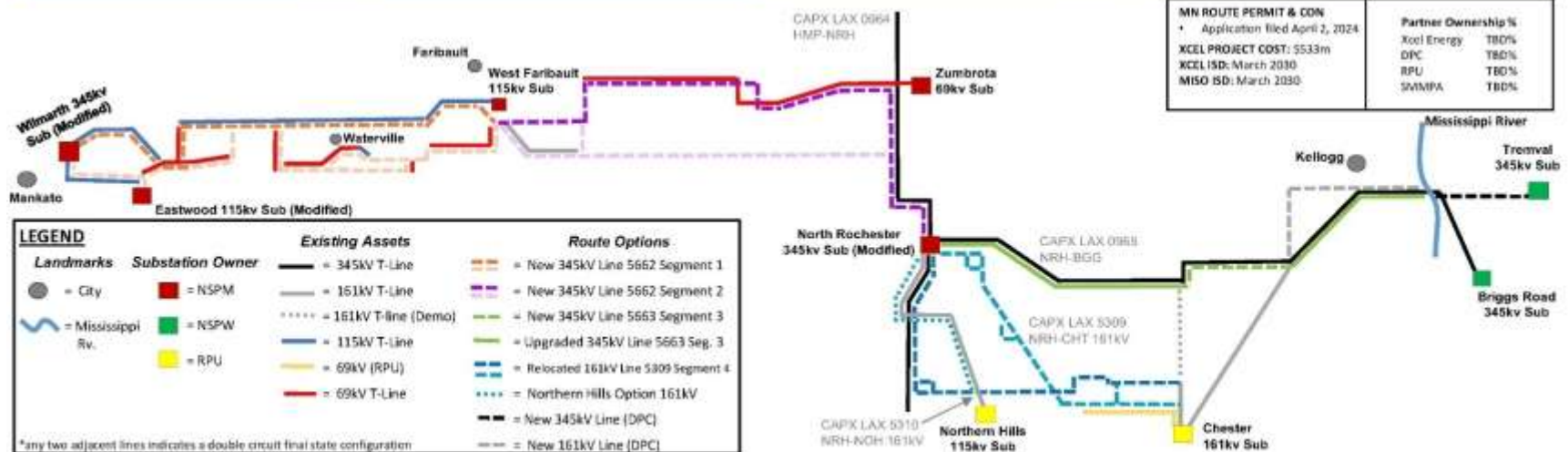


EXHIBIT B

DEVELOPMENT PERIOD NRMRC PROJECT ASSET OWNERSHIP PERCENTAGES

DEVELOPMENT PERIOD NRMRC PROJECT ASSET OWNERSHIP PERCENTAGES¹	
Name of Owner	AOP
Northern States Power Company, a Minnesota corporation	46.3549%
Southern Minnesota Municipal Power Agency	7.6032%
Dairyland Power Cooperative	11.4503%
City of Rochester	34.5916%
TOTAL	100.0000%

¹ See table immediately below for “Calculation of Dollar Investment Allocations Based on Pledged Dollar Investment Transfers to RPU BY NSP, MN, SMMPA, and WPPI (Coordinated Owners Respective Integrated Percentage Interests)” in the column titled “Initial AOP % Investment in MN LRTP 4 LAX Upgrade (TL Costs to Owner /Total TL Costs to all Owners).”

CALCULATION OF DOLLAR INVESTMENT ALLOCATIONS BASED ON PLEDGED DOLLAR INVESTMENT TRANSFERS TO RPU BY NSP, MN, SMMPA, and WPPI (COORDINATED OWNERS RESPECTIVE INTEGRATED PERCENTAGE INTERESTS)										
ENTITY	COORDINATED OWNERS INTEGRATED PERCENTAGE INTERESTS	L RTP 4 - MN SEGMENTS 3 AND 4 SUBSTATION EXPANSION ² AND TRANSMISSION LINE COST	L RTP 4 INVESTMENT RIGHT – UPGRADE (SOURCE: 9.1 MN LAX JCA)	NSPM/WPPI/SMMPA PLEDGED ALLOCATION	L RTP 4 FINAL APPROVED SUBSTATION AND TRANSMISSION LINE INVESTMENTS	SUBTRACT SUBSTATION EXPANSION COST	AOP		PI	
							INITIAL AOP INVESTMENT BUDGET ESTIMATE	INITIAL AOP % INVESTMENT IN MN L RTP 4 LAX UPGRADE (TL Costs to Owner Total TL Costs to all Owners)	L RTP 4 SEGMENTS 3 AND 4 TOTAL COST OF SUBSTATIONS AND TRANSMISSION LINE	PERCENTAGE INTEREST (Subs*+TL Costs to Owner Subs*+TL Total Project Costs to all Owners)
NSPM (NSPM/NSPW CONSOLIDATED)	64.0000	86,918,238	55,627,672	(13,503,061)*	42,124,611	(3,418,238)	38,706,373	46.3549%	42,124,611	48.4647%
SMMPA	13.0000	86,918,238	11,299,371	(4,950,750)*	6,348,621		6,348,621	7.6032%	6,348,621	7.3041%
DPC	11.0000	86,918,238	9,561,006		9,561,006		9,561,006	11.4503%	9,561,006	11.0000%
RPU	9.0000	86,918,238	7,822,641	13,503,061 (NSPM) 4,950,750 (SMMPA) 2,607,548 (WPPI)	28,884,000		28,884,000	34.5916%	28,884,000	33.2312%
WPPI	3.0000	86,918,238	2,607,548	(2,607,548)*	-0-		-0-	-0-		
TOTAL	100.00%	86,918,238***	86,918,238	-0-	86,918,238	(3,418,238)	83,500,000	100.00%	86,918,238	100.00%

² Substation Expansion amount is estimated at \$3,418,238.

EXHIBIT B REFERENCE MATERIAL INFORMATION

The AOP percentages set forth above for the NRMRC Project development period are estimated and calculated based on the present Approved Budget that has been approved by the Management Committee.

The table immediately below reflects the (i) Project Percentages upon the completion of the 2012 La Crosse Project transactions, and (ii) Percentages as determined for both the Minnesota and Wisconsin Coordinated Projects (See MN and WI chart of AOP, PI, and Integrated Percentages (Final 12-31-22)).

MINNESOTA PROJECT PARTICIPATION AGREEMENT PERCENTAGES				
Name of Owner	MN Asset Ownership Percentage (AOP)	MN Percentage Interest (PI)	Integrated Percentage Interest AOP MN and WI Projects	Integrated Percentage Interest PI MN and WI Projects
Northern States Power Company, a Minnesota corporation	49.2146%	53.5495%	31.0827%*	33.2321%
Southern Minnesota Municipal Power Agency	23.6258%	20.9480%	14.9215%	13.0000%
Dairyland Power Cooperative	12.3799%	11.0000%	12.4292%	11.0000%
City of Rochester	14.7797%	14.5025%	9.3345%	9.0000%
TOTAL	100.0000%	100.0000%	36.6852%	66.2321%

*The Integrated Percentage Interest of Northern States Power Company, a Minnesota corporation, will float during the construction period. The combined Integrated Percentage Interest of Northern States Power Company, a Wisconsin corporation and Northern States Power Company, a Minnesota corporation, will equal 64%. Northern States Power Company, a Minnesota corporation's final Integrated Percentage Interest will be determined after Final Completion.

EXHIBIT C

NOTICES

**IF TO DAIRYLAND POWER
COOPERATIVE:**

**DAIRYLAND POWER
COOPERATIVE
3200 EAST AVENUE S.
P.O. BOX 817
LA CROSSE, WI 54602-0817
ATTENTION: EXECUTIVE VICE
PRESIDENT AND CHIEF
OPERATING OFFICER**

WITH A MANDATORY COPY TO:

**DAIRYLAND POWER
COOPERATIVE
3200 EAST AVENUE S.
P.O. BOX 817
LA CROSSE, WI 54602-0817
ATTENTION: GENERAL COUNSEL**

IF TO CITY OF ROCHESTER:

**ROCHESTER PUBLIC UTILITIES
4000 EAST RIVER RD. NE
ROCHESTER, MN 55906-2813
ATTENTION: GENERAL
MANAGER**

WITH A MANDATORY COPY TO:

**CITY OF ROCHESTER
201 4TH ST. SE
ROOM 247
ROCHESTER, MN 55904
ATTENTION: CITY ATTORNEY**

**IF TO SOUTHERN MINNESOTA
MUNICIPAL POWER AGENCY:**

**SOUTHERN MINNESOTA
MUNICIPAL POWER AGENCY
500 FIRST AVENUE SOUTHWEST
ROCHESTER, MN 55902-3303
ATTENTION: MANAGER, POWER
DELIVERY**

WITH A MANDATORY COPY TO:

**SOUTHERN MINNESOTA
MUNICIPAL POWER AGENCY
500 FIRST AVENUE SOUTHWEST
ROCHESTER, MN 55902-3303
ATTENTION: GENERAL COUNSEL**

**IF TO NORTHERN STATES POWER
COMPANY:**

**NORTHERN STATES POWER
COMPANY, A MINNESOTA
CORPORATION
414 NICOLLET MALL, 414-6
MINNEAPOLIS, MN 55401
ATTENTION: SENIOR VICE
PRESIDENT, TRANSMISSION**

WITH A MANDATORY COPY TO:

**NORTHERN STATES POWER
COMPANY, A MINNESOTA
CORPORATION
401 NICOLLET MALL, 08
MINNEAPOLIS, MN 55401
ATTENTION: GENERAL COUNSEL**

IF TO THE DEVELOPMENT MANAGER:

**NORTHERN STATES POWER COMPANY, A MINNESOTA CORPORATION
414 NICOLLET MALL, 414-6
MINNEAPOLIS, MN 55401
ATTENTION: SENIOR VICE PRESIDENT, TRANSMISSION**

WITH A MANDATORY COPY TO:

**NORTHERN STATES POWER COMPANY, A MINNESOTA CORPORATION
401 NICOLLET MALL, 08
MINNEAPOLIS, MN 55401
ATTENTION: GENERAL COUNSEL**

SCHEDULE 5.1.1

DEVELOPMENT WORK

Development Work includes all of the following:

- (i) completion of the preliminary conceptual design of the Project;
- (ii) determination of the recommended interconnection and termination points of the NRMRC Project with the Substation and Mississippi River connection;
- (iii) determination of the recommended alignment for the Route Permit;
- (iv) determination of the scope for the Project;
- (v) estimating the cost and schedule of the NRMRC Project and the schedule for interconnection with the Substation;
- (vi) obtaining the Governmental Approvals necessary to complete Development Work and to proceed to construction of the NRMRC Project and the Substation Expansion;
- (vii) obtaining any additional MISO approvals or variance requests required in connection with the Project;
- (viii) timely making or undertaking such other necessary studies and analyses as deemed appropriate by the Management Committee; and
- (ix) performing such other activities as contemplated by this Agreement or as directed by the Management Committee in the exercise of its responsibilities under this Agreement.

SCHEDULE 5.1.2

ADVANCED CONSTRUCTION WORK

Advanced Construction Work includes all of the following:

- (i) detailed preliminary construction design,
- (ii) engineering,
- (iii) surveying,
- (iv) inspection of existing structures,
- (v) soil evaluation (including soil borings),
- (vi) acquisition of real property interests (including title work and prosecution),
- (vii) contracting for services and acquisition of construction materials and storage and lay-down areas,
- (viii) vegetation management and removal, and
- (ix) other similar matters arising under, within the scope of, and set forth specifically on the Development Period Budget.

Advanced Construction Work does not include construction activities under the Construction Management Agreement, such as (by way of example only): (i) stringing of transmission lines, (ii) foundation excavation and construction, and (iii) tower relocation, in each case, even if obligations for such Construction Work have been entered into pursuant to a construction Contract.

SCHEDULE 5.2.1

MANAGEMENT COMMITTEE DEVELOPMENT WORK

Duties and Responsibilities. The Management Committee will, in accordance with the JCA, among other things contemplated in this Agreement:

- (i) monitor and provide oversight regarding the Parties' and the Development Manager's participation in regional stakeholder transmission planning activities, community outreach, and regulatory filings and Proceedings affecting the NRMRC Project, and provide guidance on any important strategic updates to MISO by the Parties;
- (ii) provide guidance and direction on major strategic decisions related to the CON, Route Permit and any Governmental Approvals for construction of the Project, including but not limited to:
 - a. approve the form of (1) the Critical Permits, and (2) applications for any additional MISO approvals or variance requests required in connection with the Project;
 - b. approve any settlement agreements related to Critical Permits; and
 - c. determine whether or not to settle or to pursue appeals of the denial or revisions of or to (1) any Critical Permits or Governmental Approval, or (2) conditions placed by any Governmental Authority on any such application or approval.
- (iii) exercise general supervision over, and review, discuss and attempt to resolve any disputes within, any committees established by the Management Committee;
- (iv) review and provide oversight regarding periodic agreed-upon procedures or audit (the scope of which will be determined by the Management Committee) of the Development Manager books and cost records regarding Development Period Costs incurred by the Development Manager or by a Party in carrying out Development Work and any cost reimbursable to a Party, including all Development Period Costs incurred by before and after the Effective Date of this Agreement;
- (v) monitor and provide oversight regarding the continuation and completion of Development Work;
- (vi) approve changes to increase the maximum amount of the budgets for Development Period Costs;
- (vii) designate Contracts or matters from time to time as being Major Contracts and which must be approved by the Management Committee, and review and act upon any Major Contract proposed to be formed or any change order of a Major Contract in excess of 20% of the original Contract amount;
- (viii) review and approve the preliminary conceptual design of the Project and the NRMRC Project and recommend to the Parties approval of the NRMRC Project preliminary

conceptual design set forth in one or more of the Project Agreements;

- (ix) review and act upon the content and performance of Development Work and Advanced Construction Work and the performance of the duties and obligations of the Parties set forth under this Agreement, including those arising in connection with Major Contracts, uninsured claims and defaults;
- (x) participate in media strategy for the Project, and monitor local publicity and public relations undertakings by the Development Manager and the Parties pertaining to the Project, in each case as determined necessary by the Management Committee;
- (xi) review and act upon an agreed NRMRC Project insurance plan for the Project Agreements pursuant to **Section 12.1** (Insurance Coverage);
- (xii) attempt to resolve conflicts that develop between and among the Parties with respect to the NRMRC Project;
- (xiii) monitor the drafting and negotiation of the Project Agreements by the Parties' agreements team; and
- (xiv) promptly respond to the Development Manager for reasonably requested assistance or advisement in connection with the Development Manager's duties and obligations under this Agreement.

SCHEDULE 5.2.3(A)

DEVELOPMENT MANAGER DEVELOPMENT WORK

- (i) Participate in regional stakeholder transmission planning and community outreach activities affecting the Project;
- (ii) Prepare, file, and prosecute, in coordination with the Parties, all other applications and other documentation for all Governmental Approvals required for the development and construction of the NRMRC Project, including responding to any inquiries or requests from Governmental Authorities related to such applications' development, filing and gaining approval;
- (iii) Identify and select, in consultation with the Management Committee, Consultants and Contractors for the Development Work and Advanced Construction Work;
- (iv) Contract with approved Consultants and Contractors for the Development Work and Advanced Construction Work, subject to Management Committee approval of all Major Contracts and any change order of a Major Contract in excess of 20% of the original Contract amount;
- (v) Manage the development phase of the Project, as the Development Manager of the Project, including the management of estimated Development Period Costs, proposed revisions of the Development Period Budget, oversight of Development Period Costs and schedule control, and development of Project status reports;
- (vi) As it relates to the NRMRC Project, compliance with all MISO timelines and reporting requirements, including Attachment FF Section I.C.11 of the MISO Tariff and MISO Business Practices Manual No. 020 Transmission Planning;
- (vii) In concert with the Parties, undertake local publicity and public relations pertaining to the Project, and build community support for the Project, engaging appropriate personnel from the respective Parties in preparation of materials and outreach planning in a desire to effectively communicate the benefits of the Project and protect the existing external relationships and reputations of the Parties;
- (viii) Obtain necessary environmental assessments required for the NRMRC Project;
- (ix) Manage the preliminary engineering and preliminary design of the Project;
- (x) Undertake such other Development Work, Advanced Construction Work, and other activities reasonably related to the Project or as assigned by the Management Committee;
- (xi) Perform, administer (including payment), and enforce all Contracts for Development Work and Advanced Construction Work;

- (xii) Provide to the Management Committee listings of each Contract for Development Work and Advanced Construction Work, such listing to include the date of the Contract, the contracting parties, a summary of the work to be performed, and the Contract price and payment terms;
- (xiii) Challenge and remove any unsatisfied liens that are filed against the Development Manager or any Party, as applicable, in connection with Development Work and Advanced Construction Work performed by the Development Manager, other than (A) liens for Taxes or assessments not yet delinquent, and (B) liens for labor and material not yet due and payable;
- (xiv) Pay all Development Period Costs when due;
- (xv) Keep and maintain records, for a period of not less than five (5) years following the termination of this Agreement, of all Development Period Costs monies expended, obligations incurred, and credits accrued, and maintain for auditing those accounting records used for the purpose of accumulating financial and statistical data for the Development Work and Advanced Construction Work;
- (xvi) Attend Management Committee meetings during the term of this Agreement and promptly submit to the Management Committee monthly and other reasonably requested reports and responses to questions posed by the Management Committee regarding the progress and details of Development Work and Advanced Construction Work, financial reports of Development Period Costs paid or incurred (including budget-to-actual comparisons), on a current period and cumulative basis, with comparison to budgetary requirements;
- (xvii) Submit Development Period Costs cash flow estimates for the next quarter, including budget-to-actual comparisons for the term of the NRMRC Project;
- (xviii) Submit all financial reports associated with Development Work and Advanced Construction Work in accordance with Generally Accepted Accounting Principles for the utility industry and in a format reasonably acceptable to the Management Committee;
- (xix) Prepare and distribute to the Management Committee a final completion report for the Development Work and Advanced Construction Work within a commercially reasonable period following expiration or other termination of this Agreement, or otherwise prior to commencement of construction of the NRMRC Project in order to facilitate the Management Committee's vote to recommend the commencement of the Project to the Parties;
- (xx) Maintain insurance for and with respect to Development Work and Advanced Construction Work, which at a minimum will include: workers' compensation (statutory limits); employers' liability (\$1 million); commercial general liability (combined single limits of not less than \$25 million), providing for bodily injury, personal injury, property damage; and professional liability/errors and omissions

insurance (\$1 million). (Approved insurance plans will be established by the Project Agreements.); and

- (xxi) All insurance policies maintained by the Development Manager pursuant to the above will name each of the Parties (and their respective Affiliates, directors, officers, and employees) as an additional insured and will be written by an insurance company rated at least A-VII by Best Insurance Rating Service, which insurance company will provide certificates of coverage to the Parties with respect to such policies.

SCHEDULE 5.2.3(B)

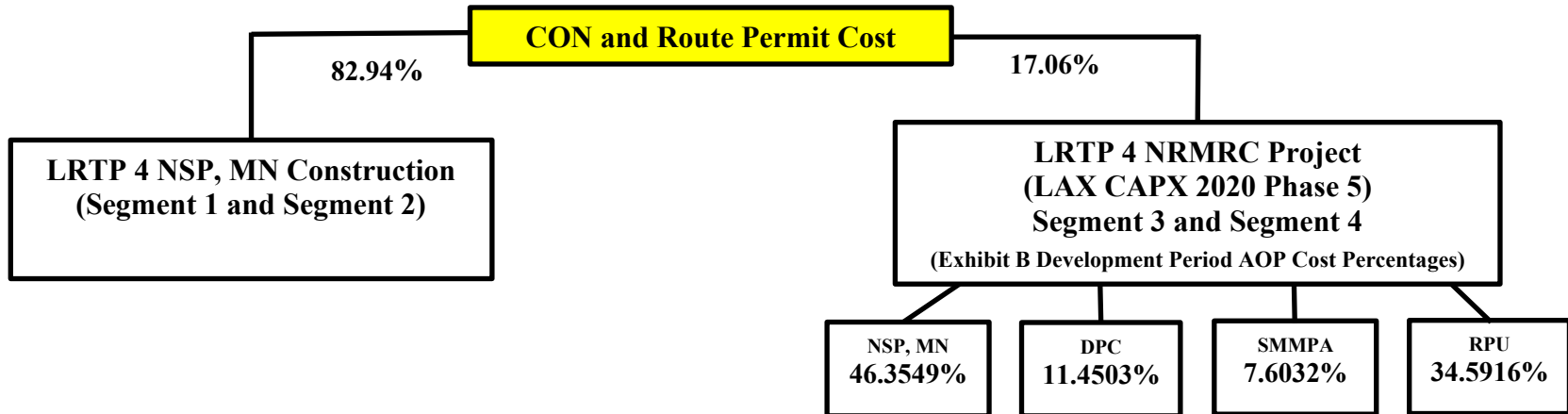
PARTIES' DEVELOPMENT WORK

- (i) Participate in regional stakeholder transmission planning and community outreach activities affecting the Project;
- (ii) Monitoring of the filed CON application and Route Permit application to MPUC in coordination with the Development Manager;
- (iii) Support the Development Manager in preparation, filing and prosecuting all other applications and other documentation for all Governmental Approvals required for the development and construction of the Project, including responding to any inquiries or requests from Governmental Authorities related to such applications' development, filing and gaining approval;
- (iv) Together with the Development Manager, undertake local publicity and public relations pertaining to the Project, provide counsel and participate as needed to build community support for the Project and maintain the existing external relationships and reputations of the Parties;
- (v) Provide any necessary or requested information with respect to the NRMRC Project and support the Development Manager preparation and timely filing of the MISO NRMRC Project reporting requirements, including Attachment FF Section I.C.11 of the MISO Tariff and MISO Business Practices Manual No. 020 Transmission Planning; and
- (vi) Undertake other Development Work and Project activities reasonably related to the NRMRC Project that are assigned by the Management Committee.

SCHEDULE 7.2.3

COST ALLOCATION PERCENTAGES FOR CON AND ROUTE PERMIT

LRTP 4 Segments 1 and 2 (NSP, MN)
and
LRTP 4 Segments 3 and 4 (LAX MN CAPX 2020 TIC)



PARTY	MN CON and Route Permit AOP Cost Percentage	NRMRC Project Percentage
NSP, MN LRTP 4 (Segment 1 and Segment 2)	82.9400%	-
NSP, MN (NRMRC Project)	7.9082%	7.9082%
DPC (NRMRC Project)	1.9534%	1.9534%
SMMPA (NRMRC Project)	1.2971%	1.2971%
RPU (NRMRC Project)	5.9013%	5.9013%
TOTAL	100.00%	17.0600%

(CONTINUED)

SCHEDULE 7.2.3

COST ALLOCATION PERCENTAGES FOR CON AND ROUTE PERMIT

**LRTP 4 Segments 1 and 2 (NSP, MN)
and
LRTP 4 Segments 3 and 4 (LAX MN CAPX 2020 TIC)**

NOTE: The “Cost Calculation” method below has been adopted for the cost allocation percentages as between LRTP 4 Segments 1 and 2 (NSP, MN) and LRTP 4 Segments 3 and 4 (LAX MN CAPX 2020 TIC).

This method has been adopted because it best represents the relative allocation of work to be performed between (i) the Segment 1 and Segment 2 transmission lines and substations and the DPC Wabaco Relocation Project, and (ii) the NRMRC Project and the Substation Expansion. Each of the foregoing Segments and all Substations are integral to the LRTP 4 MN Project. By way of further explanation, Segments 1 and 2 require tower and transmission line construction where, by comparison, Segments 3 and 4 and primarily second circuit costs.

COST CALCULATION

LRTP 4 SEGMENTS 1 AND 2 – NSP, MN ONLY		
SEGMENT	COST	PERCENT
Segment 1	\$240,650,000	
Segment 2	174,600,000	
Substations	7,181,762	
Segments 1 and 2 TOTAL	\$422,431,762	82.94%
LRTP 4 SEGMENTS 3 AND 4 – LAX MN CAPX 2020 TIC		
Segment 3	\$25,100,000	
Segment 4	58,400,000	
Substation	3,418,238	
Segments 3 and 4 TOTAL	\$86,918,238	17.06%
LRTP 4 TOTAL COST	\$509,350,000	100.00%

MILEAGE CALCULATION

LRTP 4 SEGMENTS 1 AND 2 – NSP, MN ONLY		
SEGMENT	MILEAGE	PERCENT
Segment 1	48 mi	
Segment 2	40 mi	
Segments 1 and 2 TOTAL	88 mi	56.77%
LRTP 4 SEGMENTS 3 AND 4 – LAX MN PROJECT		
Segment 3	43 mi	
Segment 4	24 mi	
Segments 3 and 4 TOTAL	67 mi	43.23%
LRTP 4 TOTAL MILEAGE	155 mi	100.00%

SCHEDULE 7.2.4(A)

DEVELOPMENT MANAGER REIMBURSEMENT FOR COST OF SERVICES

Development Period Costs shall include labor-related charges as set forth below with respect to the use of the Development Manager's (and its Affiliates') employees to perform, undertake and carry out the Development Work and the Advanced Construction Work services. These costs shall be charged to the Parties, and the Development Manager will be reimbursed by the Parties; **provided** such payment obligation will be the several, not joint, obligation of each Party in accordance with its interest as determined pursuant to this Agreement.

1. Direct Labor

"Direct Labor" means employees of the Development Manager and employees of Affiliates of the Development Manager.

All Direct Labor costs (wages, salaries, overtime and bonuses).

2. Additive Expenses

Additive expenses include Labor related charges associated with the Development Manager's (and its Affiliates') Direct Labor charged to the Parties hereunder. Labor Additive shall be based on prevailing policies of the Development Manager (and its Affiliates) for which the relevant employee works. The labor additive is typically a percentage developed by taking the Additive Expenses including, but not limited to those listed below and dividing by the Development Manager's (and its Affiliates') total Direct Labor costs.

Additive expenses (**"Additive Expenses"**) means all payroll taxes, statutory contributions and other benefits paid for on behalf of Direct Labor by the Development Manager including:

Employer FICA, Medicare, and Federal and State unemployment payroll taxes

Defined Benefit – Pension Plans – FASB 87

Long Term Disability Plans - FASB 112

Employee Medical, Dental, Disability, and Life insurance

Workers' Compensation and Employer Liability insurance (including all costs and expenses attributable to premiums, retrospective or prospective policy adjustments, deductibles, co-insurance and/or self-insured retention)

Vacation, Paid time off (PTO), Sick Leave, Holiday and other non-productive payroll

Defined Contribution – 401K match

Post Retirement Benefits – FASB 106

Education assistance

Union Craft Welfare

Training

Annuities

Other Employee Benefits (less than 2% of all payroll Additive Expenses)

The Development Manager (and its Affiliates), as a policy of general application, calculate the cost of Additive Expenses as a percentage of its aggregate Direct Labor cost.

3. General and Administrative Costs on Direct Labor

The Development Manager shall recover general and administrative (A&G) costs associated with Direct Labor. A percentage (“A&G Percentage”) shall be applied to the Development Manager’s Direct Labor charged to the NRMRC Project. The Development Manager will calculate the “A&G Percentage” annually using its own methodology to recover each company’s A&G costs.

Insurance premium expense corresponding to policies of insurance required to be maintained by the Development Manager pursuant to **Section 12.1** (Insurance Coverage) of this Agreement (other than workers’ compensation and employer liability insurance expense addressed above), but only if any such insurance policy (or any endorsement or rider thereto) is maintained in the ordinary course of business of the Development Manager, and was not purchased solely for the purpose of meeting the Development Manager’s insurance coverage obligation set forth in **Section 12.1** of this Agreement. Costs and expenses of the insurance included in the A&G Percentage specifically exclude any costs and expenses paid or payable by the Development Manager: (i) with respect to deductibles, co-insurance or self-insured retentions or (ii) to obtain any endorsements necessary to designate a Party (other than the Development Manager) as an additional insured.

4. Development Manager Calculation of the A&G Percentage

Services performed by employees in the following types of departments of the Development Manager are considered chargeable only through the application of the A&G Percentage. Therefore, an individual working in any of these departments will not directly assign their time to this Agreement, as this type of direct labor is non-reimbursable. In lieu of direct charging, the Development Manager is to be compensated by the addition of the A&G Percentage.

However, an individual may direct charge the NRMRC Project as long as they are assigned to provide specific support for the NRMRC Project.

Accounting

Budgeting

Finance

Administrative

Office Services

Human Resources

Information Technology

Building and Grounds – Headquarters

An A&G overhead rate will be derived annually using the most current calendar year A&G expenses and total O&M labor costs reported.

In any given year, the A&G overhead rate will be calculated using the Development Manager's prior year actual costs in a ratio of actual A&G expenses recorded (listed below) to the actual O&M productive labor recorded. This rate will be used in the current year to calculate the Application for Payment overhead costs on a monthly basis. Once the actual current calendar year A&G expenses and labor costs are reported, a new A&G overhead rate is calculated. The adjustment is generally calculated during the month of April and will be communicated as soon as practicable to the Parties. Costs that will be included in the calculation of the A&G overhead rate are as follows:

I. All or a portion of the total calendar year account balances in Development Manager's FERC accounts:

- 920, Administrative and General Salaries,
- 921, Office Supplies & Expense,
- 922, Administrative Expenses Transferred Credit,
- 923, Outside Services Employed,
- 925, Injuries and Damages (excluding Workers' Compensation and Employer Liability which is addressed in note II below),
- 928, Regulatory Commission Expense,
- 929, Duplicate Charges Credit,
- 930.1, General Advertising Expenses,
- 930.2, Miscellaneous General Expenses,
- 931, Rents,
- 932, Maintenance of Structures, and
- 935, Maintenance of General Plant

II. Portions of the total calendar year account balances in the Operating Agent FERC accounts listed below:

- 925, Injuries and Damages (Workers' Compensation and Employer Liability component),
- 926, Pensions and Benefits,
- 408, Payroll Taxes,
- 924, Property Insurance,

To the extent amounts recorded in these accounts are billed to the Parties through O&M Costs, labor overheads or other methods, only the amounts of such costs associated with labor costs recorded in account 920 (Administrative and General Salaries) will be included in the A&G overhead rate.

Property insurance and depreciation costs are not included in the calculation of the Development Manager A&G overhead rate.

5. Development Manager Purchasing/Warehouse Overheads

The Development Manager distributes the corporate purchasing and warehousing services costs to the functional area(s) of the operating companies or affiliate along with the cost of the materials and supplies ordered using purchasing and warehousing overhead loads. Costs are collected in clearing accounts and cleared via an overhead loading on certain purchases and materials issued from storerooms.

The purchasing overhead load (current effective average rate is 1.59%) is applied to the value of the purchase order. The effective average rate of the purchasing overhead load is subject to monthly adjustments.

The warehousing overhead load (current effective average rate is 6.35%) is applied, when applicable, to the purchase order value of the materials ordered. The effective average rate of the warehousing overhead load is subject to monthly adjustments.

I. Purchasing costs include the following activities:

- Developing requisitions
- Contracts and purchase orders to procure materials and services
- Manage supplier relationships
- Negotiating procurement agreements / contracts
- Monitoring supplier performance
- Managing purchase records
- Managing supplier qualification records

II. Inventory warehousing costs include the following costs:

- Labor
- Supervision
- Materials and supplies
- Rent

(Example Only)

CapX2020 - NSP-MN
A&G Calculation for 2022
as of April 28, 2023

		Input formula	
FERC Account	FERC Account Description	Electric Only NSP-MN 2022 A&G from FF1 p. 323	Costs With Adjustments
920	Admin & General Salaries	91,087,571	91,087,571 19.7368%
921	Office Supplies & Expenses	69,989,064	69,989,064 15.1652%
922	Admin Expenses Transferred Cr	(64,263,099)	(64,263,099) -13.9245%
923	Outside Services Employed	21,133,076	21,133,076 4.5791%
924	Property Insurance	10,062,689	n/a A&G labor has immaterial property insurance costs
925	Injuries & Damages	17,752,580	n/a
926	Employee Pensions & Benefits	83,039,174	n/a
927	Franchise Requirements	-	-
928	Regulatory Comm Exp	9,501,872	9,501,872 2.0589%
929	Duplicate Charges Cr	(6,121,912)	(6,121,912) -1.3265%
930.1	Gen Advertising Exp	3,884,214	3,884,214 0.8416%
930.2	Misc General Exp	4,536,316	4,536,316 0.9829%
931	Rents	47,678,667	47,678,667 10.3310%
932	Maintenance of General Plant	-	- 0.0000%
935	Maintenance of General Plant	920,199	920,199 0.1994%
		289,200,391	178,345,968 38.6438%
Facilities Chargebacks to Customer Accts included EXCLUDE: in FERC 931			(7,186,789) -1.5572% FERC Detail Summary Report-NSPM FERC 931 - 2022
Adjusted Costs:			
924	Property Insurance		-
925	Workers Comp applicable to A&G Labor *		1,712,446 0.3711%
926	Empl Pens & Benefits applicable to A&G Labor **		32,208,565 6.9789%
408	Payroll Tax applicable to A&G Labor ***		9,791,914 2.1217%
	Total Adjusted Costs		214,872,104 46.5583%
2022 Total Company O&M Salaries & Wages (per FF1, page 355 line 65b)			461,512,216
A&G Overhead on Productive Labor			46.5583% Excludes depreciation
<hr/>			
*	Labor		91,087,571
	Workers Comp Average Overhead Rate (from Brian Kochevar)		0.0188
	Workers Comp applicable to A&G Labor		1,712,446
**	Labor		91,087,571
	Empl Pens & Benefits Average Overhead Rate (from Brian Kochevar)		0.3536
	Empl Pens & Benefits applicable to A&G Labor		32,208,565
***	Labor		91,087,571
	Payroll Tax Average Overhead Rate (from Brian Kochevar)		0.1075
	Payroll Tax applicable to A&G Labor		9,791,914

SCHEDULE 7.2.4(B)

NON-NSP, MN PARTIES' REIMBURSEMENT FOR COST OF SERVICES

DAIRYLAND POWER COOPERATIVE

[PLACEHOLDER – HELD FOR POSSIBLE FUTURE USE PURSUANT TO THE PROVISIONS BELOW, WHICH ARE INCORPORATED BY REFERENCE TO SECTION 7.2.3(B)]

ROCHESTER PUBLIC UTILITIES

[PLACEHOLDER – HELD FOR POSSIBLE FUTURE USE PURSUANT TO THE PROVISIONS BELOW, WHICH ARE INCORPORATED BY REFERENCE TO SECTION 7.2.3(B)]

SOUTHERN MINNESOTA MUNICIPAL POWER AGENCY

[PLACEHOLDER – HELD FOR POSSIBLE FUTURE USE PURSUANT TO THE PROVISIONS BELOW, WHICH ARE INCORPORATED BY REFERENCE TO SECTION 7.2.3(B)]



RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester to Adopt a resolution formally recommending that the Rochester City Council approve the Joint Development Agreement (JDA) for Rochester Public Utilities' participation in the Mankato to Mississippi River Transmission Project at an ownership level of \$28,884,000, plus a 15% contingency of \$4,332,600, for a total authorized amount of \$33,216,600 and that the Rochester City Council delegate authority to the RPU project manager to perform the acts to execute the project.

BE IT FUTHER RESOLVED by the Public Utility Board of the City of Rochester to recommend that the City Council delegate to the RPU General Manager and the Rochester City Attorney the authority to approve any final non-material changes to the JDA prior to execution.

BE IT FUTHER RESOLVED by the Public Utility Board of the City of Rochester to also recommend that the City Council delegate to the RPU General Manager and the Rochester City Attorney the authority to approve the execution of all future amended and restated December 2012 CapX2020 operating agreements required to incorporate the Mankato to Mississippi River Project facilities, including but not limited to the Joint Cooperation Agreement, Transmission Capacity Exchange Agreement, Transmission-to-Transmission Interconnection Agreement, Project Participation Agreement, Minnesota Construction Management Agreement, and the Minnesota Operation and Maintenance Agreement.

PASSED AND ADOPTED BY THE PUBLIC UTILITY BOARD OF THE CITY OF

ROCHESTER, MINNESOTA, THIS 16th DAY OF December 2025.

PRESIDENT

SECRETARY



REQUEST FOR ACTION

Letter of Agreement with SMMPA Regarding Battery Charging and Discharging Treatment Under the Power Sales Contract

MEETING DATE:

December 16, 2025

ORIGINATING DEPT:

Rochester Public Utilities

AGENDA SECTION:

Regular Agenda

PRESENTER:

**Bill Bullock, Director of
Power Resources**

Action Requested:

Approve a resolution authorizing the General Manager and the City Attorney to negotiate, finalize, and execute a Letter of Agreement with SMMPA detailing the implementation, metering, and settlement treatment of the Rochester battery storage project, consistent with the high level SMMPA Board action adopted on December 10. This authorization will allow RPU to complete the final documentation required to implement the project's operational framework under the Power Sales Contract and to move forward toward commercial operation.

Report Narrative:

Purpose of Board Action

With the Southern Minnesota Municipal Power Agency (SMMPA) Board having acted to approve a high level policy resolution on December 10, 2025 confirming that the Rochester battery storage project is permissible under the Power Sales Contract and does not violate the 1992 Settlement Agreement, RPU now requires Board authorization to negotiate and finalize the Letter of Agreement that will document the detailed implementation provisions.

This Letter of Agreement will establish how charging and discharging energy is treated under the Power Sales Contract, memorialize responsibilities for metering and settlement, and ensure the project operates in a manner that preserves RPU's economic value streams and protects SMMPA's cost neutrality requirements.

Background

RPU and the City Council have approved two Energy Storage Service Agreements (ESSAs) for two 10 MW four hour battery installations. Approval of those agreements was conditioned on SMMPA confirming that such agreements are permissible under existing SMMPA contracts with member utilities.

The SMMPA Board has now taken that action and delegated authority to SMMPA staff to execute the agreement before the end of the contracting window required for tax credit eligibility.

Consistent with this direction, the next step is to develop a Letter of Agreement between RPU and SMMPA, similar in form and purpose to prior agreements such as the Valley High Solar Letter Agreement, to formalize the operational and accounting details.

Key Elements to Be Addressed in the Letter of Agreement

Subject to negotiation, the Letter of Agreement is expected to address:

- Use of a behind-the-meter treatment consistent with the Valley High precedent, applying SMMPA's add-back method for charging and discharging energy (charging treated as negative generation and discharging as positive generation) consistent with SMMPA's Small Solar Buyback Policy principles.
- Confirmation that operation under the ESSAs does not reduce RPU's PSC purchase obligations and remains compliant with the 1992 Settlement Agreement.
- Final confirmation regarding registration at the RPU MISO node or, if necessary, alternative accounting protocols if the project must operate at the SMMPA node.
- Responsibilities for any incremental metering, telemetry, data exchange, or settlement costs, consistent with the expectation that the project is cost-neutral to SMMPA and its members.
- Reporting, information-sharing, and coordination obligations similar to prior SMMPA-RPU distributed generation agreements

Reason for Board Authorization

Because the Letter of Agreement will become a binding contract between RPU and SMMPA, the RPU Board must authorize the General Manager and City Attorney to negotiate and execute the agreement.

This ensures:

- Timely completion of the agreement before procurement deadlines related to federal investment tax credit eligibility.
- Fulfillment of the conditions established in the RPU Board and City Council's prior approvals of the two ESSAs.
- Clear alignment with SMMPA's approved policy-level resolution.

Policy Considerations & DEI Impact:

The Energy Storage Service Agreements (ESSAs) are a key part of the strategy to decarbonize RPU's power supply. The batteries are a good complement to the growing contribution of solar energy in MISO, that causes the need for quick dispatch when the sun begins setting and solar power quickly drops out of the energy mix.

Prior Legislative Actions & Community Engagement:

- **November 25, 2025** - Staff presented the economics of the ESSA's and the redacted versions of the contract and the Board passed a resolution authorizing staff to seek authorization from City Council for the ESSAs.
- **December 8, 2025** - Staff presented the RPU Board recommendation to City Council for their concurrence authorizing ESSA's. The City Council passed a resolution authorizing staff to execute the ESSAs contingent of SMMPA passing a resolution stating such agreements are permissible under the SMMPA Power Sales Contract (PSC)
- **December 10, 2025** - The SMMPA Board passed a resolution stating such agreements are permissible under existing SMMPA PSC and delegated authority to SMMPA staff to execute the agreement before the end of the contracting window required for tax credit eligibility.

Fiscal & Resource Impact:

Together, these projects account for less than 7% of RPU's required capacity and comes at an expected cost that is lower than other types of capacity new builds. The projects allow RPU to make the transition to carbon free energy and provide an important learning platform that will allow RPU to assess the relative merits of batteries versus other capacity resources ahead of the SMMPA exit.

The batteries are expected to provide sufficient economic benefits to offset their cost, which is a fixed priced tolling agreement.

The Letter Agreement with SMMPA will ensure that maximum economic benefits accrue to the City in the execution of the ESSAs.

Prepared By:

Bill Bullock

Attachments:

[20251216 - Resolution - ESSA SMMPA Agreement](#)



RESOLUTION

WHEREAS, Rochester Public Utilities (RPU) negotiated Energy Storage Services Agreements (ESSAs) and Site Lease Agreements with Lightshift Energy SPV, LLC for two behind-the-meter battery storage projects totaling 20 megawatts and 80 megawatt-hours; and

WHEREAS, the RPU Board in its November 25, 2025 meeting approved a resolution authorizing RPU to seek approval from Council to enter into the ESSAs, contingent upon confirmation from the SMMPA Board that the agreements are permissible under existing SMMPA contracts; and

WHEREAS, on December 8, 2025, the Rochester City Council approved and concurred with RPU's request to enter into the ESSAs, subject to the same contingencies related to SMMPA's required action and the completion of a corresponding SMMPA Letter of Agreement; and

WHEREAS, the SMMPA Board acted on December 10, 2025, adopting a high level policy resolution confirming that the battery storage projects and the ESSAs are permissible under existing SMMPA contracts and do not conflict with the Power Sales Contract or the 1992 Settlement Agreement; and

WHEREAS, the SMMPA Board's action authorizes SMMPA staff to negotiate and execute a Letter of Agreement with RPU to establish the specific metering, billing, settlement, operational, and administrative provisions necessary to implement the treatment approved by the SMMPA Board; and

WHEREAS, execution of the ESSAs by the City and by RPU requires completion of said SMMPA Letter of Agreement to ensure that charging and discharging from the battery projects are treated in a manner consistent with SMMPA's Board action and RPU's operational and financial requirements;

NOW, THEREFORE, BE IT RESOLVED, by the Public Utility Board of the City of Rochester that the RPU General Manager and City Attorney are authorized to negotiate, finalize and execute a letter agreement with SMMPA documenting the specific agreements and conditions required to implement SMMPA's Board Resolution and to ensure appropriate treatment of charging and discharging for billing, settlement, and capacity accreditation purposes.

PASSED AND ADOPTED BY THE PUBLIC UTILITY BOARD OF THE CITY OF
ROCHESTER, MINNESOTA, THIS 16th DAY OF DECEMBER, 2025.

PRESIDENT

SECRETARY



REQUEST FOR ACTION

My Meter Update: Benchmarking and Customer Portal

MEETING DATE:

December 16, 2025

ORIGINATING DEPT:

Rochester Public Utilities

AGENDA SECTION:

Informational

PRESENTER:

Patty Hanson, Director of Customer Relations

Action Requested:

Informational only. No action required.

Report Narrative:

In 2024, RPU was awarded a \$321,000 state benchmarking grant to support implementation of a software solution and hire a limited-term commercial energy advisor. This investment was intended to help our large commercial customers comply with the new state benchmarking law which requires:

- Commercial buildings over 100,000 square feet to submit their energy usage data to Energy Star's Portfolio Manager by June 1, 2025, and
- Buildings over 50,000 square feet to comply by June 1, 2026.

We are pleased to report that we have successfully delivered on both grant objectives. Our commercial energy advisor, working with our IT team, launched the My Meter benchmarking module in March. This new functionality provides a streamlined process for customers to access, manage, and submit their required energy data.

Additionally, the groundwork completed for the benchmarking module directly advanced our readiness for the new customer portal, enabling a more seamless and efficient implementation. We are also pleased to report that the new customer portal, My Meter, launched successfully on November 5, 2025, and is performing well in its first weeks of operation. The rollout was completed on schedule, and the transition for customers has been smooth with no major technical issues identified. Early user engagement has been strong, reflecting both effective communication during the launch period and customer interest in the enhanced capabilities now available.

Initial feedback indicates that customers and staff appreciate improved access to account information and the ability to complete key tasks more efficiently. We are continuing to track performance daily to ensure continuous reliability. Our plan is to expand our communication and engagement efforts to increase adoption. Overall, the launch represents a significant step forward in our digital service strategy and positions us well to continue enhancing the customer experience.

Prepared By:

Patty Hanson

Attachments:



REQUEST FOR ACTION

RPU Index of Board Policies

MEETING DATE:

December 16, 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	947	31	Policy / Tim McCollough		
2. Board Responsibilities and Functions	09/26/23	793	26	Policy / Tim McCollough		
3. Board Relationship with the Common Council	11/26/24	366	12	Policy / Tim McCollough		
4. Board Organization	03/27/18	2802	92	Policy / Tim McCollough	Q4 2026	12/15/26
5. Board Procedures	04/30/24	576	19	Policy / Tim McCollough		
6. Delegation of Authority/Relationship with Management	07/22/25	128	4	Policy / Tim McCollough		
7. Member Attendance at Conferences and Meetings	12/18/18	2536	83	Policy / Tim McCollough		
8. Board Member Expenses	12/18/18	2536	83	Policy / Tim McCollough		
9. Conflict of Interest	DELETED	N/A	N/A	N/A		
10. Alcohol and Illegal Drugs	DELETED	N/A	N/A	N/A		
11. Worker Safety	03/27/12	4993	164	Policy / Tim McCollough	Q1 2026	03/31/26
CUSTOMER						
12. Customer Relations	04/30/19	2403	79	Ops & Admin /Patty Hanson		
13. Public Information and Outreach	04/30/19	2403	79	Communications / Patty Hanson		
14. Application for Service	07/01/16	3436	113	Communications / Patty Hanson	Q3 2026	09/29/26
15. Electric Utility Line Extension Policy	03/28/17	3166	104	Finance / Peter Hogan		
16. Billing, Credit and Collections Policy	04/26/22	1311	43	Finance / Peter Hogan		
17. Electric Service Availability	10/29/19	2221	73	Ops & Admin / Scott Nickels		
18. Water and Electric Metering	05/20/25	191	6	Ops & Admin / Scott Nickels		
19. Adjustment of Utility Services Billed	06/29/21	1612	53	Finance / Peter Hogan		
20. Rates	11/25/25	2	0	Finance / Peter Hogan		
21. Involuntary Disconnection	03/25/25	247	8	Communications / Peter Hogan		
ADMINISTRATIVE						
22. Acquisition and Disposal of Interest in Real Property	12/19/17	2900	95	Ops & Admin / Scott Nickels	Q2 2026	06/30/26
23. Electric Utility Cash Reserve Policy	01/28/20	2130	70	Finance / Peter Hogan		
24. Water Utility Cash Reserve Policy	01/28/20	2130	70	Finance / Peter Hogan		
25. Charitable Contributions	06/25/19	2347	77	Communications / Peter Hogan		
26. Utility Compliance	10/24/17	2956	97	Communications / Bill Bullock		
27. Payment in Lieu of Taxes (Formerly Contribution in Lieu of Taxes)	08/06/24	478	16	Finance / Peter Hogan		
28. Joint-Use of Infrastructure and Land Rights	03/30/21	1703	56	Ops & Admin / Scott Nickels		
29. Customer Data Management Policy	07/30/24	485	16	Communications / Peter Hogan		
30. Life Support Designation Policy	09/30/25	58	2	Communications /Patty Hanson		
31. Electric Utility Undergrounding Policy	06/25/24	520	17	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:**

December 16, 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 December 16, 2025.

Prepared By:

Erin Henry-Loftus

Attachments:

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

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



General Manager's Report December 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**

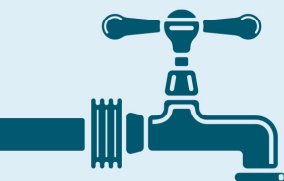
**131
YEARS**

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

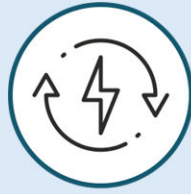


RELATIONSHIPS



REPUTATION

THE FIVE R'S



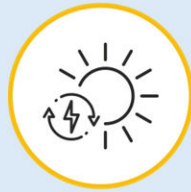
RELIABILITY

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





PROTECT EACH OTHER.



CARE FOR THE ENVIRONMENT.



TAKE OWNERSHIP.



RESPECT EVERYONE.



LEAVE A POSITIVE IMPRESSION.



CONTINUE IMPROVING.

Meeting Reports & Current Activity

Monthly Highlights

New Board Member Appointment

SMMPA Board Report





Monthly Updates | December 2025



NCCCO Crane Certification Completion - Six RPU linemen recently completed crane certification training through the National Commission for the Certification of Crane Operators (NCCCO). This training prepares them to assist the Water Department with motor lifts and supports compliance for substation erection work.



STEAM Summit - RPU participated in this year's STEAM Summit, where more than 2,500 middle and high school students explored hands-on activities in science, technology, engineering, art, and math. Our team provided an electric safety demonstration, helping students learn how to stay safe around electricity while introducing them to potential careers in the utility industry. This event offered a valuable opportunity to connect with future innovators and support the region's workforce pipeline.



Downtown Dazzle Parade - For the second year, RPU participated in the Downtown Dazzle Parade. Our Rudolph the Red-Nosed Reindeer truck was a hit, and it was a fun evening celebrating the season with the community.

New Board Member Appointment | Kelsey Vaszily

Kelsey Vaszily has been appointed to the Rochester Public Utilities Board. She serves as Director of Business Development for Kraus-Anderson's Rochester office, where she leads regional client engagement and partnership development across southeastern Minnesota.

Kelsey brings more than fifteen years of construction-related business development experience, along with leadership roles on the Rochester Area Chamber of Commerce Board and Rochester Area Builders.

She is an alumna of Iowa State University* and is also a graduate of Leadership Greater Rochester as well as a past Chamber Volunteer of the Year. She adds strategic insight, community connection, and a strong record of civic involvement to the board.

Term: January 13, 2026 through January 8, 2030

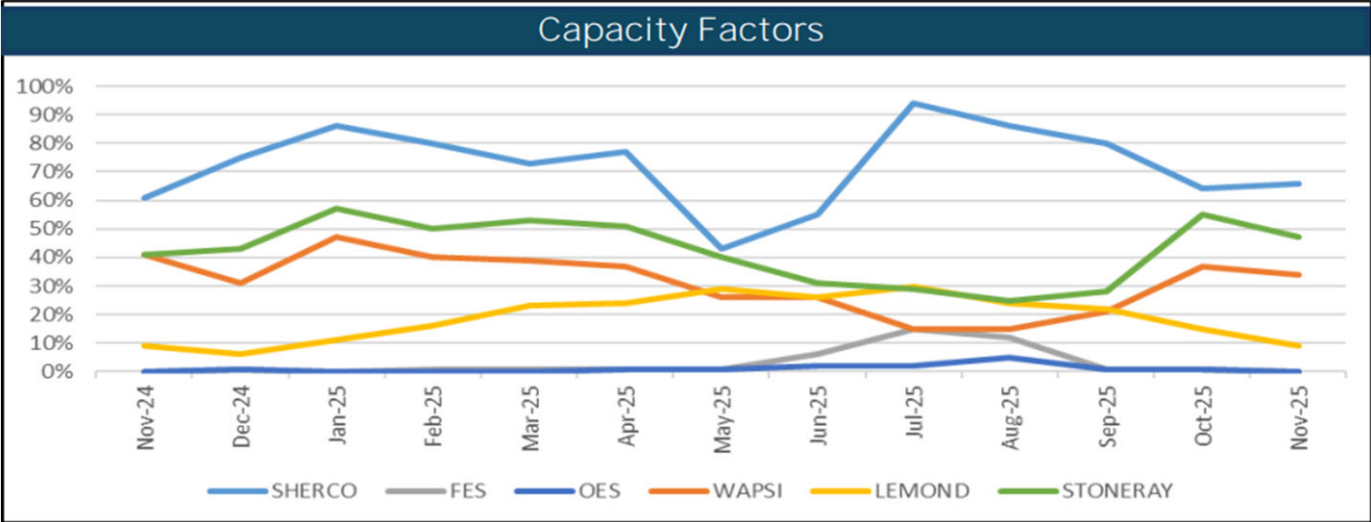
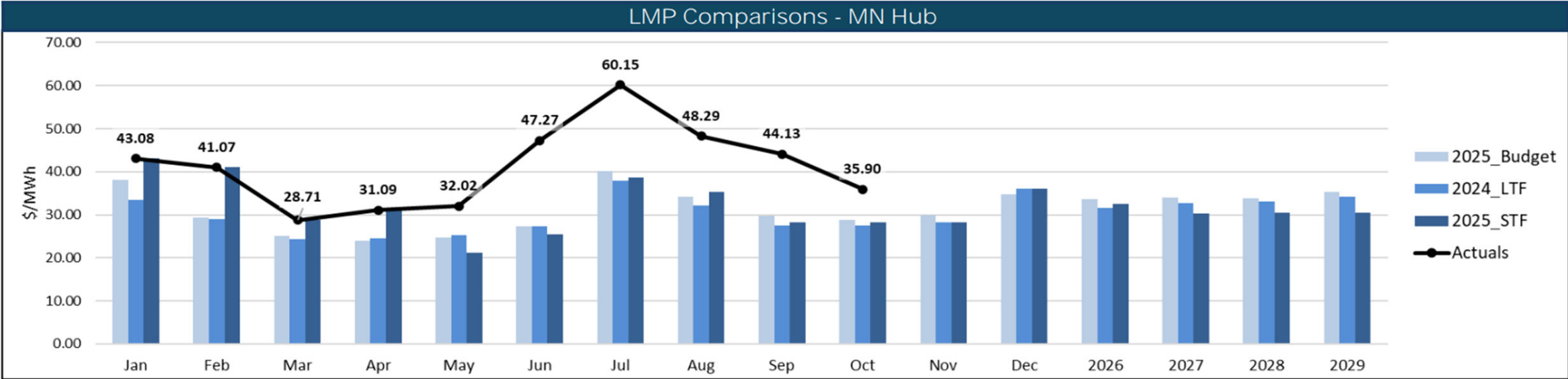
*many fellow graduates including the General Manager acknowledge Iowa State University as **the** premier higher education institution in the nation.



SMPA | Board Meeting Report



SMMPA | Key Metrics

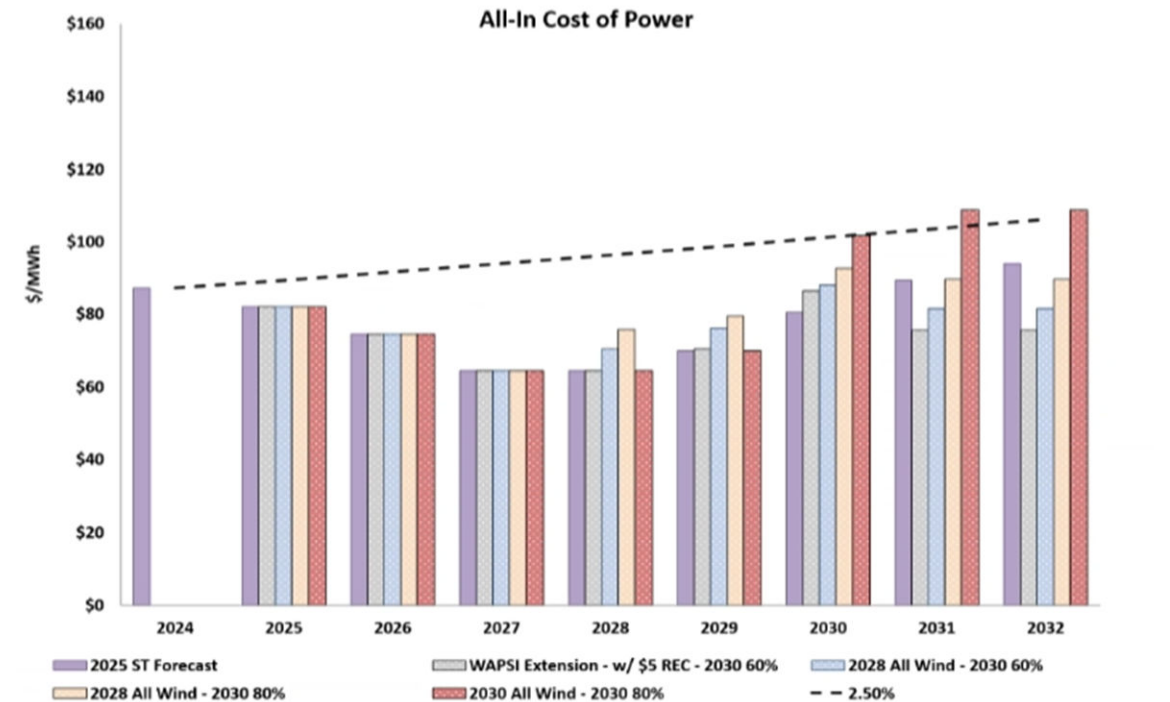


SMMPA | Long Term Financial Forecast - Assumptions

- Issuance of new debt
 - Transmission projects and new dispatchable generation
 - RCA will be used to temporarily fund projects through 2026
 - 2027: ~\$150 million
 - 2030: ~\$130 million

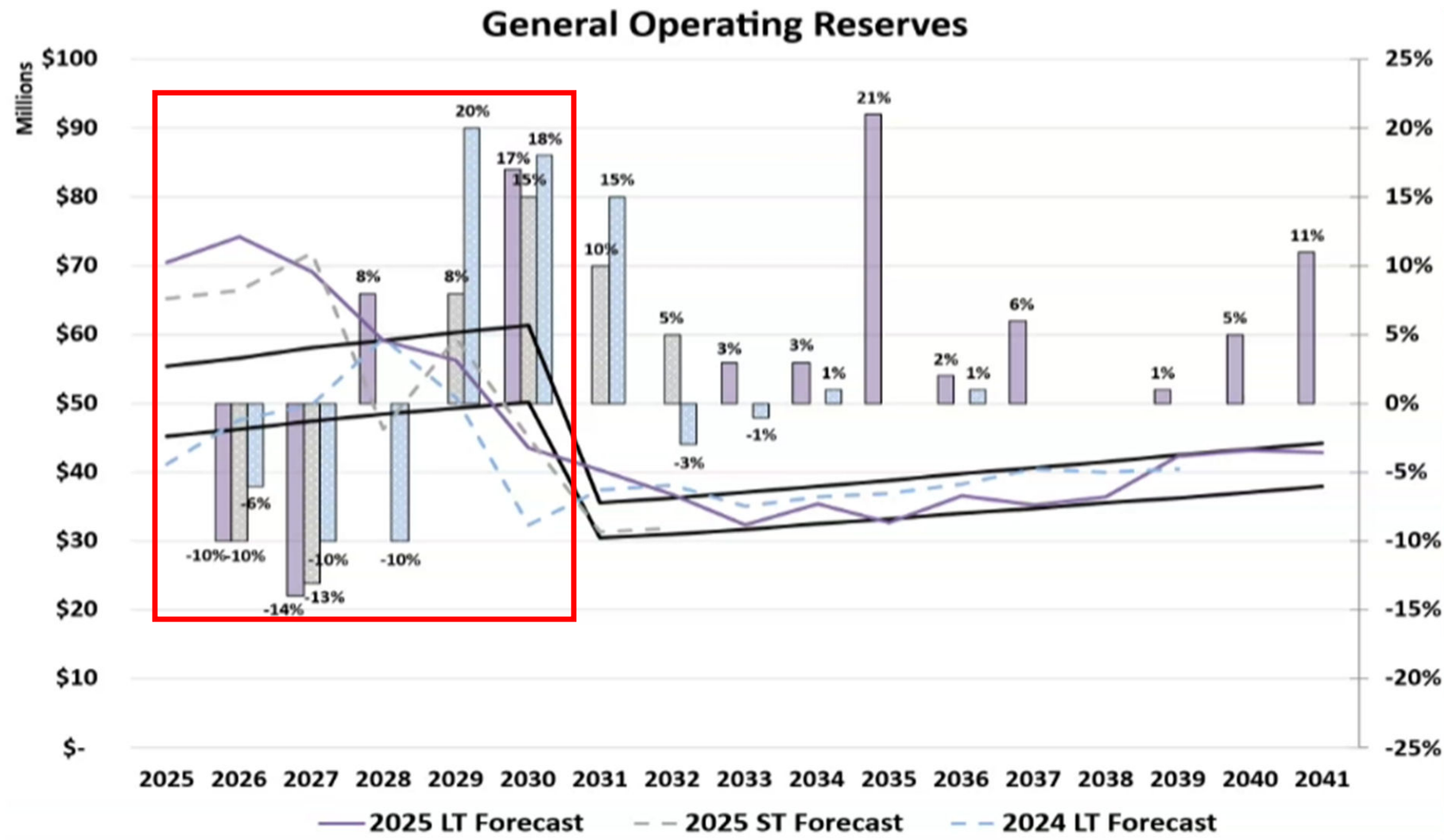
Generation Assumptions

- Updated wind/solar pricing and shapes
- Sherco 3 does not reflect a NOx limitation
 - Planned outage in 2026
- Additional Agency unit changes
 - Agency-owned wind turbines retired in 2027
 - Wapsi wind contract extension at reduced pricing
 - Mora landfill gas retired in 2032
- Resource additions fill our planned needs



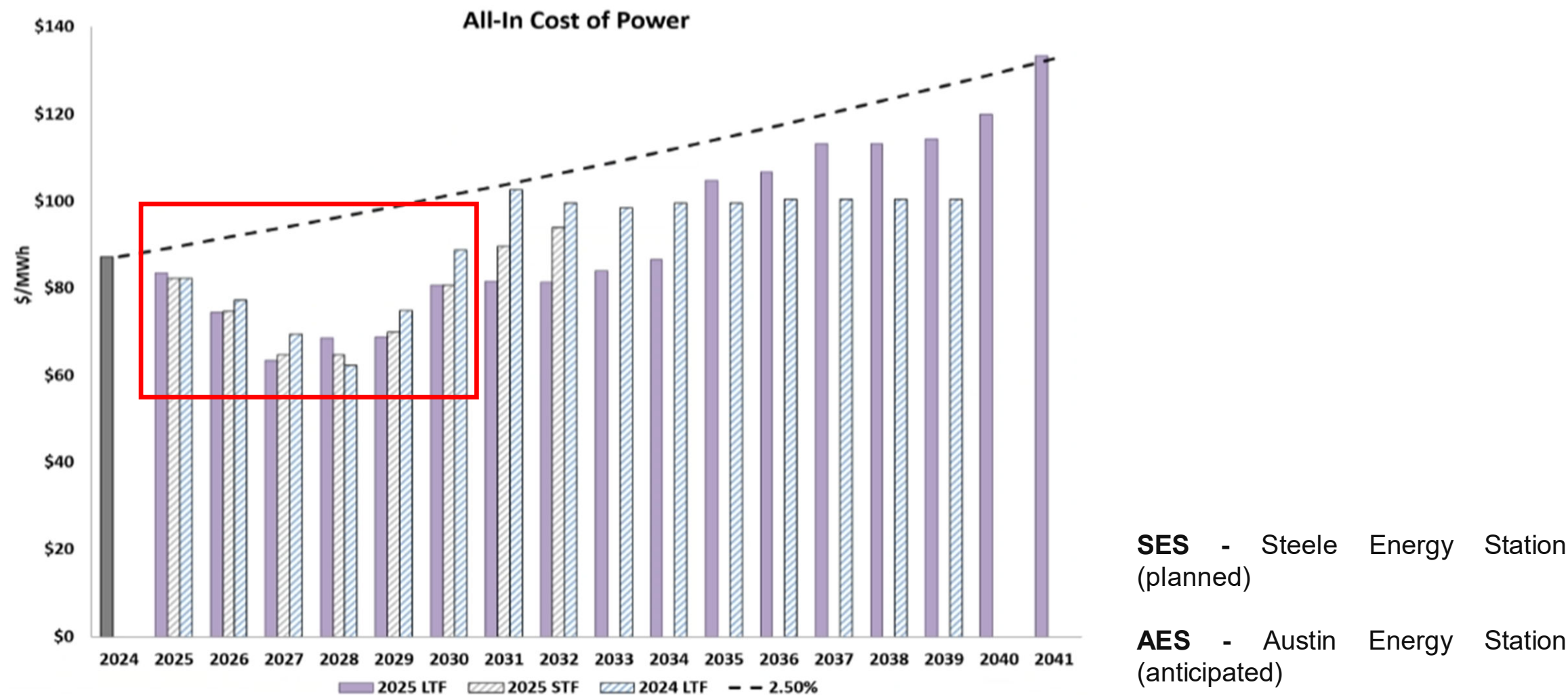
New assumptions have reshaped the pre-2030 and post-2030 all-in cost of power forecasts for SMMPA. Most notably being a 60% renewable assumption in 2030 and higher cost assumptions for wind PPAs in 2030.

SMMPA | Long Term Financial Forecast – General Operating Reserves



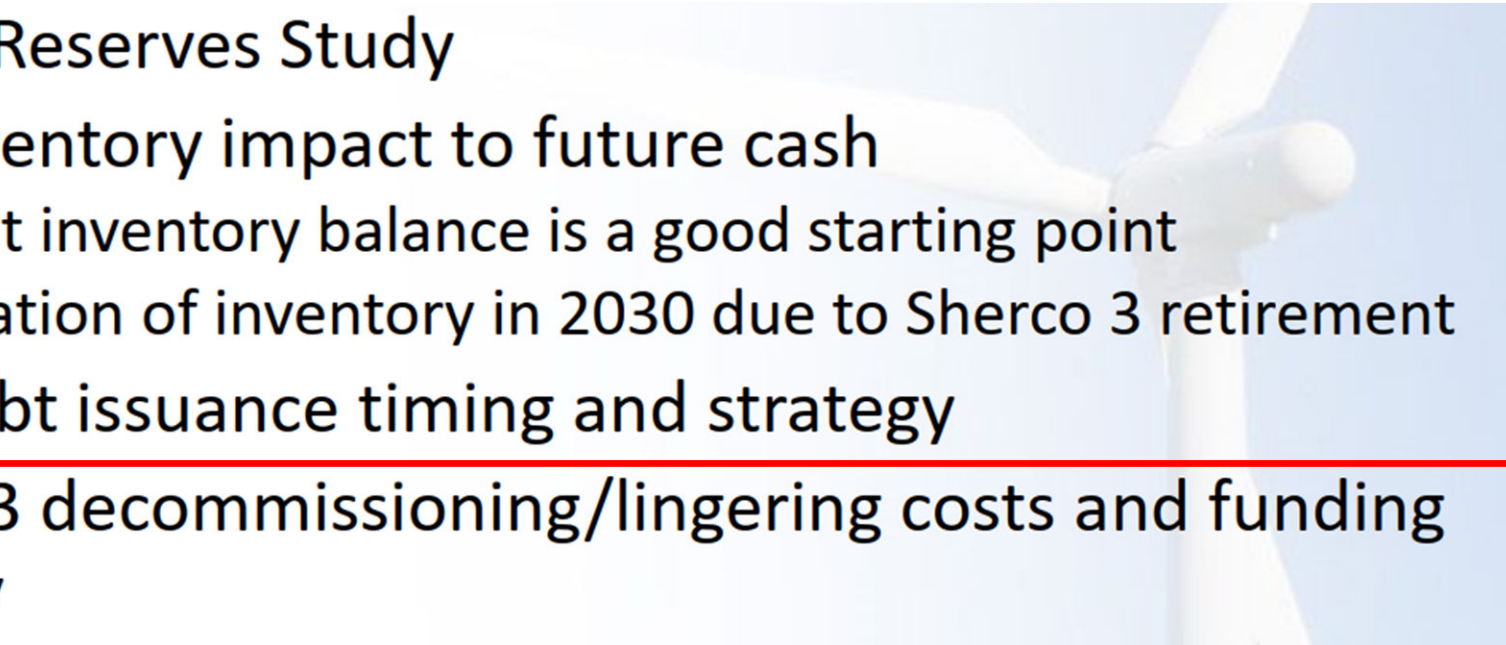
Pre-2030 rate changes are indicated in purple. Our original '26-'27 budget was built upon the light blue series (-6% and -10%). Now projecting purple (-10% and -14%)

SMMPA | Long Term Financial Forecast – All-In Cost of Power



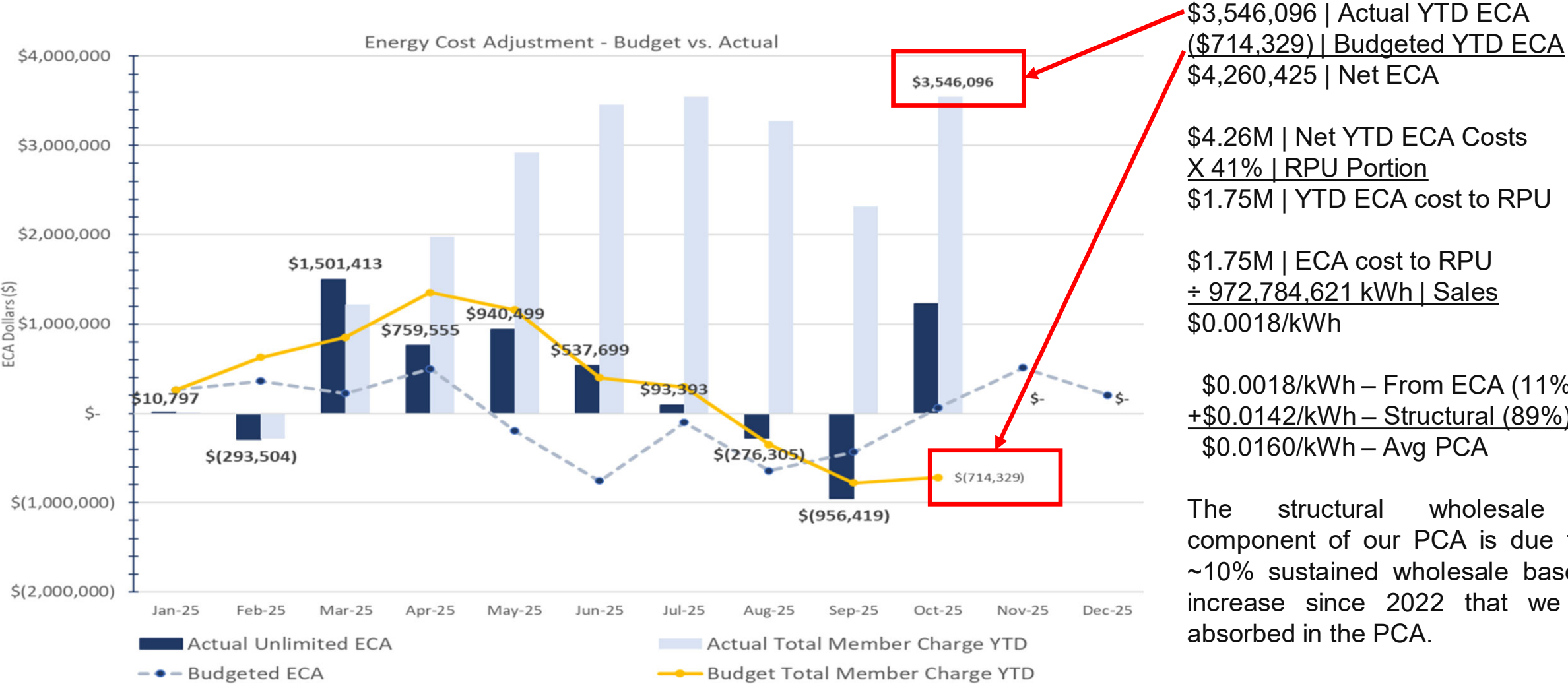
Pre-2030 all-in cost of power now shows lower rate pressure (purple) in the near term. I expect this could change when actual costs for SES and AES are realized.

SMMPA | Long Term Financial Forecast – Next Iteration Goals

- 
- Capital Reserves Study
 - Coal inventory impact to future cash
 - Current inventory balance is a good starting point
 - Elimination of inventory in 2030 due to Sherco 3 retirement
 - New debt issuance timing and strategy
 - Sherco 3 decommissioning/lingering costs and funding strategy
 - Sherco 3 Reliability Events or Forced Run Post 2030

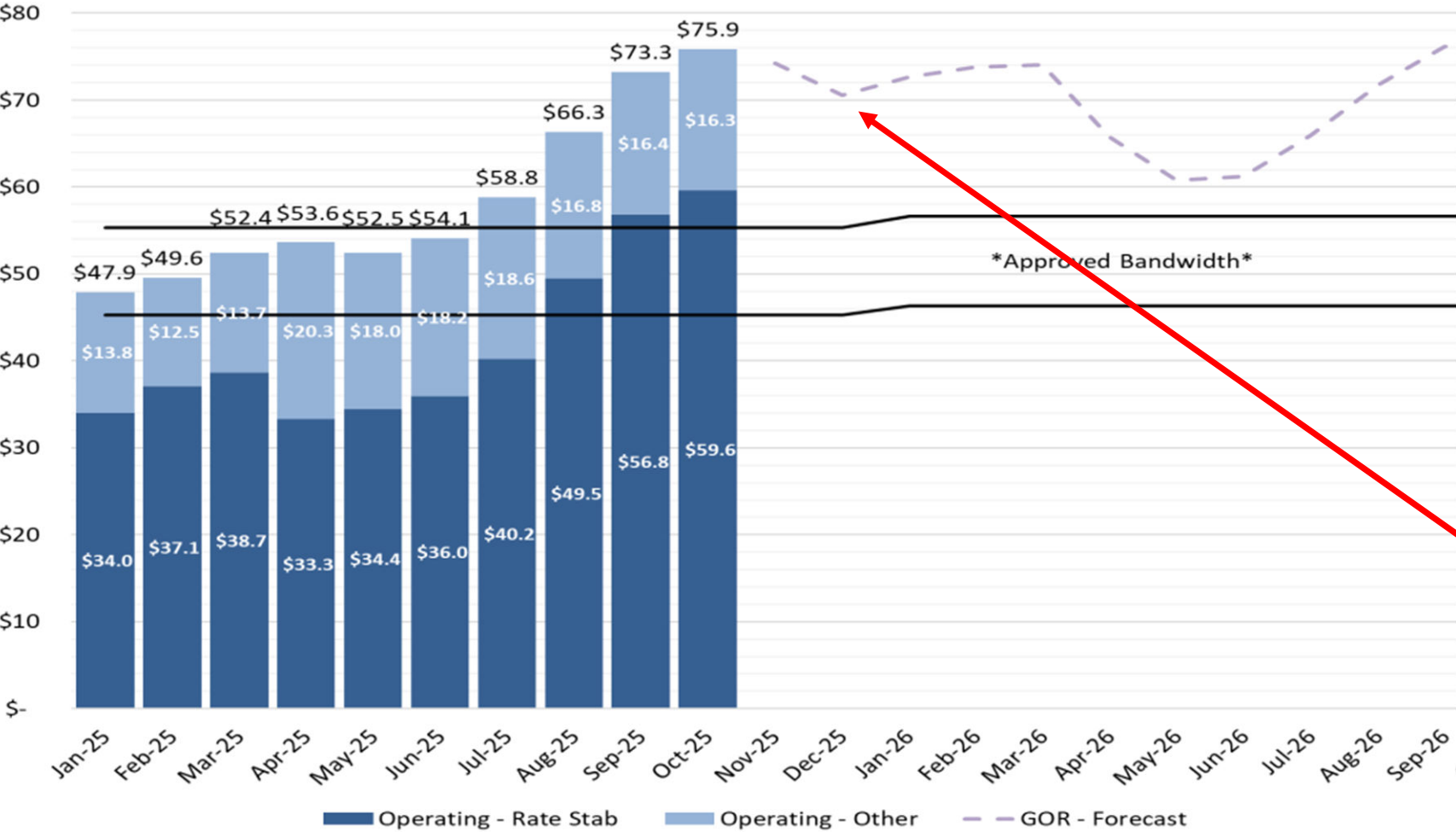
Several key strategic decisions are in front of the SMMPA board in the next year. The largest of which is likely the Sherco 3 decommissioning/lingering costs issue.

SMMPA | Energy Cost Adjustment (ECA)



Actual power supply costs through SMMPA have sustained as higher than budgeted. Our PCA is a combination of structural wholesale costs and the ECA.

SMMPA | General Operating Reserves (GOR)



January 2026 Cash Disbursement

Member	Estimate Through 10/31/25
Austin	\$323,885
Fairmont	\$130,286
Lake City	\$95,049
Mora	\$49,691
North Branch	\$26,041
Preston	\$14,457
Redwood Falls	\$15,116
Spring Valley	\$18,856
Waseca	\$56,328
Blooming Prairie	\$12,888
Grand Marais	\$22,812
Litchfield	\$84,378
New Prague	\$67,616
Owatonna	\$370,552
Princeton	\$54,770
Rochester	\$1,092,755
Saint Peter	\$97,280
Wells	\$23,353
	\$2,525,113.50

General Operating Reserves are projected to be above bandwidth for the next year. You can see the impact of the planned January cash disbursement in the line series.

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 ((\$26M to be requested over 10 years)	Awarded – 2025
<u>MN Department of Commerce Solar on Public Buildings Grant</u>	Grants awarded for up to 70% of the project costs for 17 <39.9 kW AC solar arrays on RPU & City sites (672 kW). Grants combined with the direct pay tax credit may cover up to 100% of the cost of the system.	\$1.75 M – State Grant (70%) \$0.75 M – Federal ITC (30%) \$2.50 M – Total (100%)	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

Sun, Jan 11 – Tue, Jan 13	APPA Joint Action Conference	McCollough	Destin, FL
Thu, Jan 15	SMMPA Board Meeting	McCollough	St. Peter
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	McNeilus, McCollough	Washington, DC
Mon, Mar 2 – Fri, Mar 6	The Energy Authority Symposium	McCollough	Jacksonville, FL
Wed, Mar 11	SMMPA Board Meeting	McCollough	Waseca, MN
Wed, Mar 18	Employee Recognition Breakfast	McNeilus, Board – TBD, McCollough	RPU
Tue, Mar 24 – Wed, Mar 25	MMUA Legislative Conference	Board – TBD, McCollough	Saint Paul, MN
Sun, Mar 29 – Tue, Mar 31	TAPS Spring Conference	McCollough	Washington, DC
Tue, Mar 31	RPU Board Meeting	Board – All, McCollough	RPU
Wed, Apr 8	SMMPA Board Meeting	McCollough	Wells, MN
Fri, Apr 24	Arbor Day Celebration	Board – TBD	Rochester, MN
Tue, Apr 28	RPU Board Meeting	Board – All, McCollough	RPU



QUESTIONS



Major Projects Update December 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
On-Track	Mount Simon Station	Oct 28, 2025	4.1	1.5
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
Updated → On-Track	MN Energy Benchmarking	Dec 16, 2025	36	100
On-Track	Power Supply Resource Plan	Sep 24, 2024	88	65
Updated → On-Track	Customer Portal Replacement Project	Dec 16, 2025	21	100
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

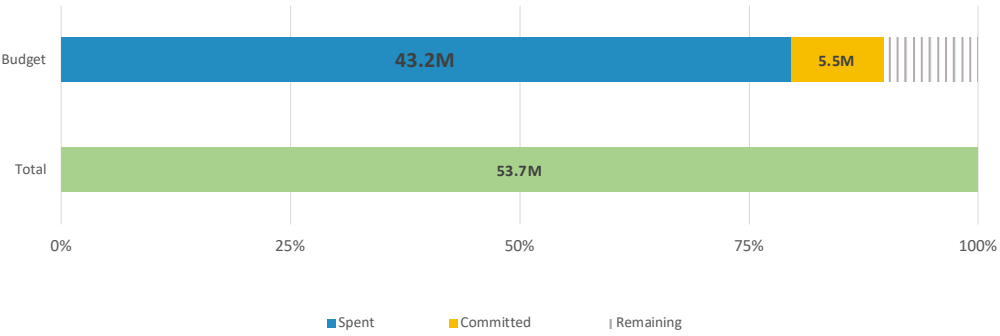
July 15, 2025



SCHEDULE

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

FINANCIALS



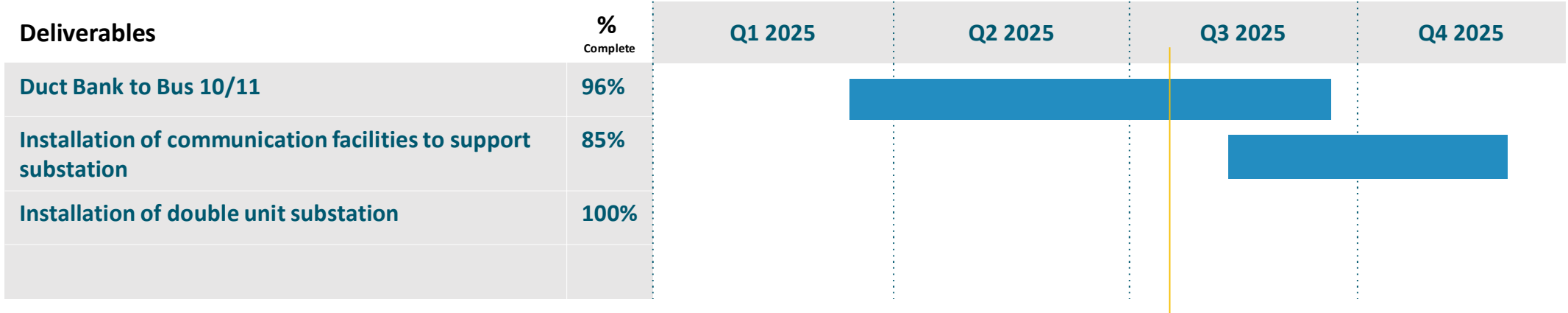
% BUDGET

90%

% COMPLETE

94%

EXECUTION TIMELINE



KEY RISKS & ISSUES

No.	Description	Severity	Impact	Status
D1	Cultural Heritage Site	Med	Budget/Schedule	Open

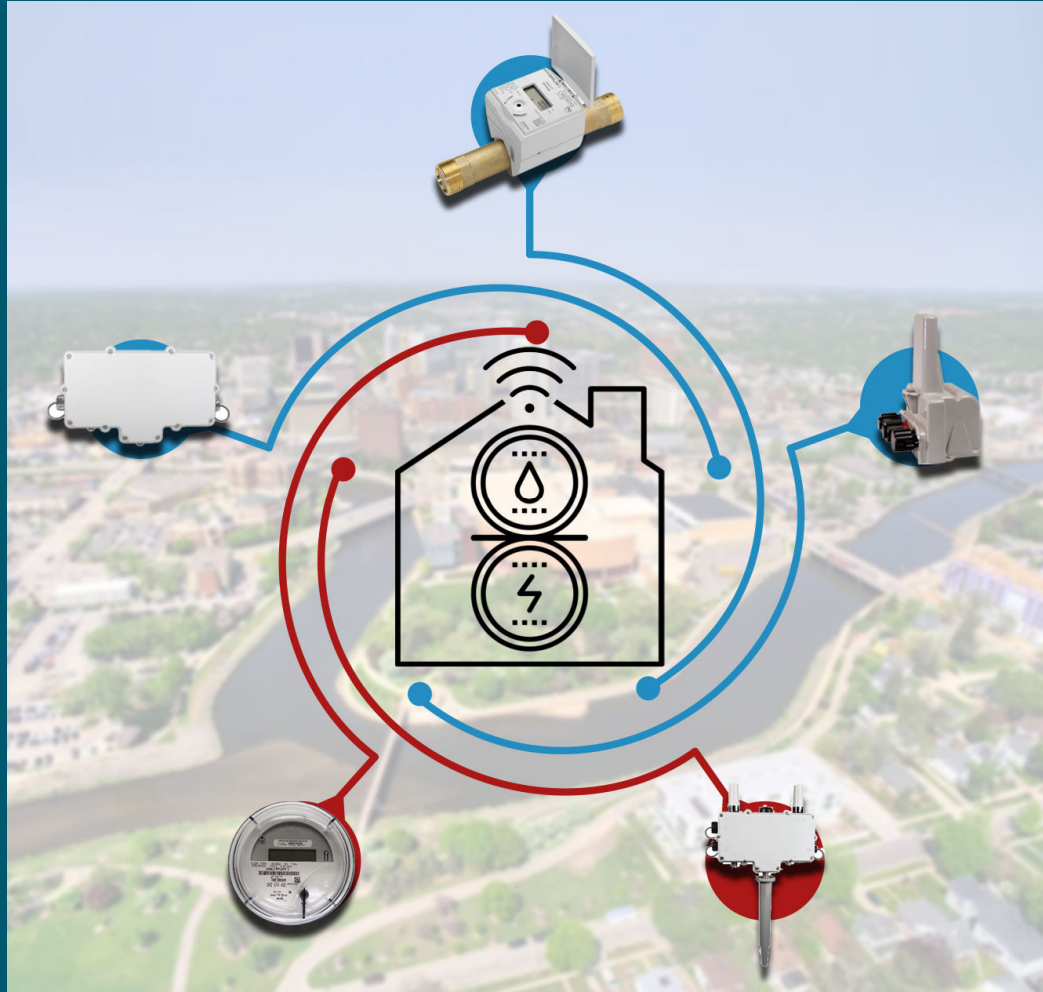
UPCOMING MAJOR MILESTONES

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

ROCHESTER PUBLIC UTILITIES

WE PLEDGE, WE DELIVER™

SCHEDULE

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

EXECUTION TIMELINE

Deliverables

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

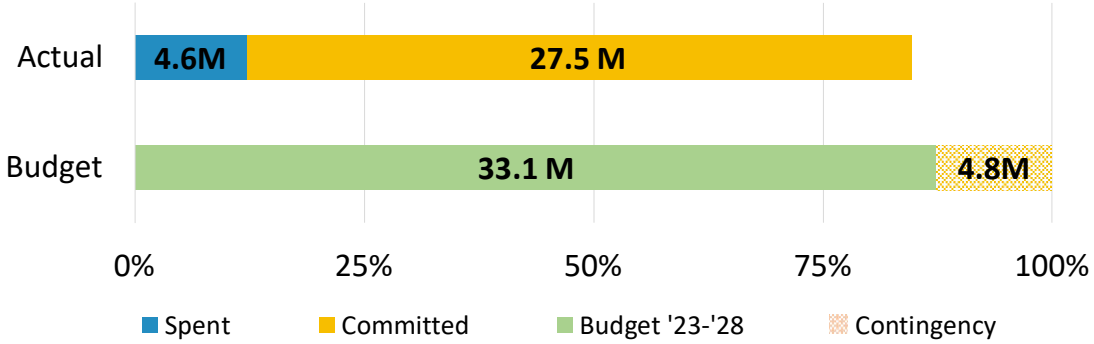
KEY RISKS & ISSUES

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

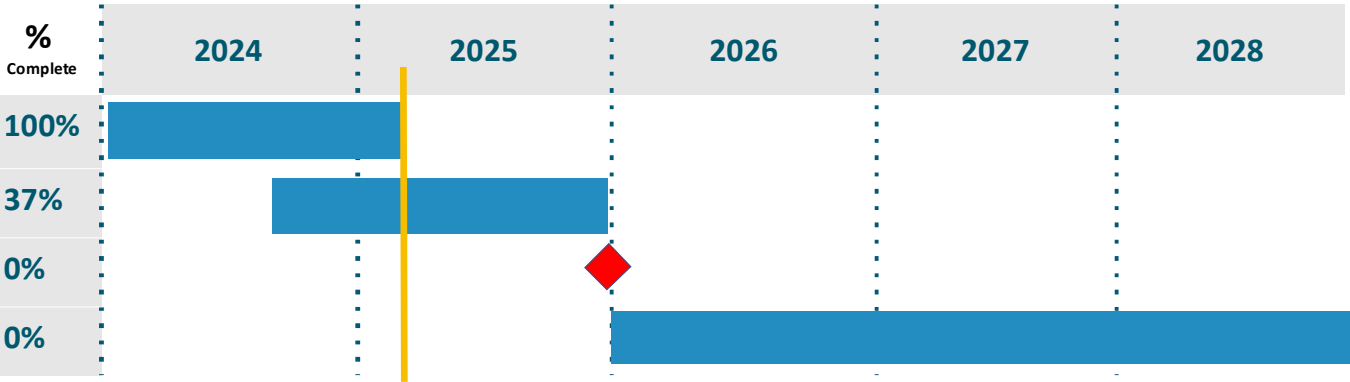


% BUDGET

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

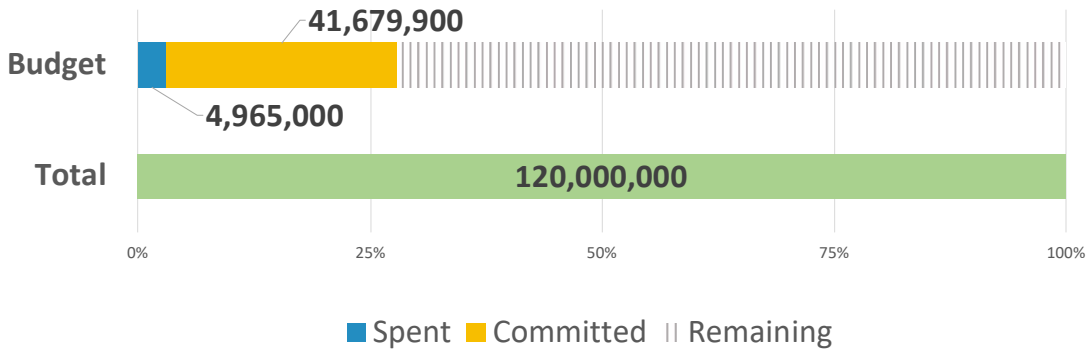
10/28/2025



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%	[Blue bar spanning Q3 2025 to Q1 2025]			
Preliminary Engineering Major Equipment	80%		[Blue bar spanning Q4 2025 to Q2 2025]		
Air Permitting	5%		[Blue bar spanning Q4 2025 to Q2 2025 with a red diamond marker in Q2 2025]		
Procurement – Equipment/Design Build	>1%			[Blue bar spanning Q1 2025 to Q2 2025]	

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

ROCHESTER PUBLIC UTILITIES

WE PLEDGE, WE DELIVER™

SCHEDULE

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

FINANCIALS

Budget

200,000

Total

2,000,000

0%

25%

50%

75%

100%

Spent

Budget

Remaining

% BUDGET

10%

% COMPLETE

15%

EXECUTION TIMELINE

Deliverables	% Complete	Q3 2025	Q4 2025	Q1 2026	Q2 2026
Site Cleanup	100%				
Unit Inspection	100%				
Unit Removal, Transport and Factory Inspection	100%				
Receive Inspection Results / Develop Detailed Recovery Plan	98%				

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

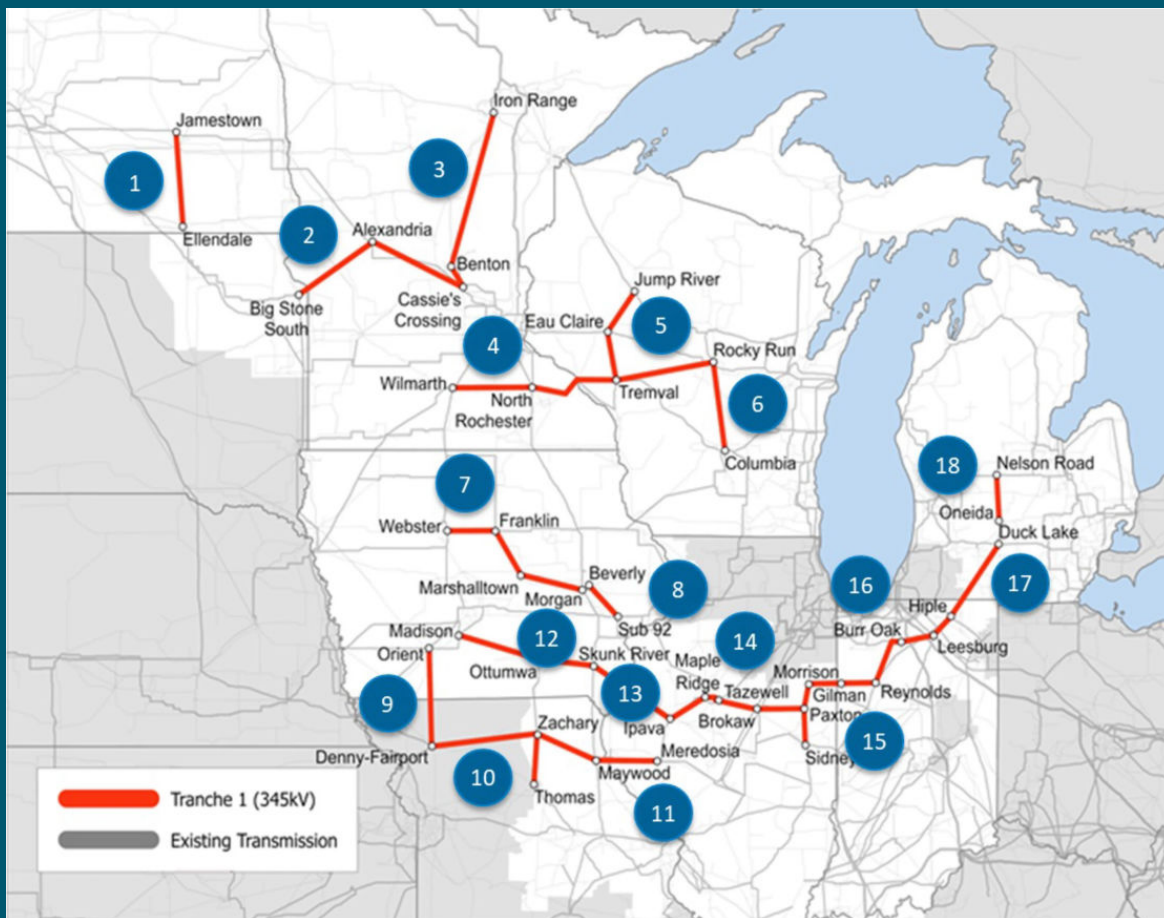
Apr 2026 – Go / No Go Decision Point

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.

148

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, SMMPA, 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

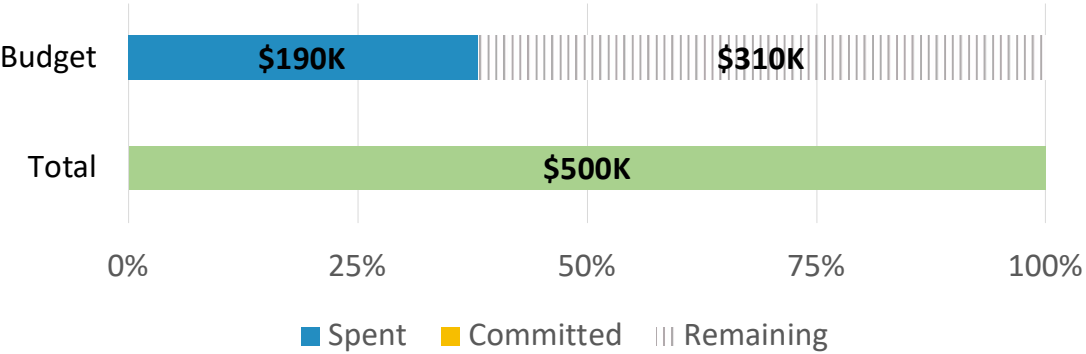
June 25, 2024



SCHEDULE

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

FINANCIALS



% BUDGET

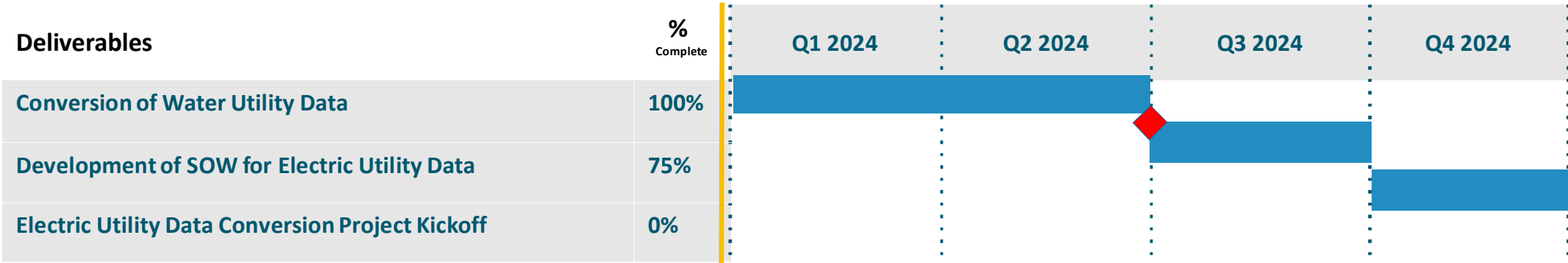
38 %

% COMPLETE

50 %

EXECUTION TIMELINE

Deliverables



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

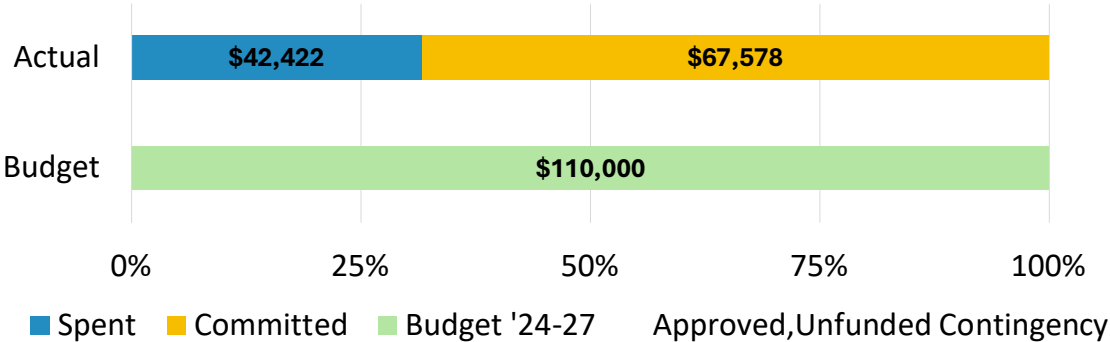
November 13, 2025



SCHEDULE

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

FINANCIALS



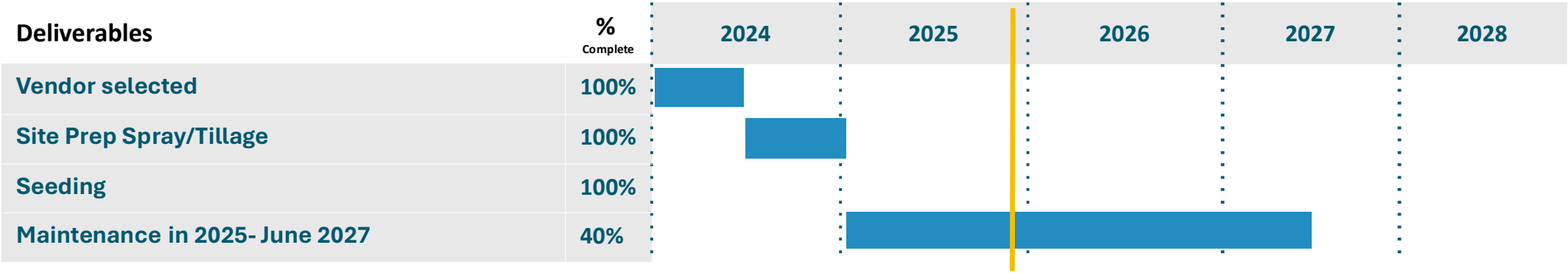
% BUDGET

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

Submitted an invoice to BWSR for reimbursement for 2025 expenses. Still waiting for a proposal from Pheasant's Forever.

MN Energy Benchmarking



Benchmarking Energy Use Data



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

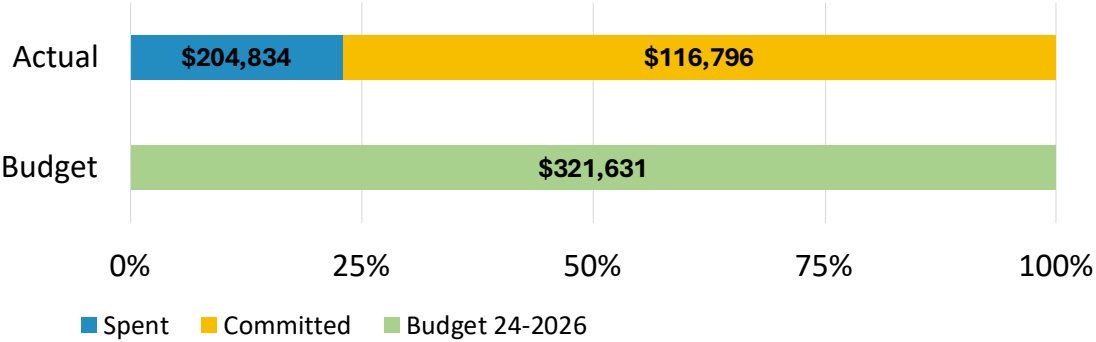
December 16, 2025



SCHEDULE

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

FINANCIALS



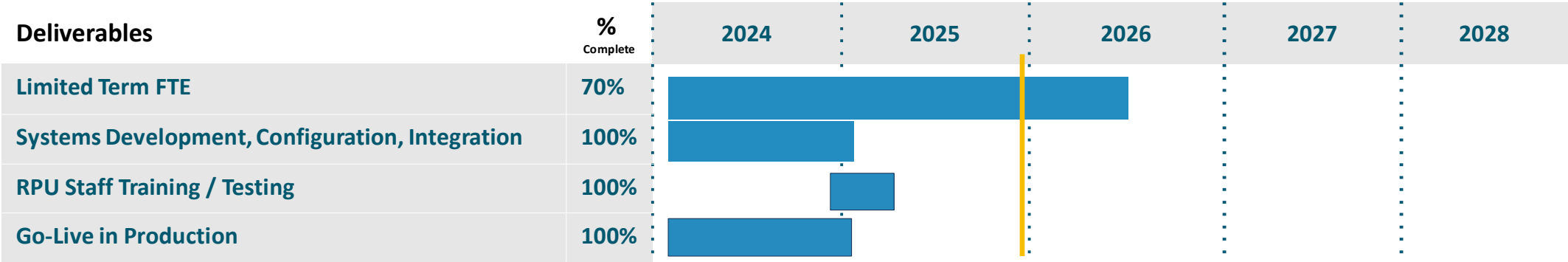
% BUDGET

36%

% 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

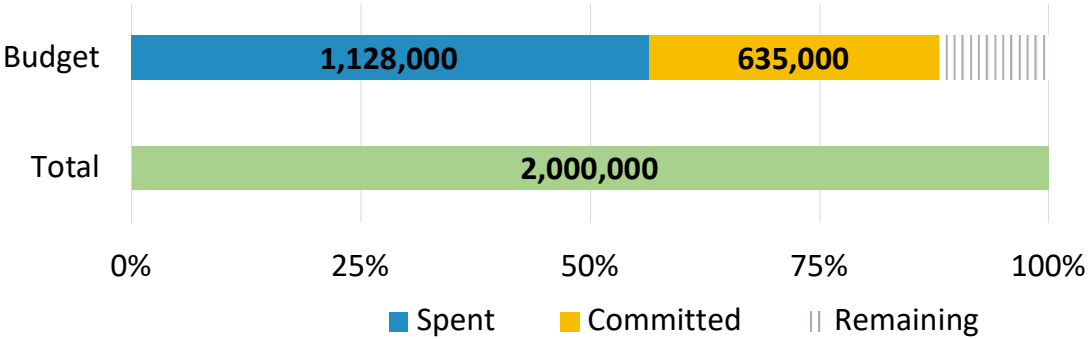
September 17, 2024



SCHEDULE

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

FINANCIALS



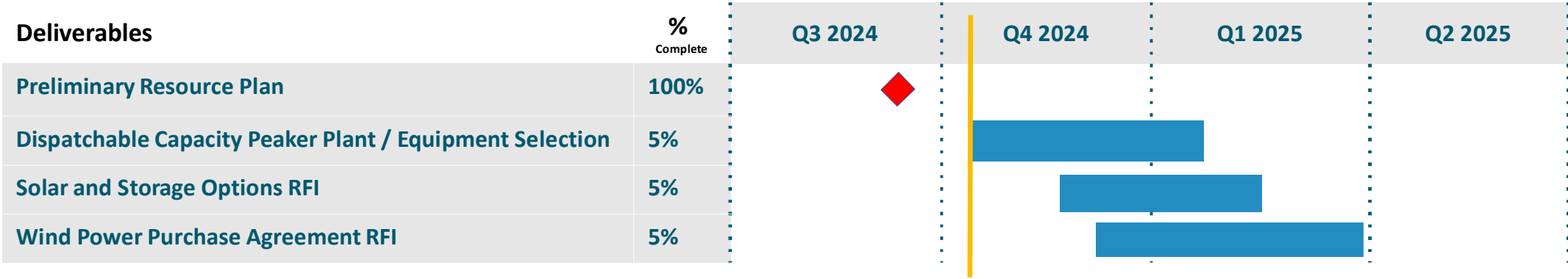
% BUDGET

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, AMI, 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

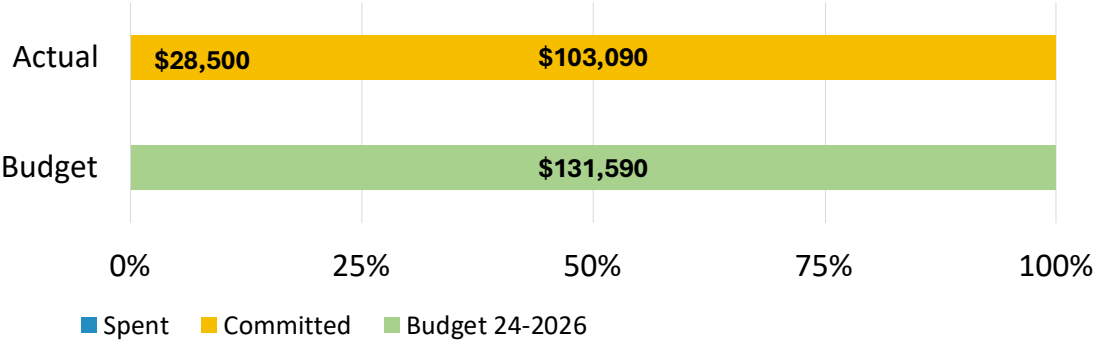
December 16, 2025



SCHEDULE

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

FINANCIALS



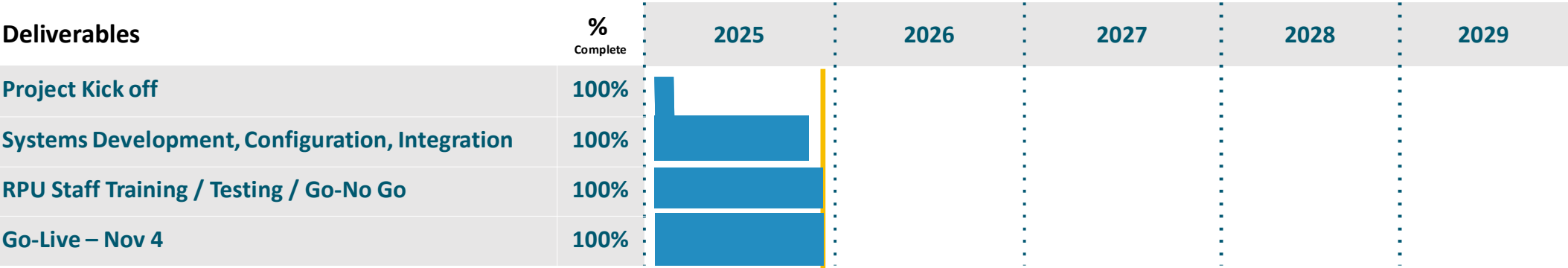
% BUDGET

21%

% COMPLETE

100 %

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

November: Go-live was successful. We have some fixes that need to be taken care of. Apple Store app was made available in late November

PROJECT STATUS DESCRIPTION

Vertex One (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

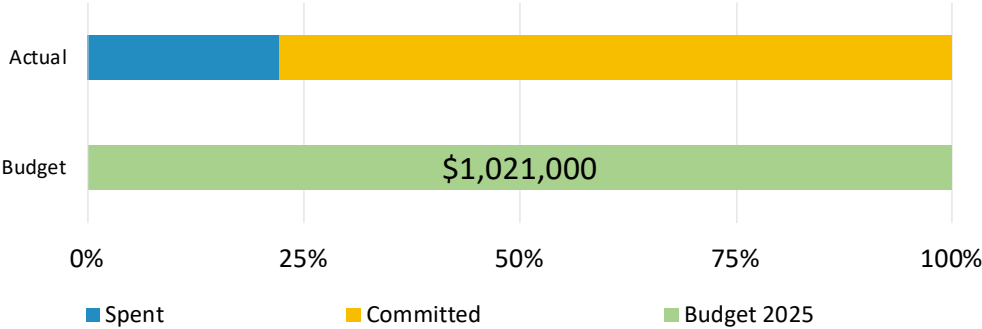
September 16, 2025



SCHEDULE

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

FINANCIALS



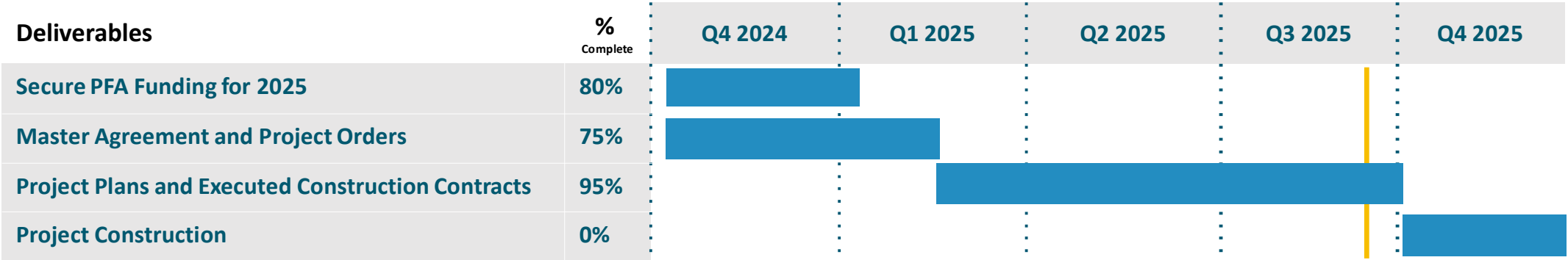
% BUDGET

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 December 2025

MEETING DATE:

December 16, 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 - December Division Reports](#)



DECEMBER 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 11/30/2025	Percent Complete
November 2025	469	467	99.6%
Calendar Year to 11/30/2025	6205	6203	99.9%

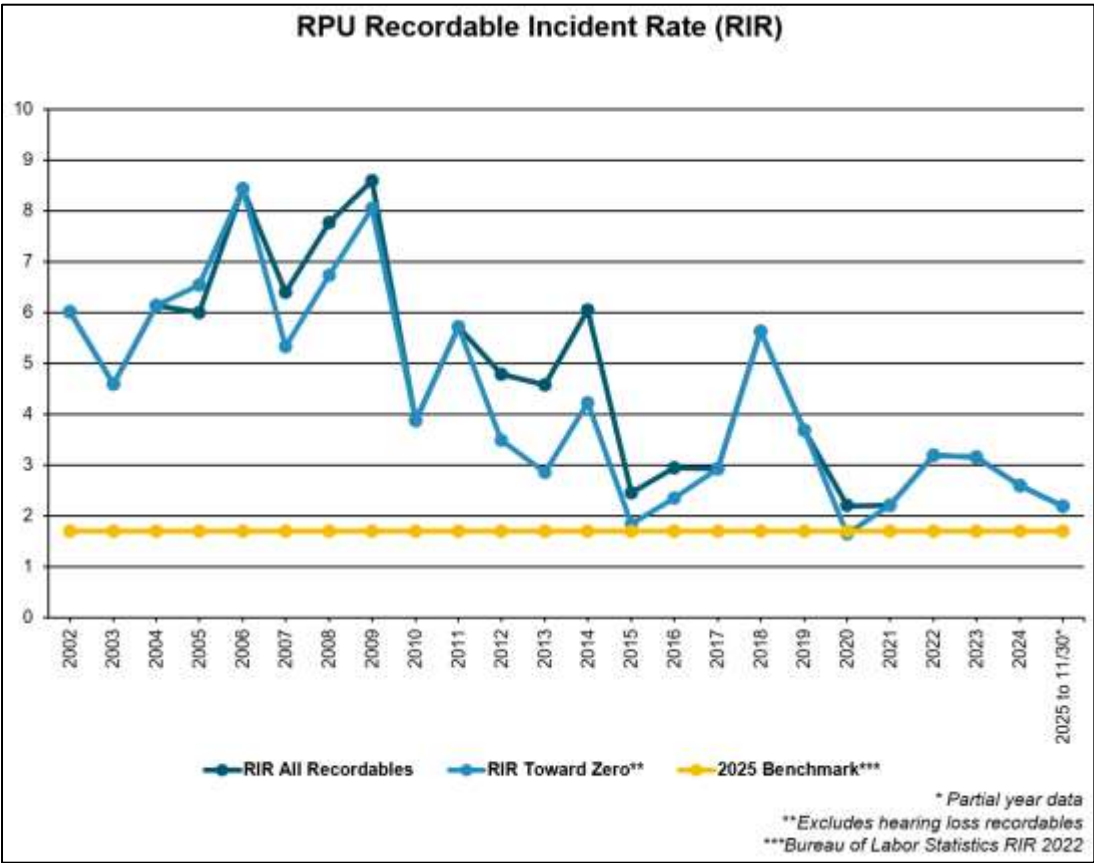
SAFETY TEAMS	Total Members	Members Attending	Percent Attending
November 2025	24	21	87.5%
Calendar Year to 11/30/2025	294	244	83.0%

INCIDENTS	Reports Submitted	OSHA Cases ¹	RPU RIR ²	BLS RIR ³
November 2025	2	0	--	--
Calendar Year to 11/30/2025	15	4	2.19	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
 213 of RPU's 217 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. Six-line workers completed Crane Operator Certification from the National Commission for the Certification of Crane Operators.
2. In person Hazard Communication training was initiated for all staff to comply with OSHA site-specific training requirements.
3. The annual evacuation drills were completed.

WATER

WATER UTILITY:

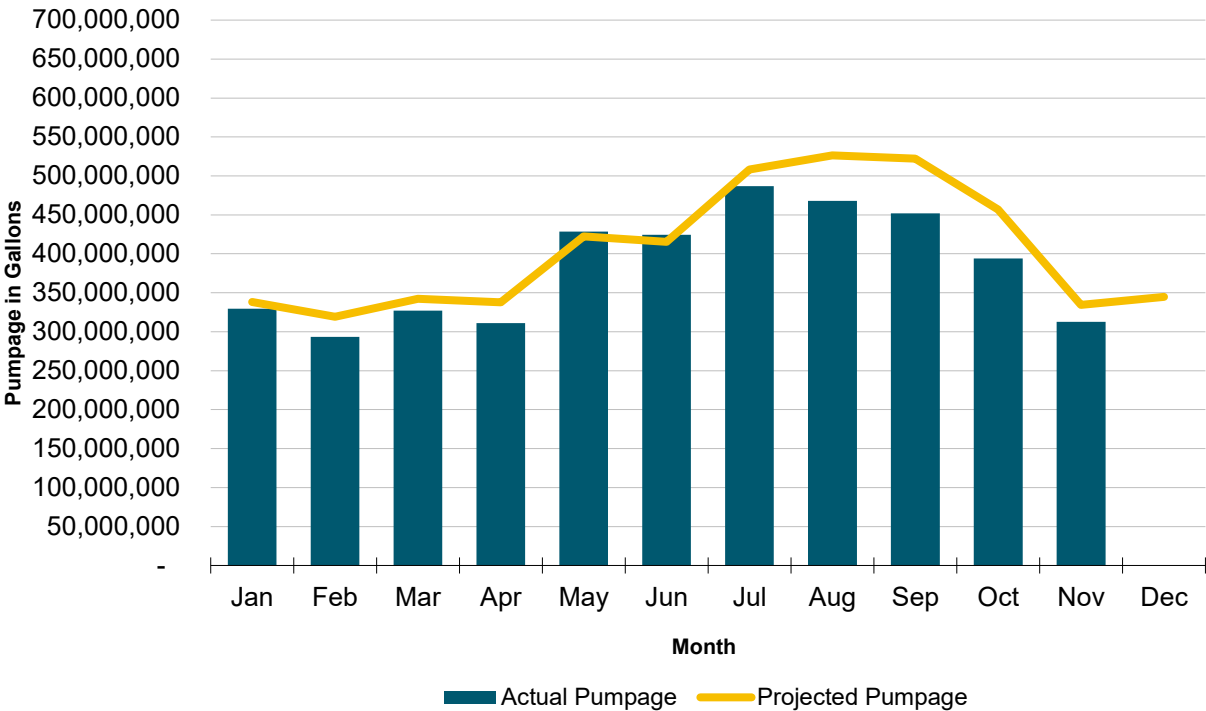
1. Water Outage Calculations for the month and year to date(November 2025 Data)

<ol style="list-style-type: none"> a. Reliability=99.99930293% b. 102 Customers Affected by Outages c. 212.6 Customer Outage Hours d. SAIDI= 0.3 min e. CAIDI= 125.0 min 	<ol style="list-style-type: none"> Year-to-date Reliability =99.99857666% Year-to-date Customers Affected by Outages = 2,579 Year-to-date Customer Outage Hours = 4,831.9 Year-to-date SAIDI = 112.4 min Year-to-date CAIDI = 6.8 min
---	--
- Performed 918 Gopher State water utility locates during the month for a total of 15,843 for the year.
- There are currently 196 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:

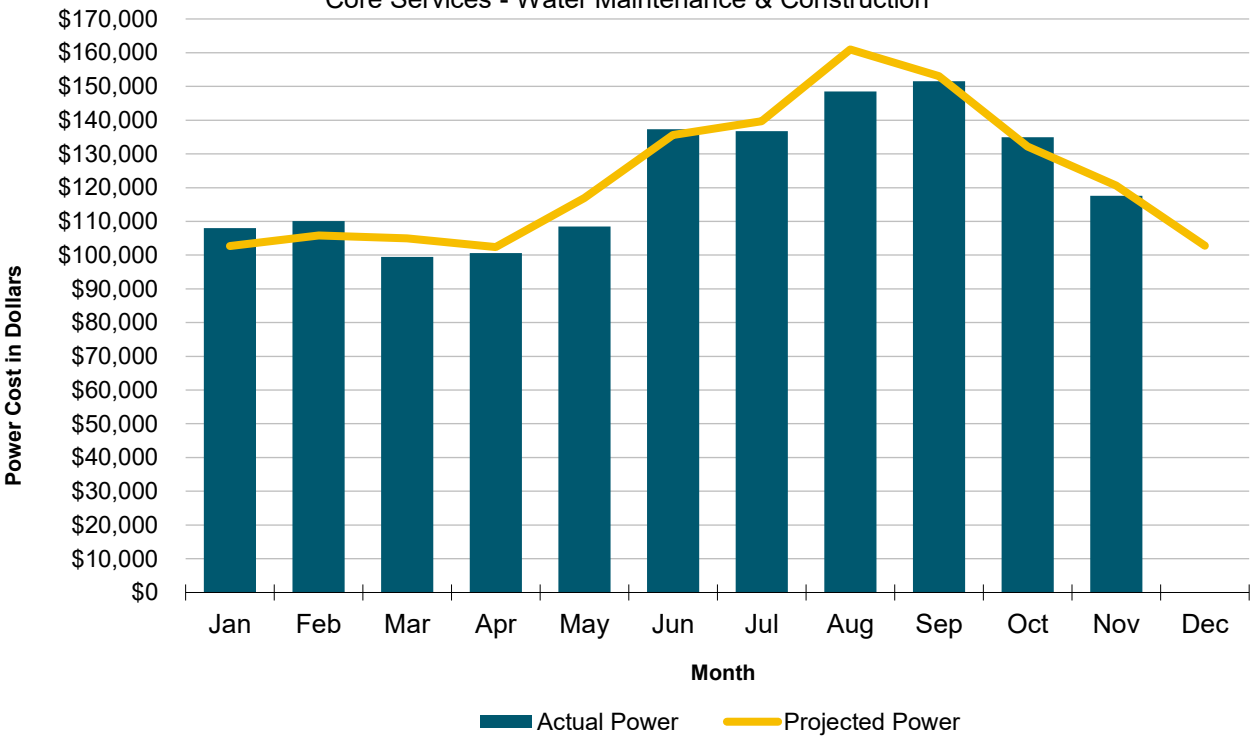
500W ERTS:	8,805 available, 29,055 on order
Ultrasonic meters, 5/8" x 1/2":	7,292 available, 1,154 on order
Ultrasonic meters, 5/8" x 3/4":	9,526 available, 13,141 on order
- Repaired water distribution system failures or maintenance at the following locations during the month:
 - 323 21st Ave SW (Water Main Break) – 11/13
 - 411 21st Ave SW (Water Main Break) – 11/13
 - 3rd Ave & West River Parkway NW (Water Main Break) – 11/17
 - 806 8th Ave SW (Water Main Break) – 11/24
 - 3055 41st St NW (Valve Leak) – 11/26
 - 809 22nd St SE (Water Main Break) – 11/28
 - 419 15th Ave NE (Water Main Break) – 11/30

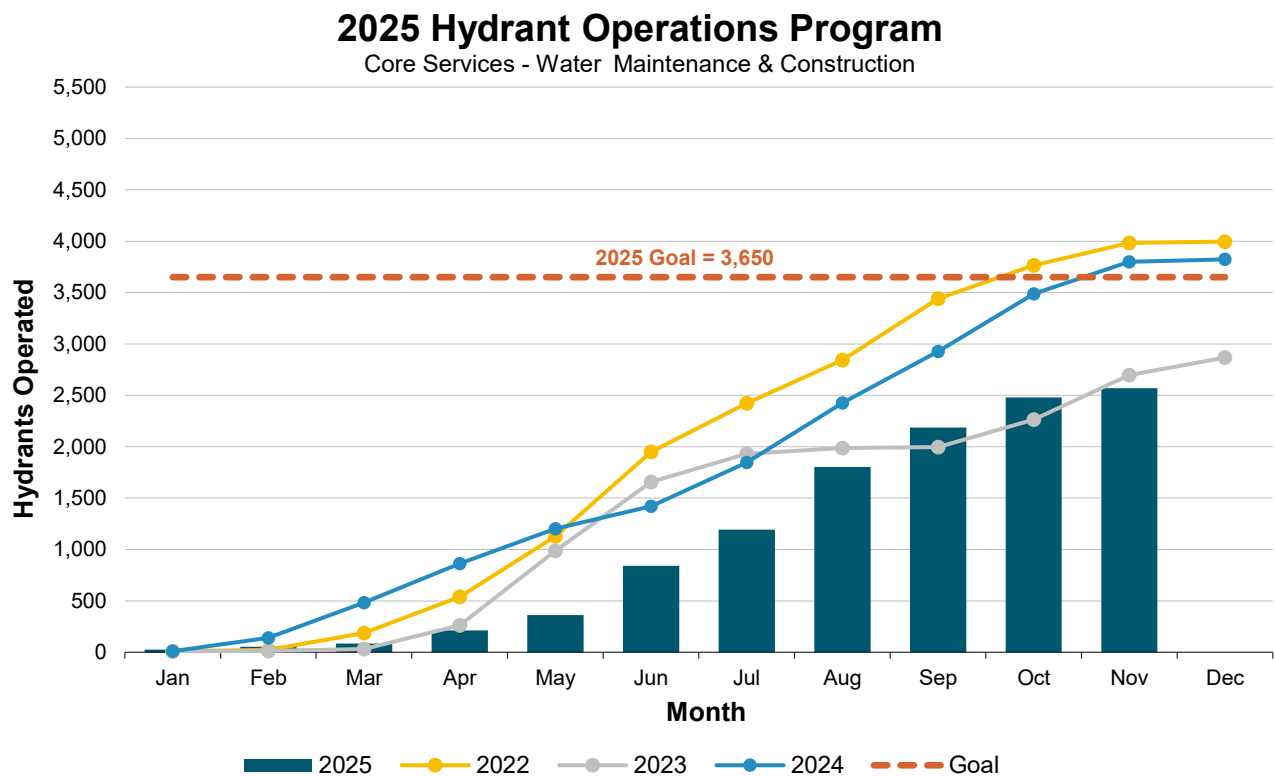
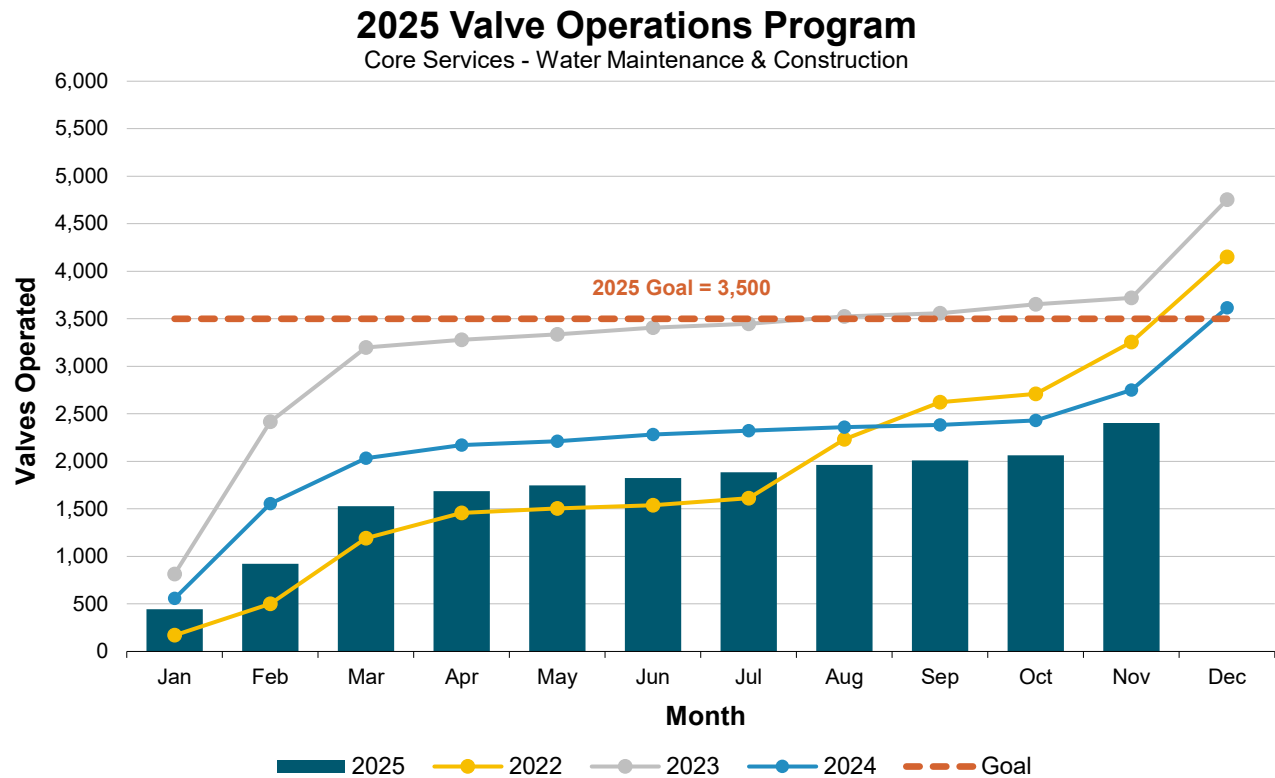
WATER

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



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







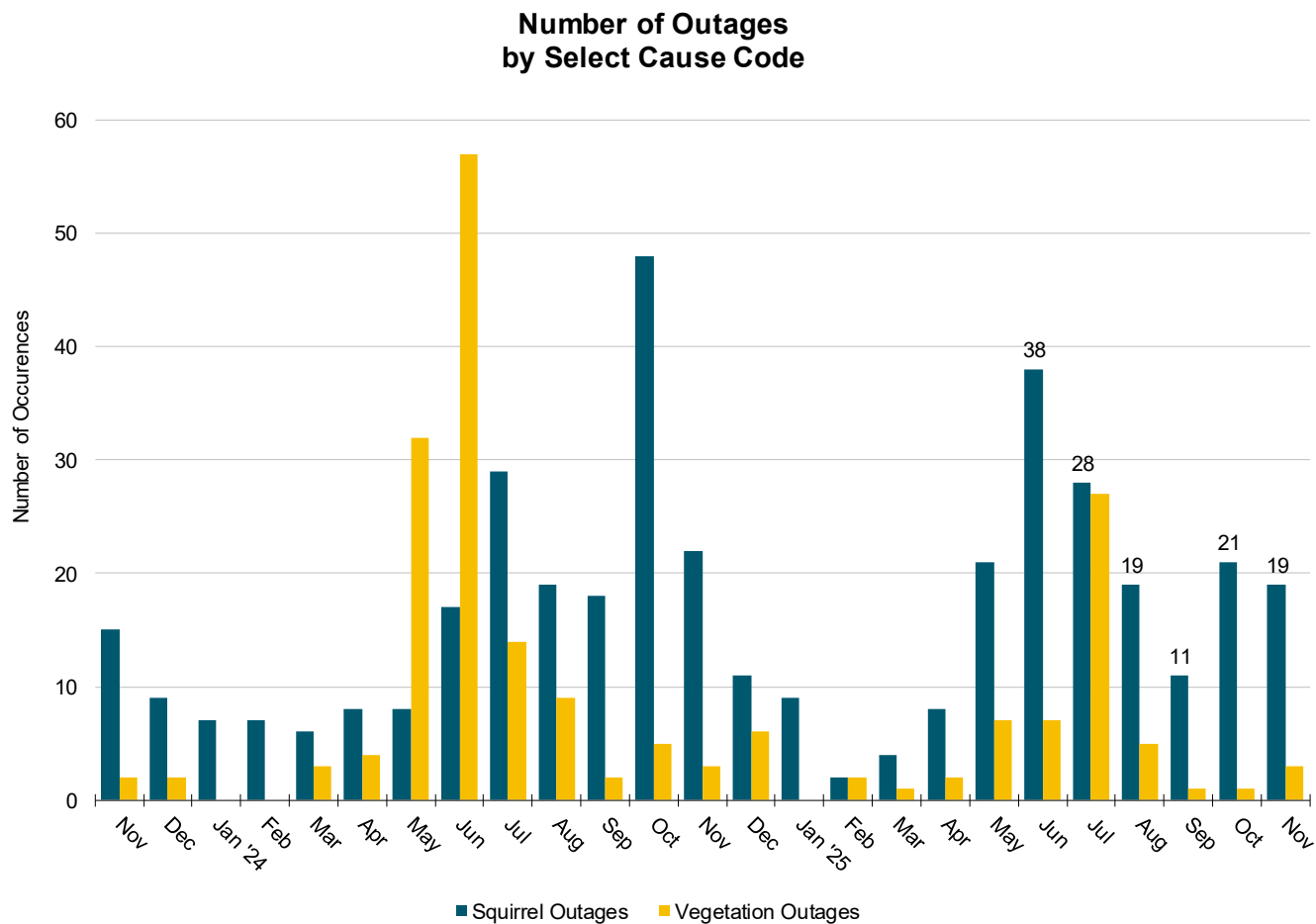
ELECTRIC UTILITY:

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

a. Reliability= 99.98549%	Year-to-date Reliability = 99.99502%
b. 4,267 Customers Affected by Outages	Year-to-date Customers Affected by Outages = 22,499
c. SAIDI= 6.27 min	Year-to-date SAIDI = 23.96 min
d. CAIDI= 52.58 min	Year-to-date CAIDI = 61.17 min

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

- The AMI project has finished system integration testing (SIT) and the cutover master plan. The project will be moving on to mock go-live activities starting on 12/1/25. The 3-month pilot is scheduled to start in January 2026.
- RPU Lineworkers have begun pulling cables on the remaining segments of the Marion Road Duct. The goal is to have the commissioning of the Mayo feeder completed in January 2026. Installation of the fiberoptic cable from Marion Road Substation to Bus 10/11 is complete.
- The Minnesota Transmission Owners Group (MTO) finalized the Biennial Transmission Plan and filed it 11/5/25 with the Minnesota Public Utilities Commission as required. The Biennial Transmission Plan determines the short-term and long-term transmission needs in Minnesota, updates on-going projects, and discusses the need for major transmission initiatives like the MISO Tranche 1 and Tranche 2.1. The MTO is made up of the following Utilities: American Transmission Company, LLC, Central Minnesota Municipal Power Agency, Dairyland Power Cooperative, East River Electric Power Cooperative, Great River Energy, ITC Midwest LLC, L&O Power Cooperative, Minnesota Power, Minnkota Power Cooperative, Missouri River Energy Services, Northern States Power Company, Otter Tail Power Company, Rochester Public Utilities, Southern Minnesota Municipal Power Agency. Great River Energy is the leader for the analyses, project management, and report filing, with all other utilities participating in providing report content for their respective transmission systems.

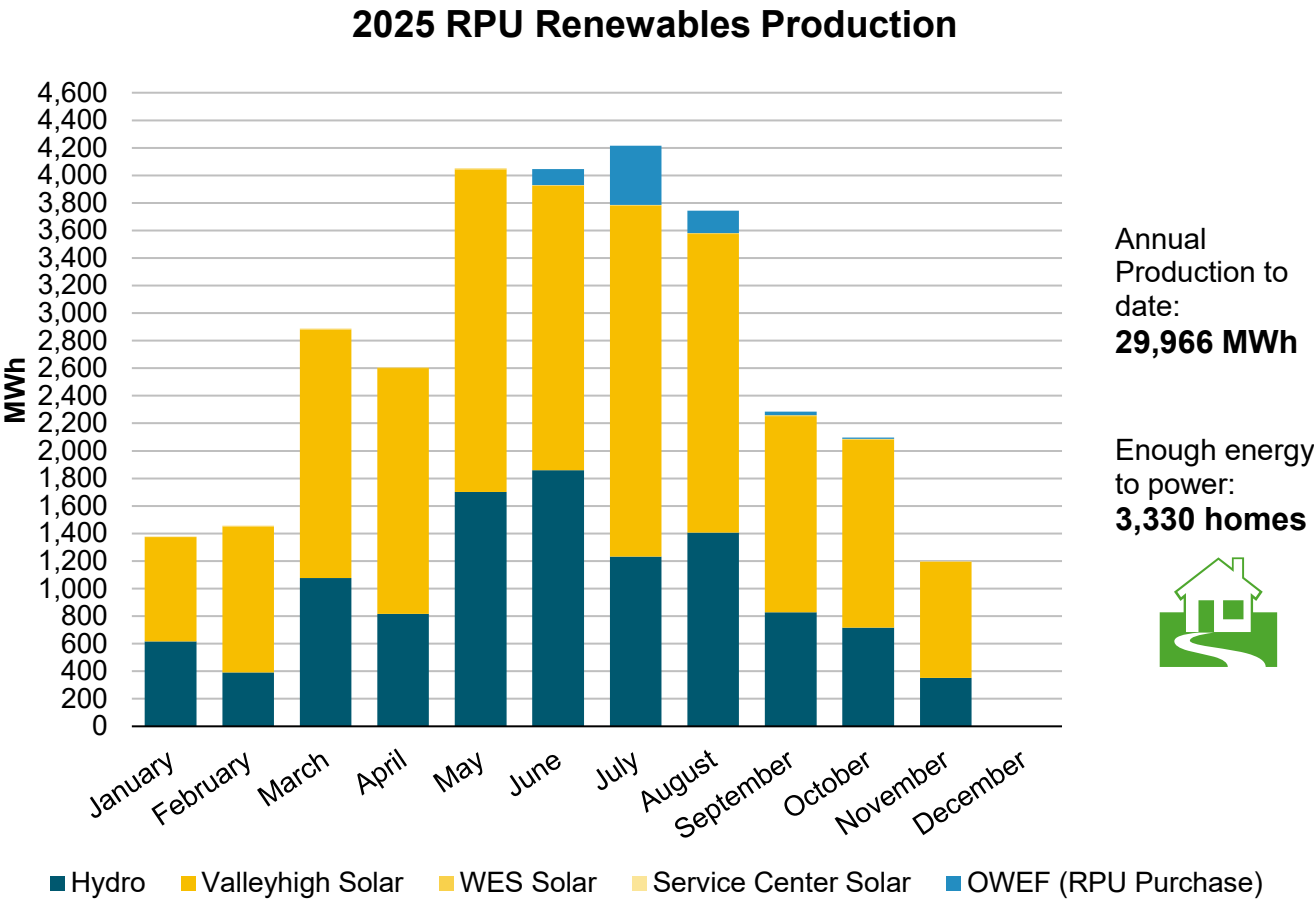


Summary of individual electrical outages (greater than 200 customers – November 2025 data)

# Customers	Date	Duration	Cause
2,800	11/23/25	4h 48m	Vehicle
2,335	11/16/25	40m	Animals - Squirrel
1,514	11/16/25	41m	Animals - Squirrel
238	11/25/25	1h 44m	Vegetation

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

# Customers	Total # of Incidents	Cause
4,042	19	Animals - Squirrel
2,811	2	Vehicle
272	3	Vegetation



POWER RESOURCES**WHOLESALE OPERATIONS:**

1. INSERT

a. Ancillary Service Market – Supplemental Reserves

- i. Cleared DA
 - 1. GT2 – 5 days
 - 2. WES – 10 days
- ii. Deployment YTD
 - 1. GT2 – 0
 - 2. WES – 1

b. Dispatched by MISO

i. GT1	– 0 times	YTD	12 times
ii. GT2	– 8 times	YTD	143 times
iii. WES	– 11 times	YTD	224 times

c. Hours of Operation

i. GT1	– 0 hours	YTD	67 hours
ii. GT2	– 29 hours	YTD	967 hours
iii. WES	– 41 hours	YTD	1757 hours

d. Electricity Generated

i. GT1	– 0 MWh	YTD	1386 MWh
ii. GT2	– 449 MWh	YTD	30863 MWh
iii. WES	– 1082 MWh	YTD	55341 MWh

e. Forced Outage

i. GT1	– 720 hours	YTD	4490 hours
ii. GT2	– 0 hours	YTD	445 hours
iii. WES	– 272 hours	YTD	670 hours

MISO market Real-Time Price averaged \$ 29.20 /MWh and Day Ahead Price averaged \$ 32.30/MWh.

STAKEHOLDER ENGAGEMENT, FORUMS, AND MEETINGS:

1. RPU holds a board seat on the Midwest Chapter of AESP. The board is currently preparing 2026 local programming and coordinating upcoming events. The chapter is also integrating new members from Missouri and Kansas into the existing group, which already includes professionals from Minnesota, North Dakota, South Dakota, Michigan, Illinois, and Wisconsin.
2. On Thursday, December 4, we participated in a webinar highlighting how Refrigeration Thermal Energy Storage (RTES) can significantly reduce peak demand, enhance facility resilience, and introduce critical flexibility to traditionally inflexible industrial refrigeration loads. The session also shared economic analysis, stakeholder insights, and a proposed framework for integrating RTES into Minnesota's ECO programs.
3. Customer Relations staff attended the Harris (Cayenta) annual users group conference on December 2–3.

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 November, a total of 457 customers were contacted.
2. On Tuesday, November 18, RPU participated in the Rochester Area Chamber of Commerce's STEAM Summit at RCTC's Regional Sports Center. Lineworkers demonstrated electrical safety using the Electrical Grid Mock-up display, while the Marketing & Energy Services team engaged students and provided information on RPU career opportunities. The event, designed for local high school students, highlighted careers in science, technology, engineering, art/design, and mathematics. More than 100 regional businesses participated, offering hands-on exhibits, and over 2,500 students attended to explore potential career paths.
3. RPU is decorating a line truck with holiday lights for Rochester's second annual Downtown Dazzle Parade on Saturday, December 6. Last year's event drew large crowds along the parade route, and attendance is expected to grow even more this year.
4. On December 10, Marketing & Energy Services is partnering with Center for Energy and Environment (CEE) to host a Luminaire-Level Lighting Controls (LLLC) Workshop in the RPU Community Room. Approximately 25 attendees are expected, including trade allies, local suppliers, and RPU customers interested in learning more about lighting controls.

COMMUNICATIONS:

1. The website project continues to move forward. Site mapping is underway, and GovStack is now incorporating RPU's initial edits into the new site framework.
2. The Advanced Metering commercial is airing through the end of the year to raise awareness and guide customers to our website for more information, as meter swaps are anticipated to begin in early 2026.

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



ENERGY CONSERVATION KWH YEAR TO DATE SAVINGS: 98% to goal

WATER CONSERVATION GALLONS YEAR TO DATE SAVINGS: 291.5% to goal

INFORMATION TECHNOLOGY

INFORMATION SERVICES:

During December, the Information Technology Division continued to strengthen cybersecurity, modernize core infrastructure, and support major enterprise initiatives.

Cybersecurity & Compliance

- External vendor platform (CodeRED) experienced a data breach. RPU uses CodeRED for internal staff alerts. IT Staff forced/implemented credential changes for CodeRED users, and emphasized credential hygiene and user awareness to reduce secondary compromise risk.
- Engaged with cyber insurance provider to align incident response plan with policy services available.
- Attended NERC Security Working Group (SWG).

Modernization & Productivity Tools

- Reinforced inclement weather remote-work operations for IT staff.
- Continued ERP Steering Committee engagements, Statement of Work (SoW) review, and Subject Matter Expert (SME) inquiries surrounding expectations of overall project timeline.

IT Operations / Service Continuity

- Core infrastructure operations included a number of maintenance windows for network switch replacement and in-place upgrades.

CORPORATE SERVICES**BUSINESS SERVICES:**

- Conducting staff training during December as required by Board Policy #29 on Customer Data Management.
- The Business Services team is working with the IT team to implement the Laserfiche system-based employee review process that is scheduled to start in January 2026.

PURCHASING AND MATERIALS MANAGEMENT:

- Conducting bids for the 2026 lump sum power line tree clearance projects.
- Requests for Bids on Ponderosa Pines booster station close on Friday, November 21.
- Jacob Bleess has accepted an open position as a warehouse attendant.

FINANCE AND ACCOUNTING:

- Completed preliminary financial audit work with Baker Tilly. 2025 yearend financial audit field work is scheduled for the week of February 16, 2026
- The 2026 – 2027 water and electric utility capital, multi-year projects, operating budgets and Board recommended rate tariffs were approved by the Rochester Common Council on December 1, 2025.
- Moody's bond rating agency has reaffirmed the current bond rating of Aa3 for the Electric Utility Fund. This rating recognizes the prudent fiscal management of the Electric Utility and acknowledges both the challenges and work that is being done to manage the power resource transition at the end of the SMMPA contract in April 2030.
- Enterprise Resource Planning (ERP) software – Working with a cross functional team from multiple departments across the city, a recommendation has been brought forward to migrate both the RPU SAP-ECC on premise ERP and the City JD Edwards on premise ERP to a cloud-based SAP S/4hana ERP solution. Management will provide a presentation during this month's Board meeting. Based on the current quotes and estimates, we will be requesting a budget adjustment to the 2026 – 2027 Capital budget from the currently approved level of \$11,491,241 to \$15,491,241. If this project is approved by both the Board and City Council, the detailed discovery process for RPU would start in April 2026 with a planned deployment by June of 2027.
- Bond Payments – Completed semi-annual bond payments of \$10,845,934 (Principal \$8,005,000; Interest \$2,840,934)

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

October 2025

	Current Month			Year to Date		
(In Thousands)	Actual	Budget	Variance	Actual	Budget	Variance
Revenue - Electric	\$ 18,132	\$ 18,343	\$ (211)	\$ 151,961	\$ 145,842	\$ 6,119
Revenue - Water	1,270	1,205	65	10,636	10,096	540
Change in Net Position - Electric	8,031	1,731	6,300	39,661	20,170	19,491
Change in Net Position - Water	1,710	(164)	1,874	6,238	946	5,292

ROCHESTER PUBLIC UTILITIES

INDEX

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DATE: October 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

October 31, 2025

	<u>October 2025</u>	<u>October 2024</u>	<u>Difference</u>	<u>% Diff.</u>	<u>September 2025</u>
ASSETS					
CURRENT ASSETS					
CASH & INVESTMENTS					
Unreserved Cash & Investments	35,742,403	64,964,769	(29,222,366)	(45.0)	36,795,736
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	49,730,570	4,295,344	45,435,226	1,057.8	49,760,597
Contingency Reserve	13,333,000	12,680,000	653,000	5.1	13,333,000
General Capital & Major Maintnce Reserve	21,496,900	20,482,787	1,014,113	5.0	21,496,900
Total Reserved Cash & Investments	111,481,938	64,886,718	46,595,219	71.8	111,511,965
Total Cash & Investments	147,224,341	129,851,487	17,372,854	13.4	148,307,700
Receivables & Accrued Utility Revenues	23,804,365	30,652,302	(6,847,937)	(22.3)	28,371,522
Inventory	8,017,626	11,295,528	(3,277,902)	(29.0)	7,955,754
Other Current Assets	2,379,886	1,920,412	459,474	23.9	2,550,206
RESTRICTED ASSETS					
Restricted Cash and Equivalents	9,705,361	9,571,695	133,667	1.4	8,564,789
Total Current Assets	191,131,580	183,291,425	7,840,155	4.3	195,749,972
NON-CURRENT ASSETS					
RESTRICTED ASSETS					
RESTRICTED CASH & INVESTMENTS					
Debt Service Reserve	12,467,897	12,298,713	169,185	1.4	12,467,825
Funds Held in Trust	-	49	(49)	(100.0)	49
Total Restricted Cash & Investments	12,467,897	12,298,761	169,136	1.4	12,467,873
Total Restricted Assets	12,467,897	12,298,761	169,136	1.4	12,467,873
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	60,593,370	60,966,306	(372,936)	(0.6)	60,933,638
Total Non-depreciable Assets	72,967,063	72,317,528	649,535	0.9	73,307,330
DEPRECIABLE ASSETS					
Utility Plant in Service, Net	251,877,983	236,726,089	15,151,894	6.4	255,448,466
Steam Assets, Net	49,093	343,650	(294,557)	(85.7)	73,639
Subscription-Based IT Arrangements, Net	1,843,102	2,068,243	(225,142)	(10.9)	1,902,858
Total Depreciable Assets	253,770,177	239,137,982	14,632,195	6.1	257,424,964
Net Capital Assets	326,737,240	311,455,511	15,281,730	4.9	330,732,294
Other Non-Current Assets	17,925,504	10,718,153	7,207,351	67.2	17,959,314
Total Non-Current Assets	357,130,641	334,472,424	22,658,217	6.8	361,159,482
TOTAL ASSETS	548,262,221	517,763,849	30,498,373	5.9	556,909,454
DEFERRED OUTFLOWS OF RESOURCES					
DEFERRED OUTFLOWS OF RESOURCES	2,461,478	2,698,943	(237,465)	(8.8)	2,510,535
TOTAL ASSETS + DEFERRED OUTFLOW RESOURCE	550,723,700	520,462,792	30,260,908	5.8	559,419,988
LIABILITIES					
CURRENT LIABILITIES					
Accounts Payable	12,845,019	16,155,549	(3,310,531)	(20.5)	23,726,779
Due to other funds	3,638,433	3,609,368	29,064	0.8	3,685,708
Customer Deposits	2,639,847	2,482,023	157,824	6.4	2,598,982
Compensated absences	2,459,153	2,277,211	181,942	8.0	2,474,085
Accrued Salaries & Wages	1,045,496	861,655	183,840	21.3	751,358
Interest Payable	2,367,445	2,485,861	(118,417)	(4.8)	1,893,956
Current Portion of Long Term Debt	8,005,000	7,730,000	275,000	3.6	8,005,000
Misc Other Current Liabilities	292,701	445,372	(152,671)	(34.3)	292,361
Total Current Liabilities	33,293,094	36,047,040	(2,753,947)	(7.6)	43,428,229
NON-CURRENT LIABILITIES					
Compensated absences	1,445,175	1,485,098	(39,923)	(2.7)	1,433,926
Other Non-Current Liabilities	8,661,220	13,148,567	(4,487,347)	(34.1)	8,661,220
Unearned Revenues	2,047,747	1,606,802	440,946	27.4	1,926,818
Long-Term Debt	139,676,316	148,708,503	(9,032,186)	(6.1)	139,761,998
Misc Other Non-Current Liabilities	900,848	1,049,691	(148,843)	(14.2)	900,848
Total Non-Current Liabilities	152,731,306	165,998,660	(13,267,355)	(8.0)	152,684,809
TOTAL LIABILITIES	186,024,399	202,045,701	(16,021,301)	(7.9)	196,113,038
DEFERRED INFLOWS OF RESOURCES					
DEFERRED INFLOWS OF RESOURCES	12,189,929	11,800,358	389,571	3	12,698,470
NET POSITION					
Net Investment in Capital Assets	191,415,336	167,085,190	24,330,146	14.6	195,339,159
Total Restricted Net Position	7,337,917	7,085,882	252,035	3.6	6,670,882
Unrestricted Net Position	153,756,119	132,445,661	21,310,457	16.1	148,598,439
TOTAL NET POSITION	352,509,371	306,616,733	45,892,638	15.0	350,608,480
TOTAL LIAB,DEFERRED INFLOWS,NET POSITION	550,723,700	520,462,792	30,260,908	5.8	559,419,988

ROCHESTER PUBLIC UTILITIES
Statement of Revenues, Expenses & Changes in Net Position
ELECTRIC UTILITY
October, 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	61,533,479	58,488,960	3,044,519	5.2	56,060,580
Electric - General & Industrial Service	87,705,832	86,626,642	1,079,190	1.2	84,434,377
Electric - Public Street & Highway Light	1,338,614	1,392,096	(53,483)	(3.8)	1,285,019
Electric - Rental Light Revenue	179,501	193,326	(13,825)	(7.2)	176,051
Electric - Interdepartmental Service	1,222,969	1,205,249	17,721	1.5	1,156,912
Electric - Power Cost Adjustment	(834,086)	(451,197)	(382,889)	(84.9)	821,287
Electric - Clean Air Rider	1,863,200	3,490,873	(1,627,672)	(46.6)	1,706,836
Electric - Total Retail Revenue	153,009,510	150,945,949	2,063,561	1.4	145,641,063
Wholesale Electric Revenue					
Energy & Fuel Reimbursement	7,663,648	4,473,363	3,190,286	71.3	3,667,492
Capacity & Demand	3,066,133	1,306,897	1,759,236	134.6	1,397,254
Total Wholesale Electric Revenue	10,729,781	5,780,259	4,949,522	85.6	5,064,746
Steam Sales Revenue	3,818,531	4,669,257	(850,726)	(18.2)	3,339,898
TOTAL SALES REVENUE	167,557,823	161,395,465	6,162,357	3.8	154,045,706
COST OF REVENUE					
Purchased Power	84,995,089	84,319,854	675,235	0.8	84,474,893
Generation Fuel, Chemicals & Utilities	5,177,292	5,629,416	(452,124)	(8.0)	3,296,143
TOTAL COST OF REVENUE	90,172,381	89,949,270	223,111	0.2	87,771,036
GROSS MARGIN					
Retail	68,014,421	66,626,095	1,388,326	2.1	61,166,170
Wholesale	9,371,020	4,820,100	4,550,920	94.4	5,108,500
TOTAL GROSS MARGIN	77,385,442	71,446,195	5,939,246	8.3	66,274,671
FIXED EXPENSES					
Utilities Expense	413,788	369,095	44,693	12.1	375,859
Depreciation & Amortization	14,299,385	15,955,430	(1,656,045)	(10.4)	13,182,156
Salaries & Benefits	19,607,479	20,451,341	(843,862)	(4.1)	20,947,899
Materials, Supplies & Services	9,254,045	14,137,613	(4,883,568)	(34.5)	9,053,816
Inter-Utility Allocations	(1,483,742)	(1,471,700)	(12,042)	(0.8)	(1,799,536)
TOTAL FIXED EXPENSES	42,090,956	49,441,779	(7,350,823)	(14.9)	41,760,193
Other Operating Revenue	10,437,752	8,839,701	1,598,051	18.1	8,436,242
NET OPERATING INCOME (LOSS)	45,732,237	30,844,117	14,888,120	48.3	32,950,719
NON-OPERATING REVENUE / (EXPENSE)					
Investment Income (Loss)	4,437,975	2,890,364	1,547,611	53.5	4,036,069
Interest Expense	(4,183,573)	(4,159,800)	(23,773)	(0.6)	(4,346,354)
Amortization of Debt Issue Costs	(73,853)	(73,850)	(3)	(0.0)	(78,581)
Miscellaneous - Net	(100,606)	(21,415)	(79,191)	(369.8)	(134,940)
TOTAL NON-OPERATING REV (EXP)	79,944	(1,364,701)	1,444,645	105.9	(523,806)
INCOME (LOSS) BEFORE TRANSFERS / CAPITAL CONTRIBUTIONS	45,812,181	29,479,415	16,332,765	55.4	32,426,913
Transfers Out	(9,610,218)	(9,590,716)	(19,502)	(0.2)	(9,185,885)
Capital Contributions	5,359,554	3,279,500	2,080,054	63.4	8,032,966
Special Items	0	-	-	-	0
CHANGE IN NET POSITION	41,561,517	23,168,200	18,393,317	79	31,273,993
Net Position, Beginning	310,947,854				275,342,740
NET POSITION, ENDING	352,509,371				306,616,733
Debt Coverage Ratio		Rolling 12 Months 5.25	Planned for Curr Year 4.19		

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

	<u>Actual YTD</u>	<u>Last Yr Actual YTD</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received From Customers	168,277,233	162,608,594
Cash Received From Wholesale & Steam Customer	15,220,326	8,739,306
Cash Paid for:		
Purchased Power	(85,258,566)	(85,136,707)
Operations and Maintenance	(27,320,422)	(28,944,196)
Fuel	(5,160,954)	(3,158,124)
Payment in Lieu of Taxes	(9,596,771)	(9,101,028)
Net Cash Provided by(Used in) Utility Operating Activities	56,160,846	45,007,845
Sewer, Storm Water, Sales Tax & MN Water Fee Collections		
Receipts from Customers	41,121,950	40,086,675
Remittances to Government Agencies	(40,887,385)	(39,808,680)
Net Cash Provided by(Used in) Non-Utility Operating Activities	234,565	277,995
NET CASH PROVIDED BY(USED IN) OPERATING ACTIVITIES	56,395,411	45,285,840
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES		
Additions to Utility Plant & Other Assets	(31,338,555)	(24,437,565)
Payments related to Service Territory Acquisition	(145,337)	(134,736)
Payment on Long-Term Debt	-	-
Net Bond/Loan Receipts	-	-
Cash Paid for Interest & Commissions	(2,877,535)	(3,020,473)
NET CASH PROVIDED BY(USED IN) CAPITAL & RELATED ACTIVITIES	(34,361,427)	(27,592,774)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Earnings on Investments	3,373,165	3,154,333
Construction Fund (Deposits)Draws	-	-
Bond Reserve Account	(8,566,181)	(8,144,969)
Escrow/Trust Account Activity	49	-
NET CASH PROVIDED BY(USED IN) INVESTING ACTIVITIES	(5,192,967)	(4,990,636)
Net Increase(Decrease) in Cash & Investments	16,841,017	12,702,430
Cash & Investments, Beginning of Period	130,383,324	117,149,059
CASH & INVESTMENTS, END OF PERIOD	147,224,341	129,851,489
Externally Restricted Funds	22,173,259	21,870,456
Grand Total	169,397,600	151,721,945

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

**October, 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	20,755	-	20,755	-	20,686	
12	Lake Zumbro Hydro	10,644,540	9,796,610	847,930	8.7	9,625,826	
13	Cascade Creek Gas Turbine	31,800,039	24,405,422	7,394,617	30.3	26,282,646	
14	Westside Energy Station	54,258,700	43,054,070	11,204,630	26.0	33,778,800	
15	Total Net Generation	96,724,034	77,256,102	19,467,932	25.2	69,707,958	
16	Other Power Supply						
17	Firm Purchases	989,013,656	1,000,377,081	(11,363,425)	(1.1)	974,570,876	
18	Non-Firm Purchases	3,934,755	3,310,306	624,449	18.9	3,894,691	
19	LRP Received	-	-	-	-	-	
20	Total Other Power Supply	992,948,411	1,003,687,387	(10,738,976)	(1.1)	978,465,567	
21	TOTAL ENERGY SUPPLY	1,089,672,445	1,080,943,489	8,728,956	0.8	1,048,173,525	
22	ENERGY USES (kWh)	(primarily billing period)					
23	Retail Sales	<u># Custs</u>					
24	Electric - Residential Service	55,923	328,464,690	316,933,085	11,531,605	3.6	311,323,312
25	Electric - General Service & Industrial	5,256	633,667,112	656,082,220	(22,415,108)	(3.4)	633,365,673
26	Electric - Street & Highway Lighting	3	2,825,922	2,947,031	(121,109)	(4.1)	2,858,226
27	Electric - Rental Lights	n/a	539,278	569,432	(30,154)	(5.3)	595,604
28	Electric - Interdptmntl Service	<u>1</u>	7,287,619	7,630,467	(342,848)	(4.5)	7,038,357
29	Total Customers	<u>61,183</u>					
30	Total Retail Sales		972,784,621	984,162,235	(11,377,615)	(1.2)	955,181,172
31	Wholesale Sales		86,213,670	67,459,491	18,754,179	27.8	60,210,080
32	Company Use		4,740,189	6,535,710	(1,795,521)	(27.5)	4,772,832
33	TOTAL ENERGY USES		1,063,738,480	1,058,157,436	5,581,044	0.5	1,020,164,084
34	Lost & Unacctnd For Last 12 Months		32,191,661	2.5%			
35	STEAM SALES (mlbs)	(primarily billing period)					
36	Steam Sales in Mlbs		290,879	364,800	(73,921)	(20.3)	338,777

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

October, 2025

YEAR-TO-DATE

Last Yr

Actual YTD Budget YTD Variance % Var. Actual YTD

FUEL USAGE *(calendar month)*

Gas Burned

SLP	404,282	MCF	528,960	MCF	(124,678)	(23.6)	448,063	MCF
Cascade	315,794	MCF	279,597	MCF	36,197	12.9	269,084	MCF
Westside	432,355	MCF	340,127	MCF	92,228	27.1	295,216	MCF
Total Gas Burned	1,152,431	MCF	1,148,684	MCF	3,747	0.3	1,012,363	MCF

Oil Burned

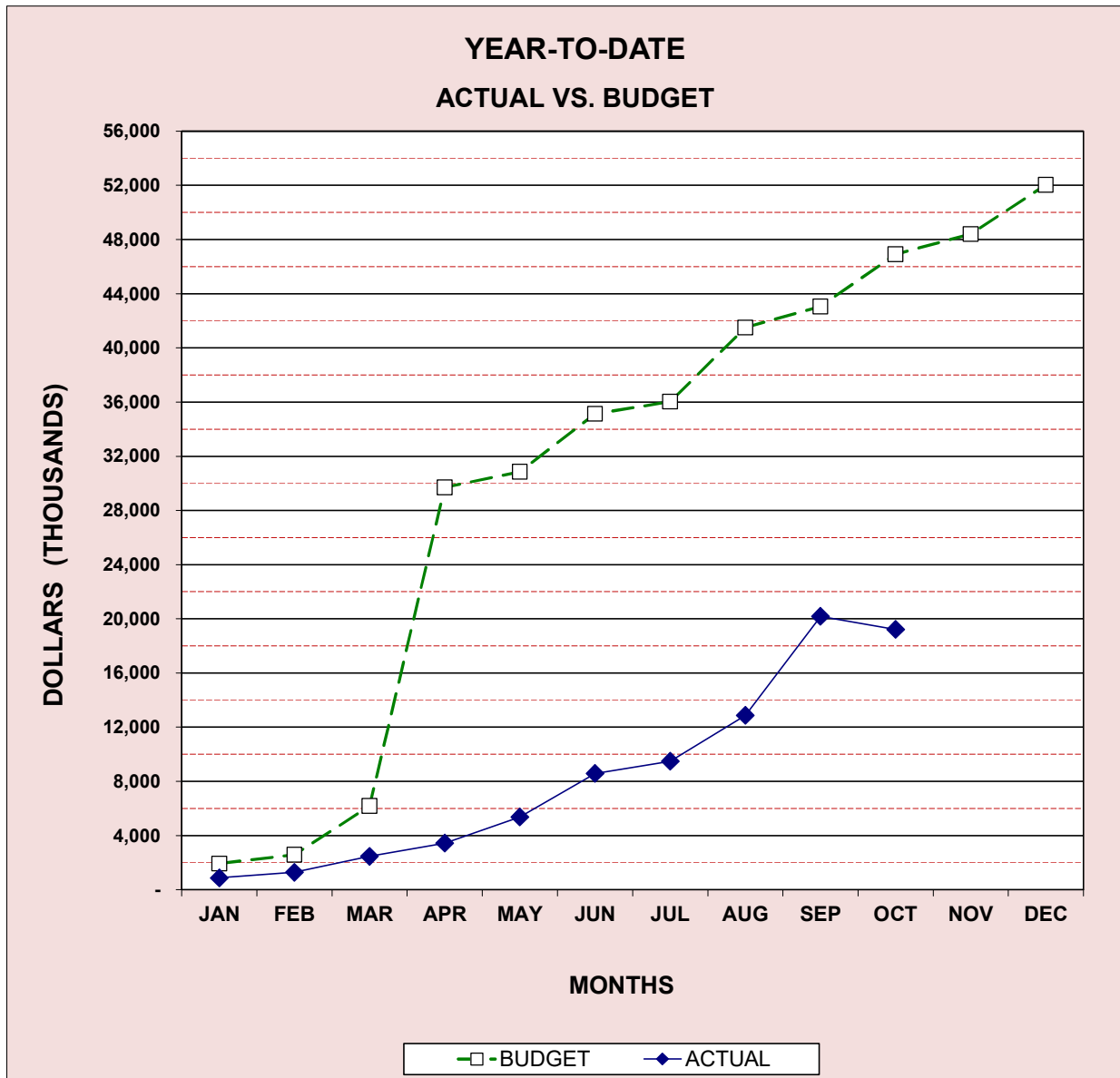
Cascade	40,316	GAL	-	GAL	40,316	-	9,483	GAL
IBM	1,660	GAL	-	GAL	1,660	-	1,684	GAL
Total Oil Burned	41,976	GAL	-	GAL	41,976	-	11,167	GAL

CAPITAL EXPENDITURES ELECTRIC

Current Year	
ANNUAL BUDGET	52,040,102
ACTUAL YTD	19,218,608
% OF BUDGET	36.9

October, 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

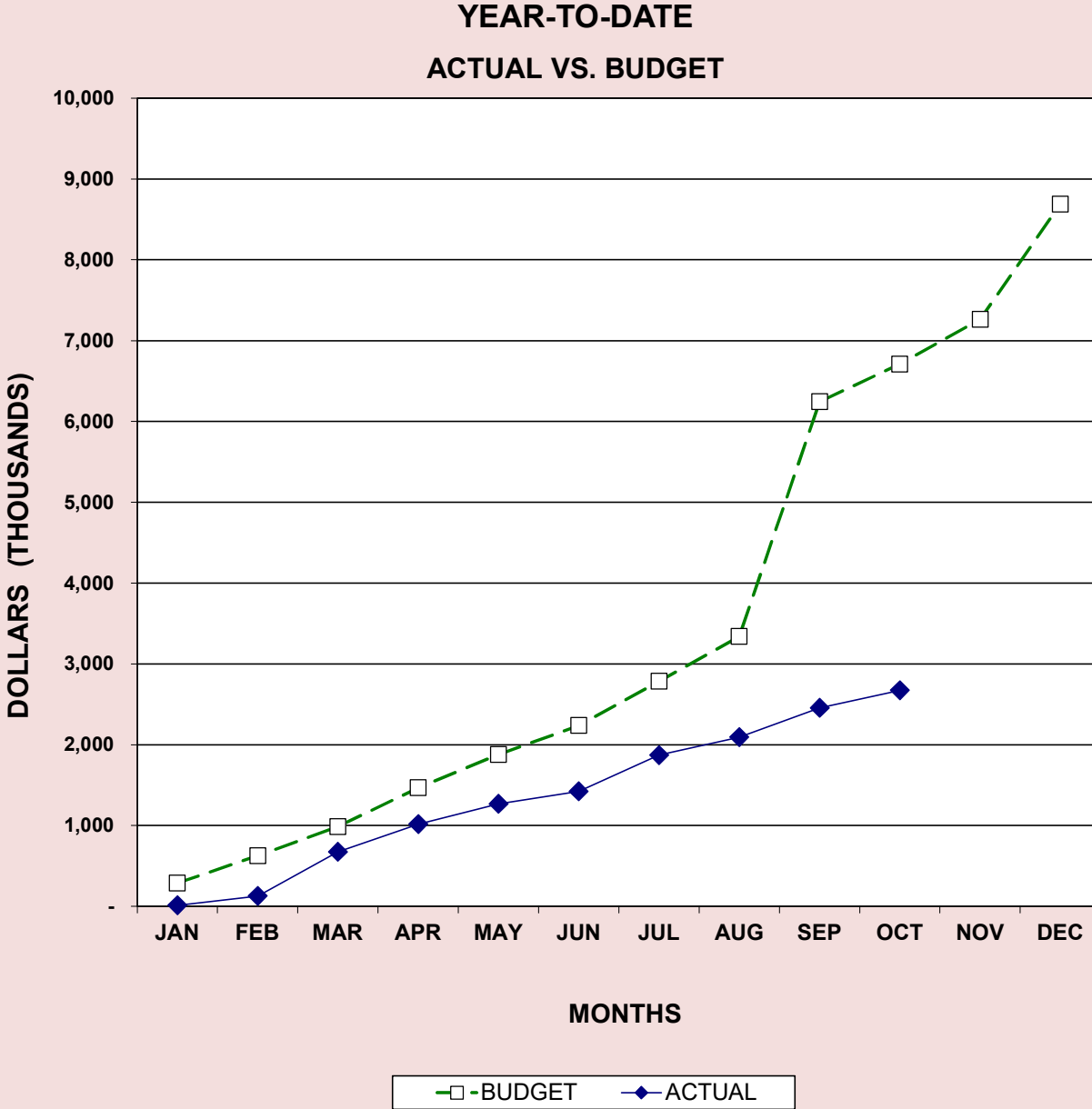
Current Year

ANNUAL BUDGET 8,688,678
ACTUAL YTD 2,672,768
% OF BUDGET 30.8

October, 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

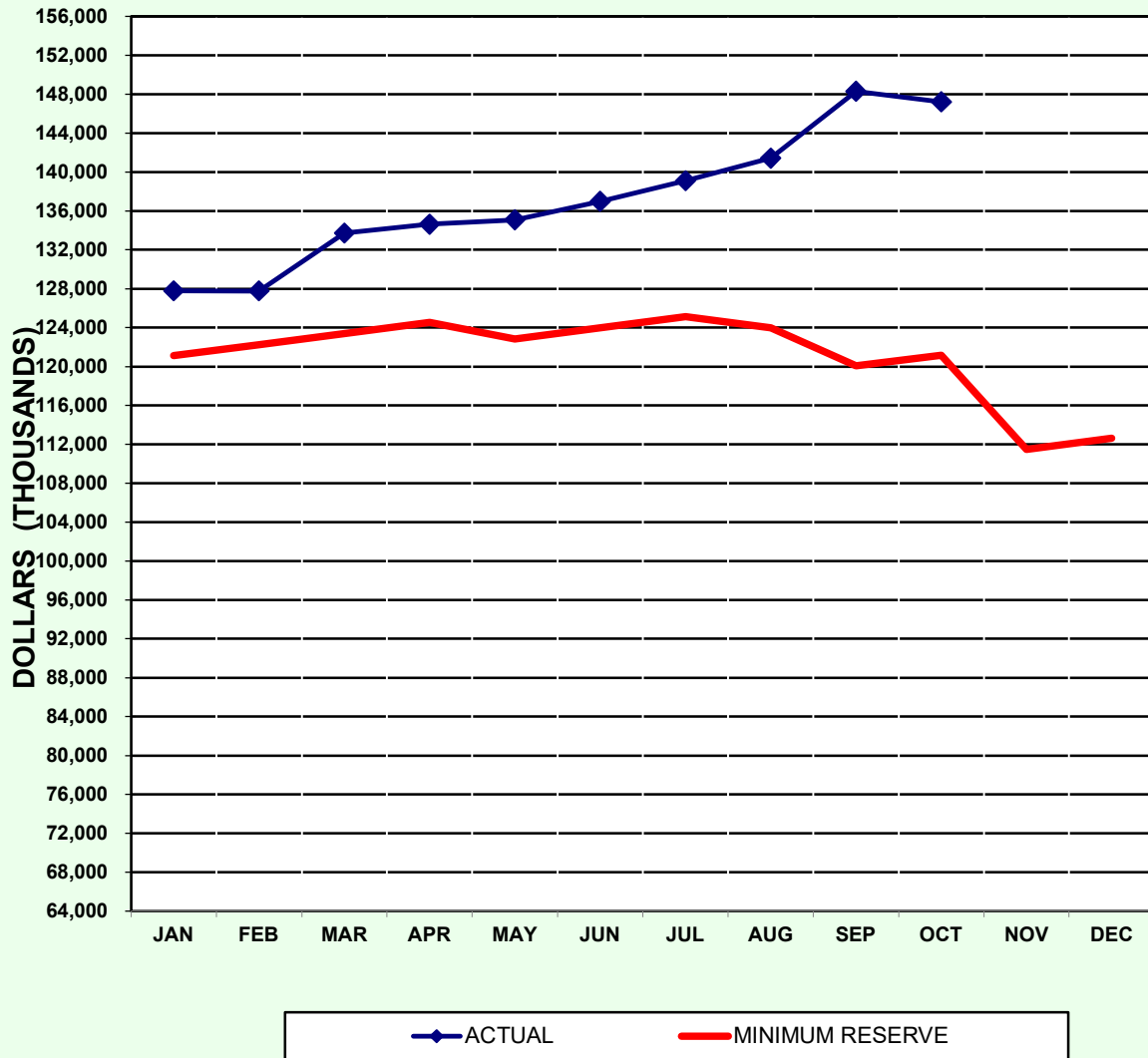


CASH AND TEMPORARY INVESTMENTS ELECTRIC

October, 2025

YEAR-TO-DATE ACTUAL

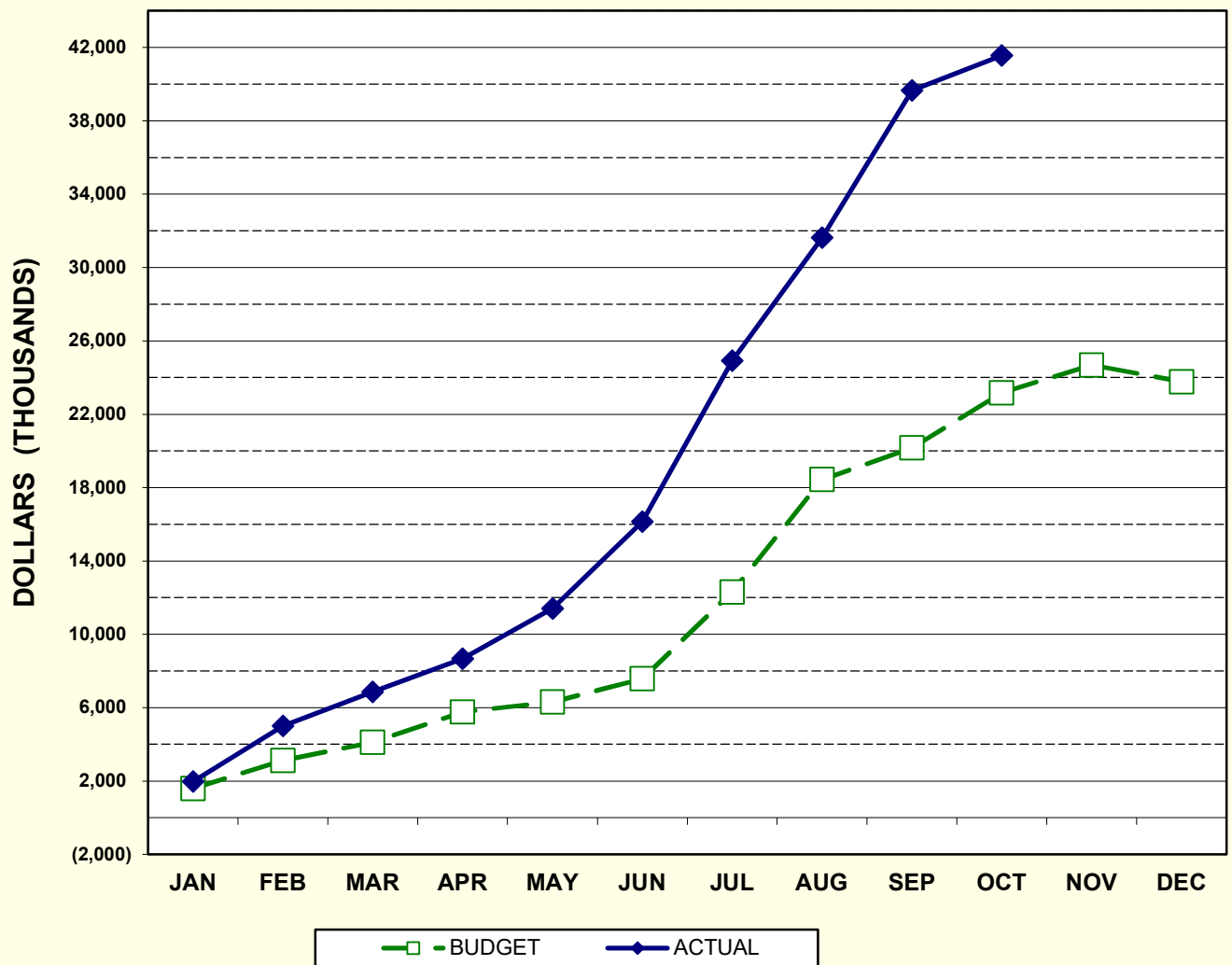
Excluding: Construction Fund, Debt Reserve,
and Escrow Funds Accounts



CHANGE IN NET POSITION ELECTRIC

October, 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
October 31, 2025

	<u>October 2025</u>	<u>October 2024</u>	<u>Difference</u>	<u>% Diff.</u>	<u>September 2025</u>
ASSETS					
CURRENT ASSETS					
CASH & INVESTMENTS					
Unreserved Cash & Investments	6,727,839	7,036,766	(308,927)	(4.4)	7,579,954
BOARD RESERVED CASH & INVESTMENTS					
Working Funds Reserve	1,345,000	1,263,000	82,000	6.5	1,345,000
Capital & Major Maintenance Reserve	6,725,741	5,859,000	866,741	14.8	6,725,741
Contingency Reserve	1,952,000	1,849,000	103,000	5.6	1,952,000
Total Reserved Cash & Investments	10,022,741	8,971,000	1,051,741	11.7	10,022,741
Total Cash & Investments	16,750,580	16,007,766	742,814	4.6	17,602,695
Receivables & Accrued Utility Revenues	1,036,775	1,062,311	(25,537)	(2.4)	1,180,558
Inventory	326,350	303,912	22,438	7.4	325,902
Other Current Assets	11,365	13,793	(2,428)	(17.6)	28,994
Total Current Assets	18,125,070	17,387,783	737,287	4.2	19,138,149
CAPITAL ASSETS					
NON-DEPRECIABLE ASSETS					
Land and Land Rights	742,667	742,667	-	-	742,667
Construction Work in Progress	14,193,050	11,480,063	2,712,988	23.6	13,422,642
Total Non-depreciable Assets	14,935,717	12,222,729	2,712,988	22.2	14,165,309
DEPRECIABLE ASSETS					
Utility Plant in Service, Net	106,717,997	100,840,463	5,877,534	5.8	106,971,957
Net Capital Assets	121,653,714	113,063,192	8,590,522	7.6	121,137,266
Other Non-Current Assets	17,749,879	18,630,871	(880,992)	(4.7)	17,749,879
Total Non-Current Assets	139,403,594	131,694,063	7,709,530	5.9	138,887,145
TOTAL ASSETS	157,528,664	149,081,846	8,446,818	5.7	158,025,294
DEFERRED OUTFLOWS OF RESOURCES					
DEFERRED OUTFLOWS OF RESOURCES	157,475	182,034	(24,559)	(13.5)	161,660
TOTAL ASSETS + DEFERRED OUTFLOW RESOURCE	157,686,139	149,263,880	8,422,259	5.6	158,186,955
LIABILITIES					
CURRENT LIABILITIES					
Accounts Payable	848,552	285,656	562,895	197.1	1,567,540
Due to Other Funds	-	-	-	-	-
Customer Deposits	150,275	159,905	(9,630)	(6.0)	151,445
Compensated Absences	353,572	271,992	81,579	30.0	348,577
Accrued Salaries & Wages	125,674	92,483	33,191	35.9	93,177
Total Current Liabilities	1,478,072	810,037	668,036	82.5	2,160,738
NON-CURRENT LIABILITIES					
Compensated Absences	156,748	91,597	65,151	71.1	155,074
Other Non-Current Liabilities	1,003,559	1,665,588	(662,030)	(39.7)	1,003,559
Total Non-Current Liabilities	1,160,306	1,757,185	(596,879)	(34.0)	1,158,633
TOTAL LIABILITIES	2,638,379	2,567,222	71,157	2.8	3,319,371
DEFERRED INFLOWS OF RESOURCES					
DEFERRED INFLOWS OF RESOURCES	16,476,686	17,713,621	(1,236,936)	(7.0)	16,616,449
NET POSITION					
Net Investment in Capital Assets	121,653,714	113,063,192	8,590,522	7.6	121,137,266
Unrestricted Net Assets (Deficit)	16,917,360	15,919,845	997,515	6.3	17,113,869
TOTAL NET POSITION	138,571,074	128,983,037	9,588,037	7.4	138,251,135
TOTAL LIAB, DEFERRED INFLOWS, NET POSITION	157,686,139	149,263,880	8,422,259	5.6	158,186,955

ROCHESTER PUBLIC UTILITIES

Statement of Revenues, Expenses & Changes in Net Position

WATER UTILITY

October, 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	7,219,319	7,517,191	(297,872)	(4.0)	6,567,561
Water - Commercial Service	3,369,801	2,344,537	1,025,263	43.7	3,209,962
Water - Industrial Service	610,604	713,394	(102,790)	(14.4)	570,854
Water - Public Fire Protection	577,659	577,939	(280)	(0.0)	546,117
Water - Interdepartmental Service	28,796	28,779	17	0.1	25,924
TOTAL RETAIL REVENUE	11,806,179	11,181,841	624,338	5.6	10,920,418
COST OF REVENUE					
Utilities Expense	1,240,098	1,176,491	63,607	5.4	1,172,351
Water Treatment Chemicals/Demin Water	214,783	245,425	(30,642)	(12.5)	209,071
Billing Fees	628,621	682,554	(53,933)	(7.9)	657,973
TOTAL COST OF REVENUE	2,083,501	2,104,470	(20,969)	(1.0)	2,039,395
GROSS MARGIN	9,722,678	9,077,371	645,307	7.1	8,881,023
FIXED EXPENSES					
Depreciation & Amortization	2,664,100	2,955,286	(291,186)	(9.9)	2,441,089
Salaries & Benefits	1,850,669	3,114,205	(1,263,536)	(40.6)	2,342,795
Materials, Supplies & Services	1,371,468	2,620,449	(1,248,981)	(47.7)	1,428,796
Inter-Utility Allocations	1,483,742	1,471,700	12,042	0.8	1,799,536
TOTAL FIXED EXPENSES	7,369,978	10,161,640	(2,791,662)	(27.5)	8,012,216
Other Operating Revenue	1,737,830	1,758,690	(20,860)	(1.2)	1,741,898
NET OPERATING INCOME (LOSS)	4,090,529	674,421	3,416,109	506.5	2,610,704
NON-OPERATING REVENUE / (EXPENSE)					
Investment Income (Loss)	822,574	598,245	224,329	37.5	707,422
Interest Expense	(3,513)	(22,470)	18,957	84.4	(3,652)
Miscellaneous - Net	1,392,439	423,576	968,863	228.7	(2,627)
TOTAL NON-OPERATING REV (EXP)	2,211,500	999,351	1,212,149	121.3	701,143
INCOME (LOSS) BEFORE TRANSFERS / CAPITAL CONTRIBUTIONS	6,302,030	1,673,772	4,628,257	276.5	3,311,847
Transfers Out	(413,867)	(444,321)	30,454	6.9	(404,191)
Capital Contributions	669,879	-	669,879	-	128,754
CHANGE IN NET POSITION	6,558,041	1,229,451	5,328,590	433.4	3,036,410
Net Position, Beginning	132,013,033				125,946,627
NET POSITION, ENDING	138,571,074				128,983,037

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

	<u>Actual YTD</u>	<u>Last Yr Actual YTD</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received From Customers	16,267,338	14,067,581
Cash Paid for:		
Operations and Maintenance	(8,233,312)	(8,587,021)
Payment in Lieu of Taxes	(406,799)	(388,712)
Net Cash Provided by(Used in) Utility Operating Activities	7,627,227	5,091,848
Sales Tax & MN Water Fee Collections		
Receipts from Customers	332,657	528,290
Remittances to Government Agencies	(349,633)	(489,699)
Net Cash Provided by(Used in) Non-Utility Operating Activities	(16,976)	38,591
NET CASH PROVIDED BY(USED IN) OPERATING ACTIVITIES	7,610,251	5,130,439
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES		
Additions to Utility Plant & Other Assets	(7,197,495)	(4,600,199)
Payment on Long-Term Debt	-	-
Net Loan Receipts	-	-
Cash Paid for Interest & Commissions	-	-
NET CASH PROVIDED BY(USED IN) CAPITAL & RELATED ACTIVITIES	(7,197,495)	(4,600,199)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Earnings on Investments	819,061	703,770
NET CASH PROVIDED BY(USED IN) INVESTING ACTIVITIES	819,061	703,770
Net Increase(Decrease) in Cash & Investments	1,231,817	1,234,010
Cash & Investments, Beginning of Period	15,518,760	14,773,753
CASH & INVESTMENTS, END OF PERIOD	16,750,577	16,007,763

ROCHESTER PUBLIC UTILITIES
PRODUCTION & SALES STATISTICS
WATER UTILITY

October, 2025

YEAR-TO-DATE

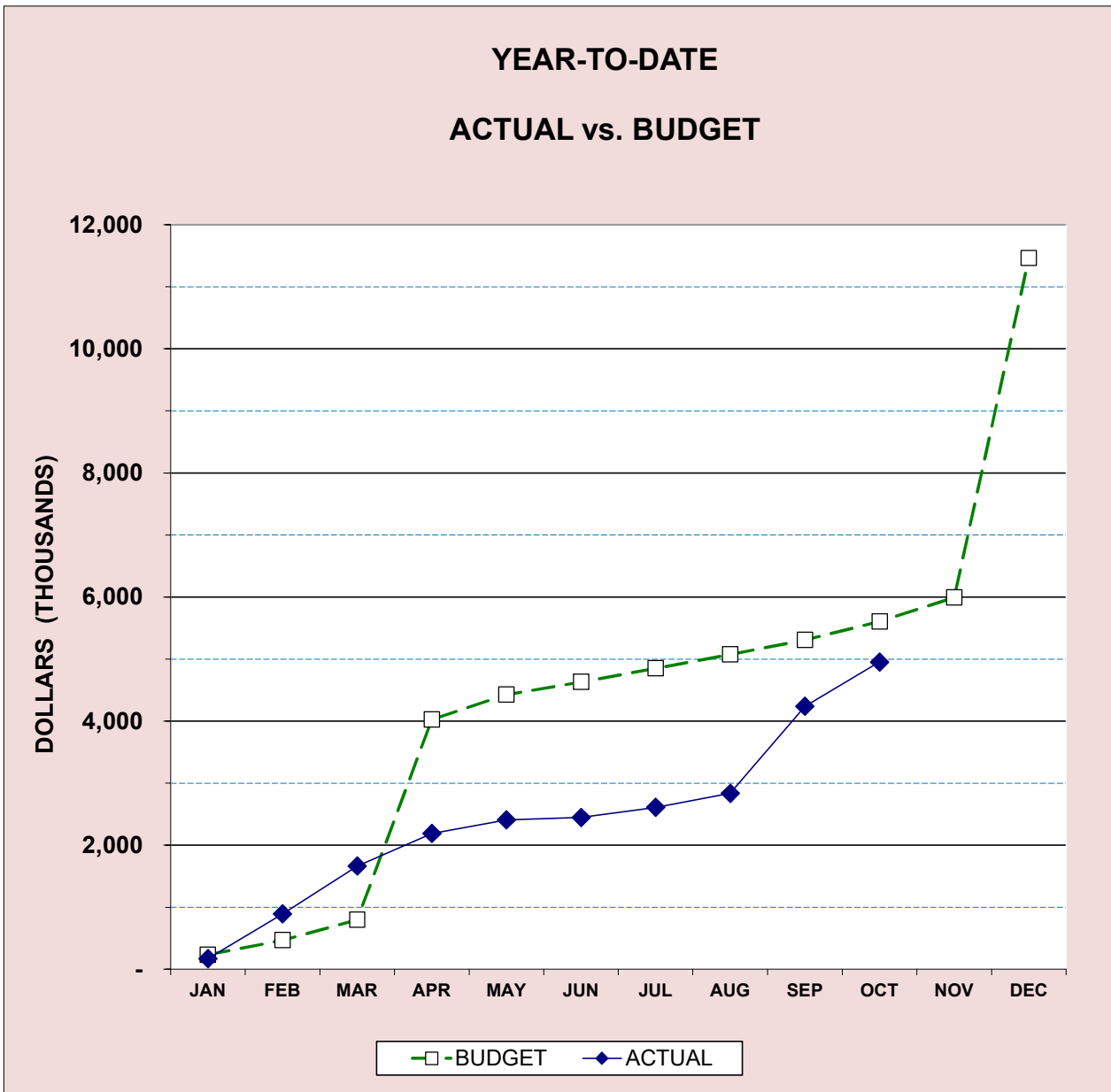
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CAPITAL EXPENDITURES WATER

Current Year	
ANNUAL BUDGET	11,462,270
ACTUAL YTD	4,952,554
% OF BUDGET	43.2

October, 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

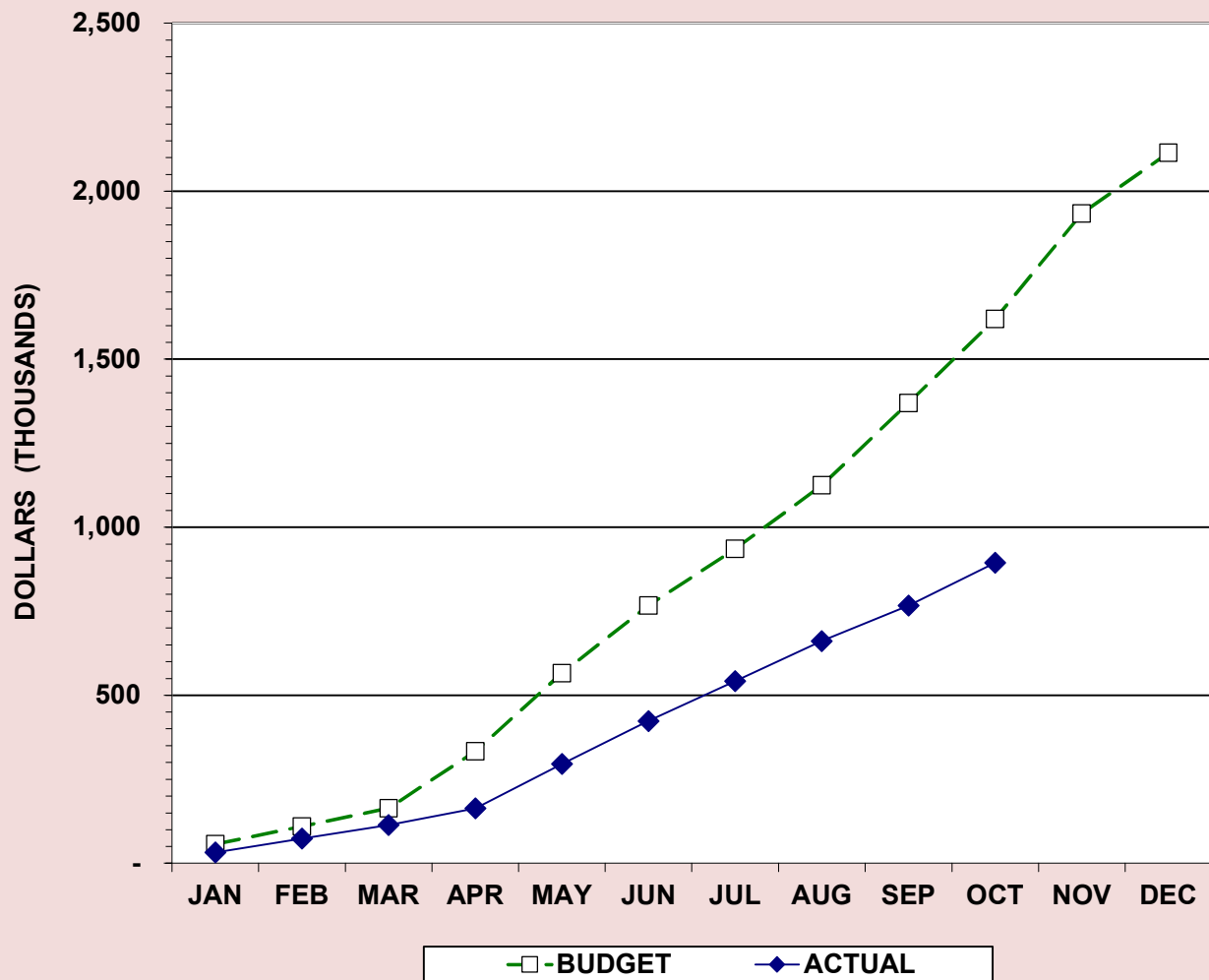
ANNUAL BUDGET 2,114,504
ACTUAL YTD 893,971
% OF BUDGET 42.3

October, 2025

Prior Years Ending Dec 31st

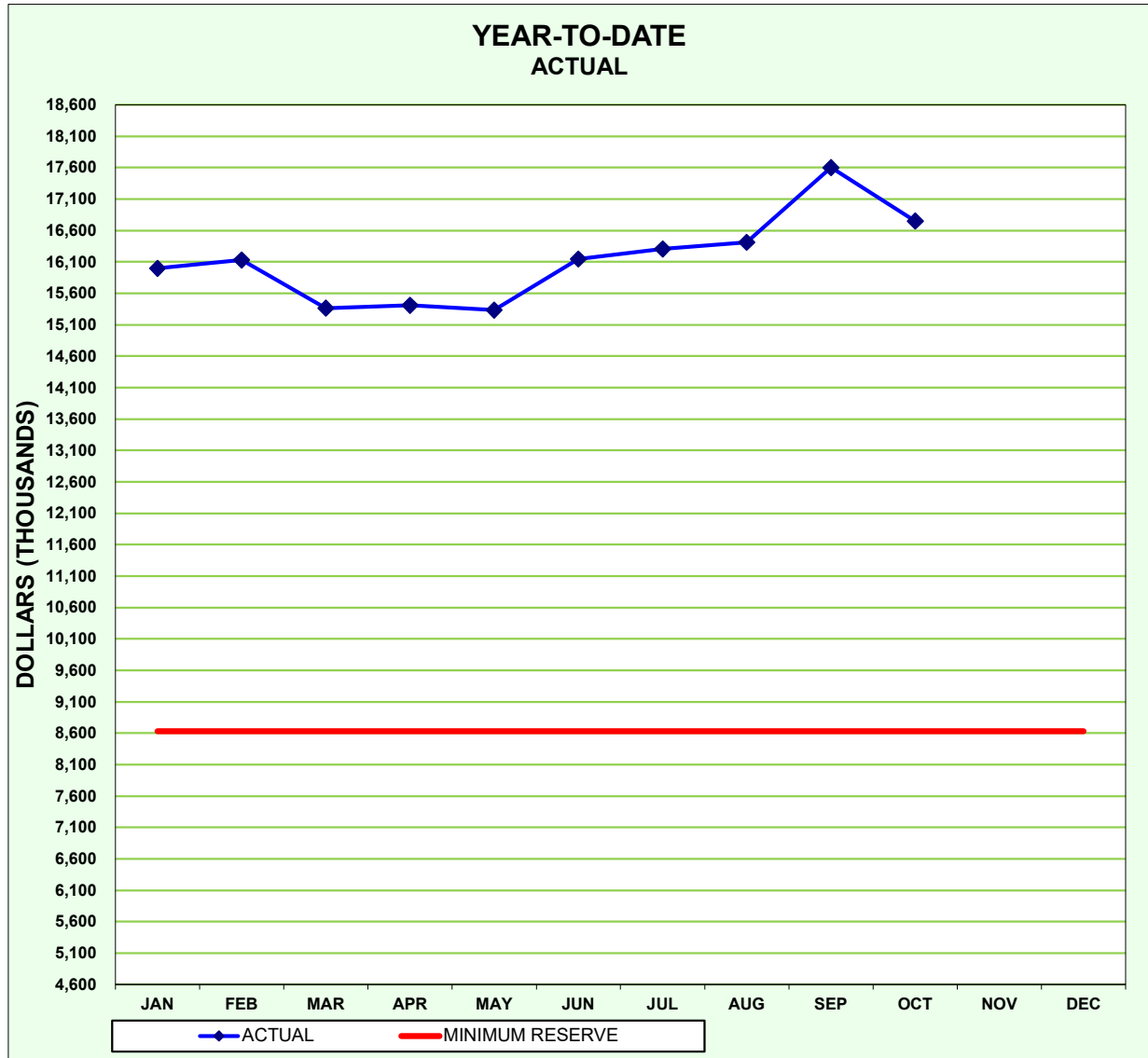
2024	2023	2022
907,895	796,090	1,015,476
501,892	396,411	447,519
55.3	49.8	44.1

YEAR-TO-DATE ACTUAL vs. BUDGET



CASH AND TEMPORARY INVESTMENTS
WATER

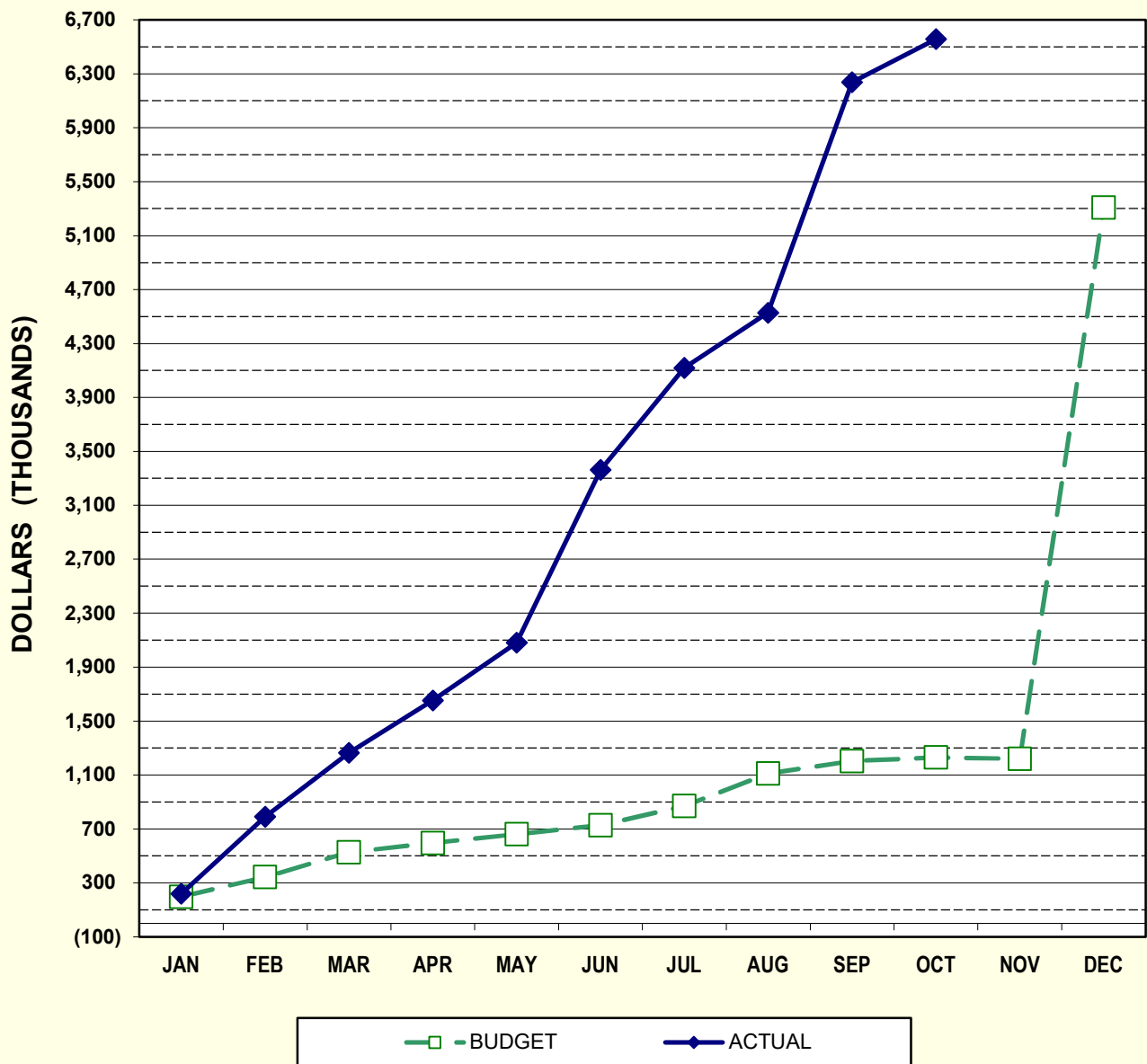
October, 2025



CHANGE IN NET POSITION WATER

October, 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	93,867	90,906	3.3%	221.7	165.0	34.3%
NOV	90,271	85,957	5.0%	157.7	146.6	7.6%
DEC					169.4	
YTD	1,092,945	1,099,441	-0.6			

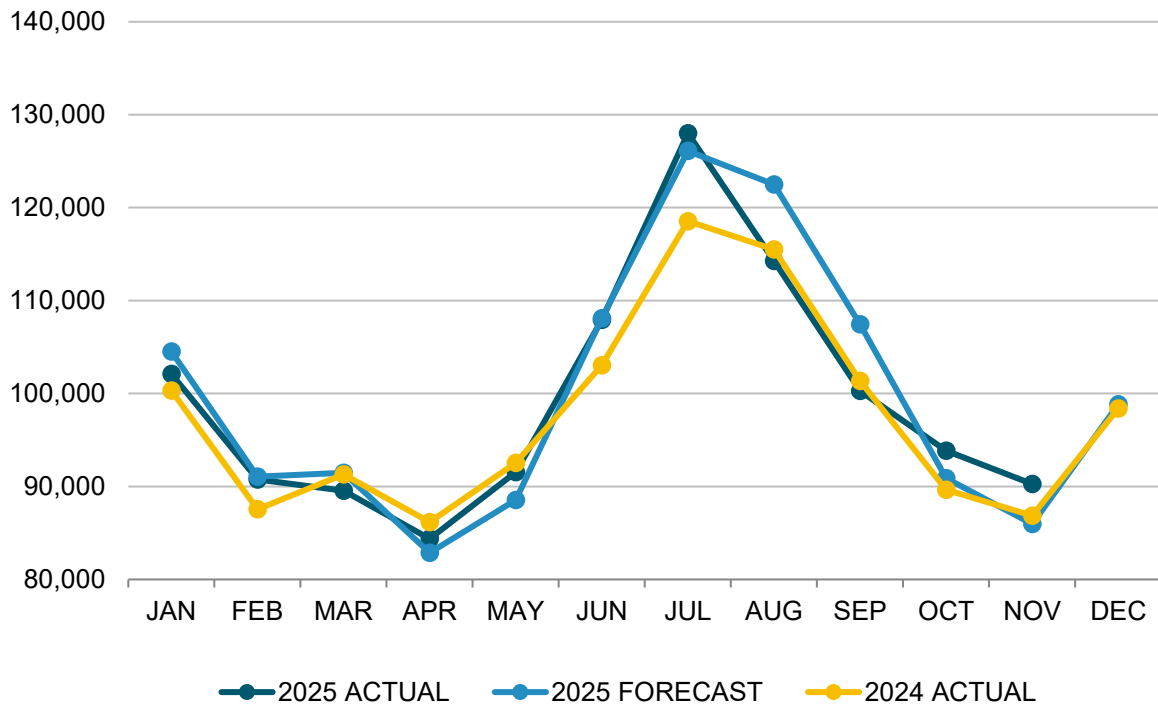
HISTORICAL SYSTEM PEAK 294.8 MW 08/23/2023

% 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)

