

Summer 2013

Power Lines

A Quarterly Publication for Shakopee Public Utilities' Residential Customers

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SPU Recognized for Ensuring Safe Drinking Water

As part of Safe Drinking Water Week, which was held May 5–11, SPU was one of three cities recognized by Governor Mark Dayton for their leading efforts to protect the source of drinking water in their area.

Governor Dayton stated that these cities serve as an example to other communities of how local involvement by land owners, community residents and government can lead to innovative and effective implementation of source water protection efforts. Their activities improve the likelihood that drinking water sources will not be adversely affected either by potential sources of contamination or by the unwise use of water resources.



Lon Schemel, SPU Water Superintendent, with award received from Governor Mark Dayton.

“Safe drinking water is no accident,” said Minnesota Health Commissioner Ed Ehlinger. “Many dedicated professionals work together to treat and test the water and maintain the infrastructure. Because of their work, we can have confidence

in the quality of the water that comes out of our taps.” Everyone, however, plays a role in keeping water safe, Ehlinger noted. “We all need to be involved in helping to protect our drinking water sources from contamination.”

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Reminder: Sprinkling Restrictions are in Effect

Please make sure you're in compliance with sprinkling restrictions that are in effect through October 31.

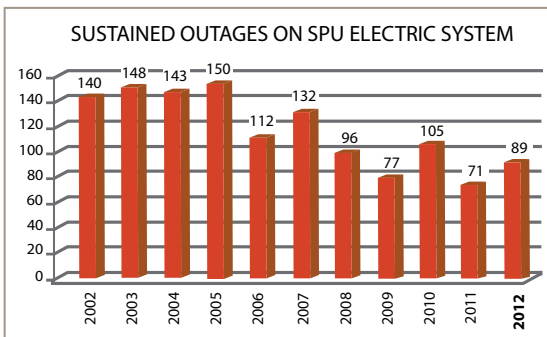
Correction:

PowerLines, Spring 2013 - Tom Bovitz Memorial Scholarships. The recipients were the 2013 scholarship award winners, not 2012. Also, the 2nd place award was presented to Christie Conrad, whose name was misspelled.

MEASURING UP Power Outage & Reliability Report

Outage Response

During 2012 SPU electric crews responded to 120 reports of power outages. The outages included in the graph are sustained outages – outages of more than 5 minutes. Subtracting the number of outages that did not involve SPU facilities, (i.e. customer fuses and faulted customer underground service wires) the total number of outages involving SPU facilities is 89 for 2012.



Once again in 2012, animals were the leading cause of outages on SPU's electrical system. There were 26 outages caused by animals, 24 by squirrels, one by a bird and one by a raccoon. Other leading causes of outages included trees (10) and lightning (7).

26 Number of outages caused by animals during 2012

"Other Equipment" contributed to the most minutes of outage in 2012. 43% of the total outage minutes were caused by two events – a wiring error at the Pike Lake Sub Station and an accident at 6th Avenue and Adams Street.

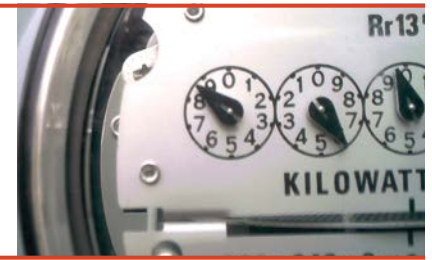
To calculate reliability, SPU uses indices consistent with "IEEE Guide for Electric Power Distribution Reliability Indices." The Average Service Availability Index – the fraction of time SPU customers received power during 2012 – was 99.992.

99.992 Fraction of time customers received power

Conservation Improvement Programs Report

6,707,852

kWh collectively saved in 2012 by SPU Conservation Improvement Program participants.



Minnesota statues established energy savings goals through Conservation Improvement Programs (CIP). The energy savings goal is equivalent to 1.5 percent of the energy that electric utility providers would have otherwise sold to customers averaged over the most recent three year period. SPU encourages reductions in energy consumption through various programs, such as rebate incentives, as well through consumer behavior programs.

In 2012, SPU Residential Conservation Improvement Program participants collectively saved 1,537,765 kWh – approximately \$150,701 savings on their electric bills. When including the 5,170,087 kWh saved by SPU commercial/industrial customers, the total kWh saved in 2012 totals 6,707,852.

Program	2012 kWh Saved
OPower Program	1,453,000
Residential Appliance Recycling Programs	31,935
Residential Cooling Programs	20,631
Residential Energy Star Appliance Programs	16,589
Residential Lighting Programs	4,683
Other Residential Programs	10,927
Commercial Lighting Programs	2,889,018
Commercial Cooling Programs	1,139,577
Other Commercial Programs	1,141,492

The 2012 energy savings realized through SPU's Conservation Improvement Programs reduced the amount of electricity needed for the 16,398 electric customers by 1.7 percent – exceeding the mandated goal of 1.5 percent.

Statistical Data

	2012	2011	% Change
Electric Department			
Total kWh Purchased	416,558,417	414,150,120	0.6%
Total Cost of kWh purchased	\$ 27,338,777	\$ 26,782,509	2.1%
Average cost of kWh purchased	0.06563	0.06467	1.5%
Total kWh Delivered	399,828,851	397,223,982	0.7%
Number of Metered Customers	16,398	16,314	0.5%
Water Department			
Total Gallons Pumped (in thousands)	2,171,043	1,771,143	22.6%
Number of Metered Customers	10,872	10,781	0.8%

The BALANCE SHEET

Assets

	2012	2011	% Change
Cash & Investments	\$ 29,326,437	\$ 23,177,827	26.5%
Accrued Interest	41,630	67,888	-38.7%
Accounts Receivable	3,532,567	3,239,279	9.1%
Payments Due from City of Shakopee	63,572	112,405	-43.4%
Inventory	977,414	960,884	1.7%
Prepaid Expenses	84,495	83,507	1.2%
Restricted Assets	8,879,575	6,910,708	28.5%
Unamortized Electric Plant Acquisition	262,104	348,249	-24.7%
Unamortized Debt Expense	438,145	464,538	-5.7%
Property, Plant & Equipment, minus depreciation	72,417,670	72,837,188	-0.6%
Total Assets	\$116,023,609	\$108,202,473	7.2%

Liabilities

Accounts Payable	\$ 3,539,060	\$ 2,981,126	18.7%
Due to City of Shakopee	899,586	23,067	3799.9%
Other Liabilities	211,613	184,825	14.5%
Customer Deposits	1,156,784	1,218,502	-5.1%
Interest Payable	326,369	336,031	-2.9%
Bonds Payable	18,285,000	18,885,000	-3.2%
Unearned Revenues	-	1,231	-100.0%
Other Liabilities	(809,514)	(999,107)	-19.0%
Total Liabilities	\$ 23,608,898	\$ 22,630,675	4.3%
Total Net Position	\$ 92,414,711	\$ 85,571,798	8.0%
Total Liabilities and Net Position	\$116,023,609	\$108,202,473	7.2%

Statement of REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

	2012	2011	% Change
Operating Revenue	\$ 45,019,316	\$ 41,935,218	7.4%
Operating Expense	37,508,984	36,305,101	3.3%
Operating Income	\$ 7,510,332	5,630,117	33.4%
Non-Operating Revenue (Expense):			
Rental and Miscellaneous	\$ 417,483	\$ 360,446	15.8%
Investment Income	118,274	170,905	-30.8%
Interest Expense	(787,408)	(871,023)	-9.6%
Amortization of debt issuance costs	(85,886)	(183,774)	-53.3%
Gain/Loss on Disposition of Property	8,373	-	
Total Non-Operating Revenue(Expense)	\$ (329,164)	\$ (523,446)	-37.1%
Income before Contributions & Transfers	\$ 7,181,168	\$ 5,106,671	40.6%
Capital Contributions	1,981,264	928,488	113.4%
Operating Transfer to City of Shakopee	(2,319,519)	(2,011,359)	15.3%
Change in Net Position	\$ 6,842,913	\$ 4,023,800	70.1%
Net Position - Beginning of Year	85,571,798	81,547,998	4.9%
Net Position - End of Year	\$ 92,414,711	\$ 85,571,798	8.0%

2013 kWh Savings Goal REPORT

2013 Energy
Savings Goal:
5,821,459 kWh

The energy savings goal is equivalent to 1.5 percent of the energy that SPU would have otherwise sold to customers.

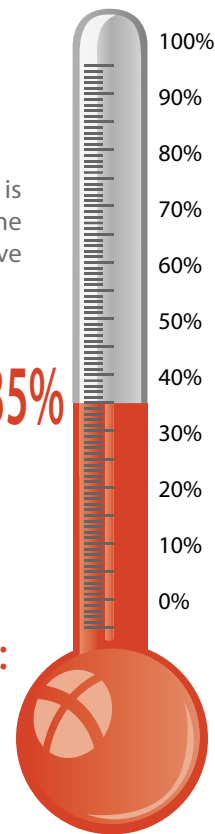
2013 Goal
Achieved
to Date*

35%

*As of June 6, 2013

2013
Remaining Goal:
3,798,032 kWh*

*As of June 6, 2013



2013 kWh Savings To Date*

Program	kWh Savings
Home Energy Reports*	907,000
Residential Programs	45,395
Commercial Programs	1,071,032
Total Goal Achieved	2,023,427

*Anticipated total for 2013

SPU residential electric customers may qualify for a rebate when purchasing ENERGY STAR qualified lighting products, appliances, and heating and cooling products. Rebates are also offered for recycling old, inefficient appliances.

To learn ways you can save energy and money, visit www.spucweb.com, where you'll find home energy savings tips, residential rebate details and forms.

in this ISSUE



Shakopee Public Utilities
“Lighting the Way—Yesterday, Today and Beyond”

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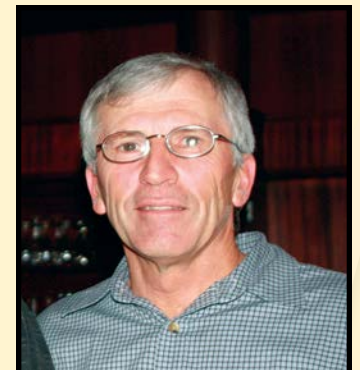
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2013 Consumer Confidence Report

The Spotlight's on... Gene Pass, System Technician



Gene Pass

After 41 years of service, Gene Pass, SPU System Technician, retired on June 21, 2013.

On June 17, 2013, SPU commissioners passed a resolution and awarded Gene a plaque which recognized his dedicated service to SPU. “Gene will be hard to replace,” said Marv Athmann, SPU’s Electric Superintendent. “His dedication, knowledge and attitude towards the job are essentially irreplaceable.”

For the past 15 years, Gene was responsible for overseeing the electric service crew, including installation of new service, service repairs, maintaining street lights, and locating underground lines for Gopher State One Call. “I really enjoyed my job,” Gene said. “Even though some days seemed like they’d never end, the years certainly flew by.”

Gene witnessed many changes during his tenure with SPU. “There were essentially no homes south of Tenth Street when I started in 1972,” Gene said. “We’ve seen many changes and improvements since I started on the line crew, especially the equipment,” Gene added.

Fast Fact

(correction)

Each year, SPU delivers over 400 million kWh to approximately 16,400 electric customers.

Although he’ll miss the people he works with, Gene is looking forward to having an open schedule, which will allow him more time to bike, fish and spend time with family.

Gene, a lifelong Shakopee resident, and his wife of 42 years, Jodi, have two children and enjoy spending time with their three granddaughters.