



Summer 2015

Power Lines

A Quarterly Publication for Shakopee Public Utilities' Residential Customers

contact SHAKOPEE PUBLIC UTILITIES

Business Office952.445.1988
Power Outage952.445.6681
Water Emergency . . .952.445.6681
Customer Service . . .952.445.1988
customerservice@shakopeeutilities.com
Past Due Accts952.345.2482
Street Light Outage . .952.345.2473
Fax:952.445.7767

SPU OFFICE HOURS

Monday-Friday:7:30 a.m.-4:00 p.m.

SPU BOARD OF COMMISSIONERS

President
..... Bill Mars
Vice President
..... Terry Joos
Commissioner
..... Deb Amundson
Commissioner
..... Joe Hellkamp
Commissioner
..... Jordan Olson

.....
Manager
..... John Crooks
PowerLines Editor
..... Sharon Walsh

Reliability Has Its Rewards

We're giddy with excitement over our recent achievement as a Diamond winner in the 2015 Reliable Public Power Provider (RP3) program – and we should be. Shakopee Public Utilities was the only Minnesota power provider to be recognized in 2015 by the American Public Power Association (APPA). With more than 2000 public power utilities nationwide, less than 100 were designees and only 25 attained a Diamond rating. To make things even more impressive, SPU was one of only a handful to receive a perfect score. That puts Shakopee in good company!



Pictured from left: Kenneth Stone – Energy Services and Accounting Manager at Braintree Electric Light Department of Braintree, Mass., Joe Adams – SPU Planning and Engineering Director, John Crooks – SPU Utilities Manager, Marvin Athmann – SPU Electric Superintendent, Christian Fenstermacher – SPU Engineering Technician and Mike Hyland - APPA Senior Vice President of Engineering Services.

What is RP3?

The RP3 program is a highly-detailed, comprehensive evaluation process recognizing those power providers that have established exceptional processes and deliverables. The RP3 distinction is earned by achieving superior ratings in four categories: Reliability, Safety, Workforce Development and System Development. Upon submission review by 18 industry experts, points were earned in each equally-weighted category based on process, systems and performance at a national level. The superior ratings we achieved came from a commitment to excellence and continuous improvement, with SPU setting the bar in leading practices and proficiencies in all four categories. The end result is the highest degree of reliability and safe delivery of electricity to you, our customers.

What it means for you

As a customer of SPU, you can depend on consistent electrical service. We strive to be the leader in providing solid, reliable and affordable service both our commercial and residential customers. The RP3 award is a challenge to us to continue to be resourceful in our business practices and service deliveries, innovative in future electrical solutions and, as always, a community partner you can trust.

The RP3 award is widely recognized in the power industry. The Diamond designation will reflect positively on Shakopee as a whole and SPU will be viewed as a prominent industry leader. From a financial perspective, this designation may influence future bond ratings, SPU workers compensation and company insurance rates, which equates to continued rate management for you. SPU has earned the right to carry and promote the Diamond designation status for a period of three years.

“It’s an honor to be recognized on a national level for work we’re doing locally.” John Crooks, Utility Manager

Did You KNOW?



2014 Power Outage & Reliability Report



1 CIP (Conservation Improvement Program) is a mandatory state program for all Minnesota gas and electric utility providers.

Annually, we are required to achieve an energy savings goal of 1.5% of our retail sales. Our focus is to provide energy conservation ideas and product incentives to all SPU customers that will generate a reduction in kWh usage.

In 2014, we saw a reduction of 4,730,000 kWh and an approximate savings of \$467,000. Thanks for doing your part to conserve energy and/or be an energy efficient user! There are still dollars available for 2015. Our residential and commercial rebate offers are available online at www.spucweb.com

4,730,000 kWh
Reduction in 2014 through CIP Programs

2 There is a new substation being constructed on CR69/First Avenue (across the street from Rahr Malting). This substation is replacing the current Xcel Energy-owned substation that was built in the 1960s. The existing aged substation was a source of several outages in 2014. The new technology and infrastructure, which will include a SPUC-owned transformer, will provide more reliable service to SPU's customers while offering greater independence from Xcel Energy. Check out the progress!



3 We are working to improve our communications to the public. Join us on Facebook (Shakopee Public Utilities Commission) to get relevant and interesting energy information, as well as major outage or water updates.

SPU's electric distribution system consists of 5 substations and 31 distribution circuits. There are 262 miles of underground lines and 95 miles of overhead lines. The system includes 3,860 power poles, 685 overhead transformers, and 2,153 pad mount transformers for underground areas.

357
Total miles of power lines

Outage Response

SPU has been keeping records of power outages for 21 years. During 2014, SPU crews responded to 141 reports of power outages with 114 of these being sustained outages on the electrical distribution system (outages of more than five minutes) and 27 customer-related issues. The number of sustained power outages is a seven year high for SPU and can be directly related to two major storm events in 2014 (June 14th and July 7th). High winds caused large trees growing outside of SPU's vegetation management area to be blown onto overhead power lines creating significant damage and prolonged repair time. To put this in perspective, these two storms accounted for 49% of the total outage minutes in 2014.

23 Outages caused by animals in 2014

Throughout 2014 trees accounted for 21% of the total number of outages, followed closely by animals at 20%. FACT: Animals are generally the leading cause of power outages for most power utilities in the United States.

Reliability

In 2014, SPU's customer base included 16,643 meters with more than 400,000 MWh of electricity delivered. Factoring in the hours of service availability and the number of customer hours used per year, SPU customers had reliable power 99.9% of the time. Additionally, based on the 2013 survey results published by the American Public Power Association (APPA) in March 2014, SPU significantly outperformed national annual averages for number of interruptions, outage minutes and number of minutes without power during an outage. These numbers speak to SPU's infra-structure, system stability and performance of the electrical team.

To calculate reliability standings, SPU uses calculations consistent with "IEEE Guide for Electric Power Distribution Reliability Indices"

99.9%
Amount of time customers received power

Statistical Data

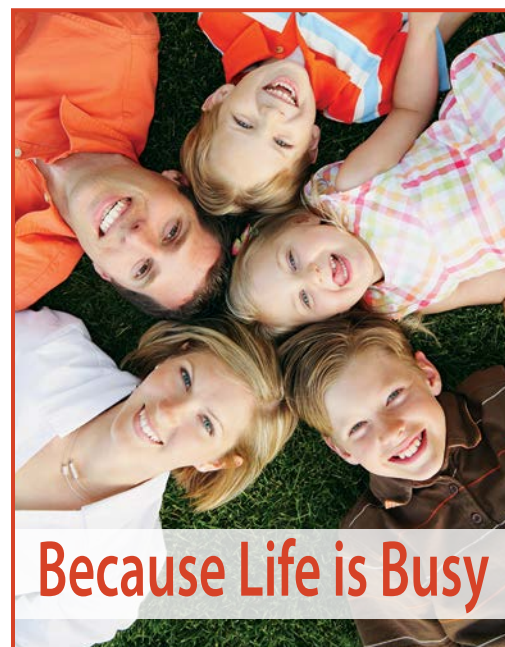
	2014	2013	% Change
Electric Department			
Total kWh Purchased	417,376,994	413,119,096	1.0%
Total Cost of kWh purchased	\$ 29,426,606	\$ 28,499,899	3.3%
Average Cost of kWh Purchased	0.071	0.069	2.2%
Total kWh Delivered	401,272,664	394,596,477	1.7%
Number of Metered Customers	16,700	16,508	1.2%
Water Department			
Total Gallons Pumped (in thousands)	1,690,376	1,820,567	-7.2%
Number of Metered Customers	11,085	10,956	1.2%

The BALANCE SHEET

Assets	2014	2013	% Change
Cash & Investments	\$ 30,078,417	\$ 25,610,450	17.4%
Accrued Interest	27,499	27,814	-1.1%
Accounts Receivable	3,943,117	3,281,175	20.2%
Payments Due from City of Shakopee	298,719	179,970	66.0%
Inventory	1,114,382	1,001,496	11.3%
Prepaid Expenses	74,236	64,552	15.0%
Restricted Assets	10,472,688	10,080,925	3.9%
Unamortized Electric Plant Acquisition	88,720	175,960	-49.6%
Prepaid Bond Insurance	45,819	48,705	-5.9%
Property, Plant & Equipment, minus depreciation	74,640,217	72,465,979	3.0%
Total Assets	\$ 120,783,814	\$ 112,937,026	6.9%
Deferred Outflows of Resources			
Unamortized Loss on Refunding	214,444	228,740	-6.2%
Total Assets and Deferred Outflows of Resources	\$ 120,998,258	\$ 113,165,766	6.9%
Liabilities and Net Position			
Accounts Payable	\$ 3,269,998	\$ 3,262,879	0.2%
Due to City of Shakopee	500,956	505,225	-0.8%
Other Liabilities	383,580	262,220	46.3%
Customer Deposits	2,014,745	1,119,669	79.9%
Interest Payable	158,096	164,628	-4.0%
Bonds Payable	8,815,000	9,195,000	-4.1%
Unearned Revenues	2,132	2,543	-16.2%
Unamortized Bond Discount	(9,838)	(10,457)	-5.9%
Other Liabilities	682,512	420,955	62.1%
Total Liabilities	\$ 15,817,181	\$ 14,922,662	6.0%
Total Net Position	\$ 105,181,077	\$ 98,243,104	7.1%
Total Liabilities and Net Position	\$ 120,998,258	\$ 113,165,766	6.9%

Statement of REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

	2014	2013	% Change
Operating Revenue	\$ 46,450,424	\$ 45,405,022	2.3%
Operating Expense	39,736,774	38,714,100	2.6%
Operating Income	\$ 6,713,650	\$ 6,690,922	0.3%
Non-Operating Revenue (Expense):			
Rental and Miscellaneous	\$ 539,024	\$ 380,464	41.7%
Investment Income	100,780	55,522	81.5%
Interest Expense	(382,443)	(430,413)	-11.1%
Amortization of Bond Discount and Loss on Refunding	(17,802)	(782,051)	-97.7%
Gain/(Loss) on Disposition of Property	31,348	1,537	
Total Non-Operating Revenue(Expense)	\$ 270,907	\$ (774,941)	-135.0%
Income before Contributions and Transfers	\$ 6,984,557	\$ 5,915,981	18.1%
Capital Contributions	2,105,296	2,409,934	-12.6%
Operating Transfer to City of Shakopee	(2,151,880)	(2,185,744)	-1.5%
Change in Net Position	\$ 6,937,973	\$ 6,140,171	13.0%
Net Position - Beginning of Year	98,243,104	92,414,711	6.3%
Change In Accounting Principle	0	(311,778)	
Beginning of Year, as Restated	98,243,104	92,102,933	
Total Net Position - End of Year	\$ 105,181,077	\$ 98,243,104	7.1%



Do you want to check one more thing off your To Do List? Eliminate the possibility of late fees? Or keep your credit rating in great standing? Then Automatic Bill Pay is for you.

Nearly 1 in 4 of our residential customers are utilizing SPU's automated bill payment system. In a few easy steps, you can be enjoying the convenience of having your utility bill paid every month without additional effort on your part. No mailing checks. No drive by deposits. No calendar reminders.


It's fast. It's easy. It's safe. And it's free. Just complete an authorization form and include a voided check or deposit slip. You will continue to receive a paper statement for your records, and you'll see the deduction on your bank statements. You can cancel this option at any time. Contact us if you have any questions.

**Put more fun in your summer.
ENROLL TODAY!**

For an authorization form, simply:

 **CLICK:**
www.spucweb.com

 **VISIT:**
SPU Service Center
255 Sarazin Street | Shakopee

 **CALL:**
952.445.1988

in this ISSUE



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

255 Sarazin Street • P.O. Box 470 • Shakopee, MN 55379
Phone: (952) 445-1988 • Fax: (952) 445-7767 • www.spucweb.com

PRSR STD
US POSTAGE
PAID
OWATONNA, MN
PERMIT 110

Page

SPU Earns High Honors	1
Did You Know?	2
2014 Power Outage & Reliability Report	2
2014 Statistical Data	2
2014 Financial Statistics.....	3
Because Life is Busy.....	3
The Spotlight's on Sharon Walsh Director, Marketing & Customer Relations	4

Insert

2015 Consumer Confidence Report

The Spotlight's on Sharon Walsh Director, Marketing & Customer Relations

Meet Sharon Walsh, a long-time resident of the Shakopee community and one of the newest team members of SPU. As a marketing professional, Sharon has spent her entire career in the service industry and is looking forward to bringing new ideas to SPU. In her role as Marketing/Customer Relations Director, Sharon plans to focus on SPU's role as an energy advisor for both residential and commercial customers. This includes conservation initiatives, key account management and enhanced communications for all customers.

Additionally, Sharon wants to build on the community partnership SPU has with Shakopee. She recently joined electrical staff on a visit to Eagle Creek Elementary where students had hands-on learning opportunities with System Technician, Mike Enright and Electric Superintendent, Marv Athmann. Sharon said, "It was fun to see the students so engaged. Maybe we sparked an engineer or two in the crowd. (Sorry, no pun intended!)"

Prior to joining SPUC, Sharon worked in marketing and management roles for a number of companies including BI Worldwide and CBRE, as well as owning her own marketing

incentive company for seven years. John Crooks, Utilities Manager for SPUC, noted, "We're excited to have Sharon onboard. Her previous experience and fresh perspective will be a positive addition to the SPUC team."

"Coming from the private sector to a utilities company will require a learning curve, but I'm excited to utilize my marketing and customer service experience at the public level."

Sharon Walsh



Sharon Walsh



Eagle Creek Elementary