

A REGULAR MEETING OF THE PUBLIC UTILITIES COMMISSION OF THE CITY OF VIRGINIA, MINNESOTA WAS HELD AT THE OFFICE OF THE DEPARTMENT OF PUBLIC UTILITIES ON MONDAY, JANUARY 22, 2018 AT 3:30 P.M.

Item 1. - Commission President Raplinger called the meeting to order at 3:30 PM.

Present: Commissioners Johnson, Marwick and Raplinger

Absent: Commissioners Culbert and Marks

Also Present: Greg French – General Manager; Bill Hafdahl – Finance Director; Mary Johnson – Supervisor – Customer Relations; Larry Cuffe Jr. – Mayor; Charlie Baribeau – Virginia City Council; Representative – Virginia Public Access TV

Approved

Item 2 – Mr. French indicated Item 8 (c) – Approve Resolution #5254 – Steam Conversion Plan was added to the agenda. Motion to approve the amended agenda by Marwick and supported by Johnson. Motion carried unanimously.

Item 3 – None

Item 4 – Mr. French indicated the LEA Commission meeting scheduled for January 22, 2018 was cancelled. The next meeting will be held March 26, 2018 in Virginia at 4:30 PM.

Item 5 – (a) and (b) A motion was made by Marwick and supported by Johnson that financial resolution No. 5253 - Authorizing the payroll dated December 21, 2017 in the amount of \$97,786.05, direct deposits #27925 through #27992 and the payroll dated January 4, 2018 in the amount of \$127,562.07, direct deposits #27993 through #28060 and the payroll dated January 18, 2018 in the amount of \$107,103.87, direct deposits #28061 through #28127; and the bills dated December 18, 2017 through January 22, 2018 in the amount of \$2,429,562.61, checks #100684 through #100917 and wire and electronic transfers in the amount of \$2,835,735.36 be adopted and to approve the Regular Commission Meeting minutes from the December 18, 2017 meeting. Motion carried unanimously.

Item 6 (a) – Mr. French stated there was one injury reported for the month resulting in no restrictions or lost time

Item 6 (b) – Mr. French stated the Strategic Planning Committee met on January 10, 2018, and that his update would be included under Agenda Item 8 (c) - Approve Resolution #5254 – Steam Conversion Plan.

Item 7 (a) – Mr. French indicated the Steam Abandonment and Gas Policies had been revised to include language that would drop the steam disconnect fee for involuntary disconnects and also waive the fee for gas installations done in forced conversion areas. Commissioner Raplinger called for the approval of the second reading of both the steam and gas policies as presented. A motion was made by Johnson and supported by Marwick. Motion carried unanimously.

Item 8 (a) – Mr. Raplinger requested the Commission approve changing the meeting time from 3:30 to 4:30 as he had discussed at the December meeting. Mr. French stated for the record that he had not been approached concerning the change by those commissioners who were not present. A motion to approve changing the meeting time to 4:30 was made by Marwick and supported by Johnson. Motion carried unanimously.

Item 8 (b) – Mr. French recommended the Commission approve the travel request for a Lineman and Meter Tech to attend the MMUA Meter School; February 14-16, 2018 in Marshall, MN. Motion to approve the request was made by Johnson and supported by Marwick. Motion carried unanimously.

Item 8 (c) – Mr. French indicated the Strategic Planning Committee had met several times regarding the Steam Conversion Plan. He further read Resolution #5254 indicating if the Commission approved the plan he would run a full page ad in the Mesabi Daily News, as well as send a brochure giving an overview of the plan to those customers that would be impacted. He stated final approval of the LEA/Xcel Energy Purchase Power Agreement (PPA) termination was anticipated by March 22nd, and that he wanted to get the information out to customers so VPU could start creating a list of those customers who were interested in converting. He stated the goal was to have a list of 300 customers wanting to convert in 2018 ready by April 1st. Motion to approve Resolution #5254 – Steam Conversion Plan was made by Johnson and supported by Marwick. Motion carried unanimously.

Item 9 (a) - Mr. French stated VPU is currently generating 19 megawatts utilizing both turbine generators with steam created by the wood and coal boilers.

Item 9 (b) – Mr. Hafdahl gave a CIP Update stating Energy Insights was wrapping up loose ends with 8 rebates issued that ranged from \$300 to \$5000 with most of them being on the lower end. Mr. Hafdahl also stated he received information from the Electric Department on how many transformers were changed out, lines run, etc that he passed on to Energy Insights. Finally he indicated that AEOA had provided a report detailing the work they had done in 2017 and close to 40 customers were helped.

Item 10 – A motion to adjourn at 3:53 was made by Johnson and supported by Marwick. Motion carried unanimously.

ATTEST:

APPROVED:

Bill Culbert, Secretary

Rob Raplinger, President