

DULUTH PUBLIC UTILITIES COMMISSION
Meeting Minutes
February 19, 2013

Members Present: Councilor Sharla Gardner, Patrick Huston, Councilor Jennifer Julsrud, Robert Prusak, Linda Sellner, Councilor Jim Stauber, Jason Thorsell

Staff Present: Jodi Amundson, Bob Asleson, Jim Benning, Alisa DeRider, Leanna Gilbert, Howard Jacobson, Eric Shaffer, Glenn Strid

Call to Order: The meeting was called to order at 5:15 p.m. by President Sellner.

Approval of previous meeting and public hearing minutes

Old business:

12PUC-010 – RESOLUTION ESTABLISHING NATURAL GAS RATES EFFECTIVE WITH METER READINGS AFTER MARCH 31, 2013; SUPERSEDING ALL PRIOR INCONSISTENT OR CONFLICTING RATES AS OF APRIL 1, 2013. (as amended)

After discussion about resolution 12PUC-010 and the cost of service study, commissioners agreed to send the resolution back to staff. Staff will clean up the resolution, separate the base rate out into a different resolution, and add a sentence to better explain the reasons for the rate changes as requested by commissioners. Commissioner Stauber recommended having a plan ready before going to the public for input, and other commissioners were in agreement. Commissioner Huston suggested putting inserts in the customers' bills prior to any public meetings.

New business:

PILOT, Cost Allocation, etc. (Dave Montgomery)

Dave Montgomery was not available, so this item will be discussed at a special meeting to be held prior to the regular March meeting. Commissioner Stauber mentioned that he would like to have a resolution recommending that the Council reduce the PILOT. Other commissioners were not comfortable with a recommendation to Council on this subject.

13PUC-001 – RESOLUTION ADOPTING CAPITAL IMPROVEMENT PLAN FOR NATURAL GAS SUPPLY SYSTEM.

Commissioner Julsrud motioned to approve resolution 13PUC-001. Eric Shaffer gave a brief overview of the natural gas capital improvement plan for the years 2013-2017 and answered questions from commissioners. The resolution passed unanimously.

Review sample bills with sewer charges breakout

Commissioner Julsrud explained that the original intent of breaking out the WLSSD charges was to educate customers about the different parts of their sewer bill. Instead, it seems as if it would be confusing to customers and difficult for staff to implement.

13PUC-002 – RESOLUTION RESCINDING RESOLUTION 11PUC-SEWERBILL REQUESTING WLSSD CHARGES BE SEPARATELY STATED ON UTILITY BILLS.

Commissioner Julsrud motioned to approve resolution 13PUC-002. After further discussion, the resolution passed unanimously.

Updates from staff

Jim Benning mentioned that, due to the increase in WLSSD charges, residential rates will increase by about \$0.03 per CCF per month or by \$0.21 per month for the average household. This increase is based on resolution 11PUC-WLSSD which made WLSSD increases an automatic pass-through. Staff received the final numbers from WLSSD last week. There is a difference of about \$83,000 between 2012 and 2013 monthly payments.

Upcoming Council actions

No actions were discussed.

Commissioner questions or comments

Commissioner Gardner thanked everyone for their help, as this is her first meeting. She also noted that the meeting was two hours long, and Jim Benning had told her that it wouldn't be.

Commissioner Julsrud noted that we will need a new commissioner to replace Commissioner Huston, since his term will end in March. She also thanked Commissioner Huston for his service.

Preview of upcoming business

The next regular meeting is scheduled for Tuesday, March 19, 2013, at 5:15 p.m. in City Council Chambers. The commission will also schedule a special meeting prior to the regular March meeting to discuss the PILOT with Dave Montgomery. Staff will create a separate resolution just to adjust the natural gas base rate. Staff will also revise resolution 12PUC-010 as requested by commissioners prior to scheduling any public meetings.

Adjournment: The meeting was adjourned at 7:09 p.m.

A recording of this meeting is available upon request.