



MEMO

TO: DULUTH CITY COUNCIL

FROM: JIM BENNING
DIRECTOR OF PUBLIC WORKS & UTILITIES

SUBJECT: DULUTH PUBLIC UTILITIES COMMISSION PUBLIC HEARING

DATE: MAY 20, 2021

CC: DULUTH PUBLIC UTILITIES COMMISSION

The Duluth Public Utilities Commission (the Commission) considered a resolution establishing a new natural gas rate and renaming rate classes.

On May 18, 2021, the Commission held a public hearing and hereby reports to the City Council the results thereof. There were no comments from the public. The Commission discussed the proposed resolution during the regular meeting. Resolution 21PUC-004 passed establishing a new natural gas rate for Interruptible Class 55.

Unapproved minutes from the Commission's public hearing are attached for further detail. Approved minutes will be forwarded if any changes are made.



City of Duluth

411 West First Street
Duluth, Minnesota 55802

Minutes - Draft

Duluth Public Utilities Commission.

Tuesday, May 18, 2021

5:15 PM

Council Chambers, City Hall, 411 West First Street

NOTICE OF PUBLIC HEARING: The Duluth Public Utilities Commission will hold a public hearing by electronic means on Tuesday, May 18, 2021 at 5:15 p.m. to consider creation of a new natural gas rate class of "Interruptible Class 55" and to establish rates therefore. The purpose of this public hearing will be to explain the proposed new natural gas rate category and rates and to receive comments from the public regarding the proposed new rate. The public hearing will be held at the commencement of the regular Commission meeting, which will be held by "other electronic means" pursuant to Minnesota Statutes Section 13D.021 in response to the COVID-19 emergency. Some members of the Board will be participating through video conference.

PUBLIC PARTICIPATION/PUBLIC COMMENT: Due to the COVID-19 emergency and the limitation on the use of City facilities, the hearing and regular meeting will be in a virtual, electronic format and not in a personal, public format, and public comment will not be taken in person. However, members of the public can monitor the hearing and meeting and provide public comment on the proposed new natural gas rate category and on other agenda items through WebEx Events. Go to <https://duluthmn.gov/live-meeting> to access the meeting. The public is also encouraged to submit written comment to jbenning@duluthmn.gov prior to the meeting. Please include "May 2021 DPUC Agenda" in the subject line, and include your name and address and the agenda item you are speaking to. The Commission's agenda can be found online at <https://duluthmn.gov/boards-commissions/duluth-public-utilities-commission/>. Please note that all public comment is considered Public Data.

CALL TO ORDER

President Ryan called the meeting to order at 5:16 p.m.

ROLL CALL

Members Present: Andrea Crouse, Steve Lipinski, Carrie Ryan, Councilor Joel Sipress, Councilor Terese Tomanek; Councilor Derek Medved arrived at 5:17 p.m.

Members Absent: Chris Adatte

Staff Present: Bob Asleson, Jim Benning, Leanna Gilbert, Greg Guerrero, Chris Ostern, Eric Shaffer

NATURAL GAS INTERRUPTIBLE CLASS 55 RATE PUBLIC HEARING

The Commission held a public hearing on natural gas interruptible class 55 rate resolution 21PUC-004. There were no comments from the public at the hearing. The hearing was closed at 5:19 p.m., and the Commission moved on to the regular meeting.

PUBLIC COMMENT PERIOD

There were no comments from the public at this time.

APPROVAL OF MINUTES

[DPUC049](#) Apr. 20, 2021 DPUC meeting minutes draft

Indexes:

Attachments: [04202021 DPUC meeting minutes draft](#)

Commissioner Lipinski motioned to approve the minutes, and the motion was approved by all present.

UNFINISHED BUSINESS

ERU calculation update

Eric Shaffer reported that the ERU calculation is moving along. We met with the consultant twice. We defined the total number of homes in each neighborhood. The consultant will randomly select homes to calculate the areas. We hope to have something by the next meeting.

NEW BUSINESS

[DPUC050](#) 21PUC-003 - RESOLUTION ESTABLISHING NATURAL GAS RATE CLASSES FOR NATURAL GAS CUSTOMERS.

Indexes:

Attachments: [21PUC-003 natural gas rate classes](#)

Eric Shaffer explained that this resolution formally adopts and defines the existing natural gas rate classes and includes the new Class 55. Commissioner Tomanek motioned to approve resolution 21PUC-003, and the resolution was approved (President Ryan abstained).

[DPUC051](#) 21PUC-004 - RESOLUTION ESTABLISHING A NEW NATURAL GAS RATE FOR INTERRUPTIBLE CLASS 55, ESTABLISHING A RATE THEREFORE AND RE-NAMING CLASSES.

Indexes:

Attachments: [21PUC-004 gas rate 55](#)

Eric Shaffer explained that this resolution sets a fixed monthly rate of \$517.50 and a per 100 cubic feet (CCF) volume rate of \$0.655 for Interruptible Class 55. The resolution also renames the rate classes to match those in 21PUC-003. Commissioner Medved motioned to approve resolution 21PUC-004, and the resolution was approved (President Ryan abstained).

UPDATES FROM STAFF

Jim Benning met with his budget staff about the sanitary sewer fund. We plan to present some numbers to the Commission next month. Eric Shaffer will prepare a draft presentation. Eric Shaffer reported that the lead service replacement grant

application was submitted. If we get that money, we can proceed with replacement of approximately 100-140 services next year. We discussed how to identify lead services. The Service division enters homes on a regular basis, and they have already determined whether 800 homes have lead services. We have not put anything on the website yet, but that will be coming. There is a lot of construction going on. We are getting a lot of utility pipes put in for the TPI project. We inspected a 16" gas main and found some corrosion areas to fix. The Woodland Phase 3 gas project will probably start next week. We have a big gas project on Haines Road by the airport where we are connecting a 10" line. That work is all being completed by City crews and should be done by Memorial Day weekend. There are a couple of big water upgrades on Swan Lake and Miller Creek that we were required to do because of a County project. This project was unbudgeted and cost about \$200,000. Hidden Valley will be delayed for a fall bid with a spring start. President Ryan asked how higher material costs have affected the budget. Most of the projects bid early enough that they were not affected. The Westwood sewer extension came in really high. Other recently bid projects came in close to estimate. Jim Benning stated that asphalt prices have been good. The Citywide paving project came in about 30% lower than estimate. Commissioner Crouse asked about volunteers for water sampling. Eric Shaffer responded that we got 100 volunteers in a couple of days.

COMMISSIONER QUESTIONS OR COMMENTS

There were no questions or comments at this time.

UPCOMING COUNCIL ACTIONS

No upcoming actions were mentioned.

PREVIEW OF UPCOMING BUSINESS

The next regular meeting is scheduled for Tuesday, June 15, 2021 at 5:15 p.m. The Commission will start discussing the sanitary sewer system.

KNOWN ABSENCES FOR FUTURE MEETINGS

No absences were mentioned.

ADJOURNMENT

The meeting was adjourned at 5:44 p.m.