

DPU Customer Newsletter



An informational newsletter for Customers of the Department of Public Utilities, Virginia, Minnesota

January 2006

**The Virginia
Department of Public
Utilities
wishes all its customers
a Safe, Happy, and
Healthy New Year.**

VIRGINIA PUBLIC UTILITIES MEETS SHORT-TERM ECONOMIC AND ENVIRONMENTAL CHALLENGES WITH LONG-TERM VISION

Skyrocketing energy costs for natural gas, coal, and diesel fuel combined with changing and increasingly complex environmental and global economic environments are forcing dramatic changes impacting utility rates in 2006 and beyond.

The DPU Customer Newsletter is published quarterly by the City of Virginia, Minnesota, Department of Public Utilities, Terry Leoni, General Manager, 618 Second Street South, P. O. Box 1048 Virginia MN. 55792.

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This is a quarterly publication of the DPU for the benefit of Virginia customers. It is not intended to serve as official notice or supplement the official record of the City or the Department of Public Utilities. Suggestions or comments should be directed to Sue Lalli - phone 218-748-2113.

Meter readings can be submitted by mail, phone, or Email by sending the name, address, account number, along with the meter readings to billing@vpuc.com.

The Department of Public Utilities reminds customers to **Call Before You Dig**. Be sure to contact Gopher State One Call at www.gopherstateonecall.com or call 800-252-1166.

Virginia City Council minutes can be viewed on the City's website - www.virginiamn.us.

The bold, long-term vision of the Hibbing and Virginia Public Utilities, the Laurentian Energy Authority, begun nearly three years ago is already positioning these utilities to address the challenges facing energy consumers today and throughout the next two decades. This outside the box thinking, quite uncharacteristic for a stodgy, old municipal utility, is a Herculean effort to improve the overall financial health of the utility, retain good paying jobs in the community, and still meet our mission of providing safe, reliable and affordable steam, gas, water, and electric service for our customers. This initiative, the largest such undertaking in the past 100 years, will return millions to the VDPU over the next twenty years. Unfortunately, this project will not be operational until January 1, 2007 and thus will not be available to address our short-term issues.

INCREASING COSTS IN 2006 (as compared to 2005)

Rising Cost of Natural Gas	\$1,045,000
Rising Cost of Coal	\$ 546,000
Rising Cost of Diesel Fuel, Minnesota State Fees, and Major Operating Supplies	\$ 118,000
Rising Cost of Medical Benefits	\$ 112,000
Facilities Depreciation	\$ 213,000
Major Equipment Purchases due to Environmental Changes	\$ 299,000

These increased costs total \$2,333,000, \$1,821,000 impacting the 2006 operating budget bottom line and \$512,000 impacting the capital budget. It should also be noted that over the past five years (from 2001 through 2005) the employees at the VDPU received a total wage increase of 2% or 0.4% per year. For the same five-year period medical benefits increased, due to health provider increases, an average of 10% per year.

To address these issues the VDPU is working closely with its suppliers to investigate ways to soften these increases. For example, changing natural gas suppliers and buying strategies (gas storage) and reviewing its coal contract to re-negotiate transportation costs from Superior to Virginia. We are also furthering ways to operate the power plant more efficiently. These changes include the way we configure our processes and maintenance schedule throughout the year. It also includes plans to upgrade our controls to electronic and wireless Ethernet. Our current controls are 1950 vintage technology utilizing pneumatic controls. In addition, we are continuing to move toward automated meter reading, which will allow the utility to refocus manpower and improve cash flow. All of these initiatives are intended to soften the effect on rates due to increasing costs. However, these efficiencies and efforts will not be enough in themselves to offset all of these skyrocketing costs. The VDPU will make every effort to minimize these impacts on our rate structure but adjustments will be inevitable.

CITY OF VIRGINIA



PUBLIC WORKS SNOW REMOVAL

Public Works employees work on an on-call basis, 24 hours a day-7days a week, including holidays and weekends.

In general, after snow accumulation of three (3) inches, plowing begins.

Under City Ordinance, it is **ILLEGAL**:

- * To deposit snow onto ANY street or alley,
- * To deposit snow on a sidewalk,
- * To deposit snow on a fire hydrant,
- * To park a vehicle on a sidewalk,
- * To ignore calendar parking ordinances.

To aid in snow removal, law enforcement personnel will strictly enforce calendar parking and abandoned vehicle ordinances. They can impose fines for any or all of the illegal activities listed above and your vehicle may be towed.

If you hire a contractor to remove snow from your property, it is your responsibility to inform them of Public Works Policy. You are responsible for their actions while they are working for you.

As a public service to residents and the business community, banks of snow left after plowing will be removed from the downtown area and public parking in a timely manner.

In the interest of public safety and as a courtesy to pedestrians, we will make every effort to assist with snow removal from sidewalks.

Any items placed onto City right-of-way (including but not limited to basketball nets) must be removed immediately so as to not impede our snow removal processes. The City of Virginia is not responsible for any damage to any items placed illegally on the City right-of-way.

In all of our snowplowing efforts, it is our goal to remove the snow in the safest and most efficient manner. Your assistance is greatly appreciated.

If you have any questions about snow removal, please contact the Public Works Department at 748-7515.

For further information
visit the City of Virginia Minnesota website at

www.virginiamn.us

Help Keep Access to Meters and Fire Hydrants Free of Snow

The Virginia Department of Public Utilities is asking Customers' help in keeping access routes to meters free of ice and snow. Meters can then be read and serviced as required.

It is especially important to keep gas meters and gas regulators free of snow and ice to prevent malfunctioning.

Don't shovel snow onto steam manholes!

Customers are also reminded to keep steam manholes free of excess snow. When snow is thrown onto steam manholes, the snow melts, drips onto the pipes, and causes them to rust and eventually leak—increasing maintenance costs. The melting snow also cools the steam pipes, causing the steam in the pipes to condense. When this goes through your steam system, your steam bill goes up.

Help Keep Fire Hydrants Free of Snow

Customers are encouraged to adopt a fire hydrant throughout the winter months!

Shovel hydrants near your property to keep access to them clear in case of an emergency!

If you see a fire hydrant that does not have a marker flag or needs to have snow removed for access, please call the Utilities business office – 748-7540 extension 121 and report the location of any hydrant needing a marker flag or in need of snow removal.

The Virginia Utilities thanks the Citizens of Virginia for assisting in keeping access to fire hydrants and meters clear of snow over the winter months.

Department of Public Utilities
phones answered
24 hours a day 365 days a year
for emergency situations

218-748-7540

Utility Meter Policy & Meter Seal Policy Updates

Monthly Meter Readings

The Utility adopted a policy effective November 9, 2004, requiring access to read meters, for billing purposes, a minimum of every three (3) months. Prior to this, we required access every six (6) months. We realize this will be an inconvenience to a small number of customers and ask for your cooperation. We feel this will benefit many of our customers by providing more accurate bills and possibly identifying problems sooner—such as high water consumption that could indicate a leak.

Currently, if our Meter Readers do not get in, and you do not provide your meter readings, we must estimate your meter(s). Due to many circumstances (colder weather than last month and/or year, a change in occupancy, etc.) it is impossible for our Meter Readers to estimate with 100% accuracy. When we do not get in for six (6) or more months, and we have underestimated, you could be faced with a very large utility bill.

If you are not regularly home, please consider providing the Utility with a key to your property (if you haven't done so already).

Return the "Please Read Your Meters" card promptly to insure fewer estimates between times when our Meter Readers read your meters. You may also call your readings in 24-hours a day to 218-748-6550 or email your meter readings to billing@vpuc.com. If you prefer, you may call our office at 218-748-7545 to schedule an appointment to get your meter(s) read.

If a "Sorry We Missed You" card is left at your property requesting you call to set up an appointment for a three (3) month read, please call our office at 218-748-7545 prior to the "call by" date to schedule an appointment to get your meter(s) read.

Our regular hours for meter readings are between 8:30 a.m. and 4:30 p.m. Monday through Friday. If you are unavailable during these hours, we may be able to set up an appointment between 7:15 a.m. and 8:30 a.m. – please ask!

In addition, please keep your meters accessible and provide safe access for your Meter Reader. Keep bushes, shrubs, or trees, trimmed around your meters. During the winter, please keep the path to your outside meters free from snow and ice. Remove snow from your meters by hand to avoid ice buildup. Inside, please keep the path to your meter(s) clear and areas around your meter(s) free from boxes, building materials, etc.

Please note - dogs left outside to protect your property can prevent your Meter Reader from accessing your meters.

Meter Seal Policy

It is a violation of Utility policy for anyone but a Utility employee to cut and/or remove a seal. If you need to have your meter seal removed, please call our office at 218-748-7545 and we will send an employee out to remove your seal. A seal that is found to be damaged, cut, or broken in any manner as to make the seal ineffective may result in a fine.

A seal is any wire, lock, cable, padlock, or other device used to secure, prevent the opening of, or access to a metering device, steam condensate system, water system, gas system, or electric system to insure proper metering.

Know the Smell of Natural Gas - Be Safe!

The smell of natural gas comes from a harmless chemical added purposely by utility companies to the natural gas so that even the smallest amount of escaping gas can be detected. Everybody should be familiar with this built-in safety signal. Used properly, natural gas is a safe, efficient and reliable fuel.

If there is a faint smell of natural gas:

Call the Virginia Utilities Department at 218-748-7540.
Phone answered 24 hours a day, 365 days a year.

If the odor is strong:

Leave the building immediately!

Do not use your telephone or cell phone, turn on a light switch, light a match, or do anything that might create a spark or flame.

Go to a neighbor's telephone & call the Virginia Public Utilities IMMEDIATELY!
218-748-7540 - Phone answered 24 hours a day, 365 days year.

Do not reenter the building until it has been declared safe to do so. Remember to be safe at all times.

If in doubt, leave the building immediately & call the Virginia Utilities at 218-748-7540

HeatShare Program

Administered by the Salvation Army

The HeatShare program – a voluntary non-governmental program of the Salvation Army – has been in existence since 1982. The purpose of this energy-related program is to advance the common good and general welfare of the needed people by soliciting voluntary contributions to assist needy Minnesotans with energy related problems, including but not limited to residential heating bills, repairs on home heating equipment, and shut-offs; to provide assistance in reducing the cost of utilities for qualified low income elderly, disabled, and others with special needs who have difficulty paying their energy related expenses.

When you give to HeatShare, you are helping warm the lives of the elderly, disabled and others who have nowhere else to turn. HeatShare is a last resort for many who have no other resources available to see them through the winter.

Who is eligible for HeatShare? Senior citizens 55 years of age or older with low, fixed incomes and no alternate source of help. Disabled persons whose physical capabilities or health problems limit their ability to maintain income to cover energy bills adequately. Persons who have had an unexpected emergency within the last 12 months and as a result of the emergency cannot pay energy costs. Persons who meet income guidelines and have received or applied for all other possible public funds.

Who Supports HeatShare? Your neighbors, your friends, people in big cities, people in small towns and businesses all help with HeatShare. You can help, too, by sending a tax-deductible contribution with the form below. HeatShare is one way a small amount can help in a big way.

Call the business office of the Virginia Department of Public Utilities at 218-748-7540 or the Salvation Army at 800-842-7279 if you have any questions or comments.

Please return this form with your check made payable to **HeatShare** to the Virginia Department of Public Utilities, Post Office Box 1048, Virginia Minnesota 55792. Your contribution will be forwarded to the Salvation Army.

YES! I WANT TO CONTRIBUTE TO **HeatShare**.

ENCLOSED IS MY CONTRIBUTION OF \$ _____

Name _____

Date: _____

Address _____

Utility Company: The Virginia Dept. of Public Utilities

P. O. Box 1048

Virginia, Minnesota 55792

Signature _____

Thank you for your generous contribution.

Please make your check payable to **HeatShare**, attach this form, and return to:

The Virginia Department of Public Utilities
P. O. Box 1048
Virginia, Minnesota 55792

*Any donations received for **HeatShare** will be forwarded to the Salvation Army.*