

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. Do not turn on a light switch, or light a match, or do anything that might create a spark or flame.
- Go to a neighbor's telephone & call the Virginia Public Utilities or 9-1-1 IMMEDIATELY!

Utility phone answered 24 hours a day 365 days year **218-748-7540**

Do not re-enter the building until it has been declared safe to do so.

If in doubt, leave the building immediately
& call the Virginia Public Utilities

PLEASE CHECK YOUR DOORS DAILY FOR DOOR HANGER NOTIFICATIONS OF PLANNED UTILITY OUTAGES.

CUSTOMERS CAN CHOOSE TO PURCHASE ELECTRICITY *Powered by the Wind*



Windsence

Investing in Renewable Energy

Residential and small commercial customers in the City of Virginia can support the purchase of electric energy that has been produced by the wind.

Through the terms of a 15-year agreement, Minnesota Power is purchasing a portion of the output of the wind generators owned by Great River Energy at Chandler Hills Wind Farm in

southwestern Minnesota, and is making this available to The Virginia Department of Public Utilities' customers.

The cost to produce wind energy is higher than the cost of producing electricity from coal or hydropower. As a result, wind energy provided under this program will include a small surcharge (\$2.50 per unit) to cover the additional cost of acquiring this renewable resource. We sell wind generated electric energy in 100 kilowatt-hour (kWh) blocks. If you decide to choose wind power, you would pay an additional

charge of \$2.50 per 100-kilowatt-hour block per month.

We don't want you to think we can direct each electron from the wind turbine to your meter. That's not physically possible. Wind power flows into the power grid, where it's mixed with electricity from all the other regional sources.

However, by financially supporting renewable wind energy, you'll support the growth of wind generation in the state. In addition, you'll help us determine if additional wind generation should be built to meet customer demand.

Contact our Business Office for more information on purchasing energy *Powered by the Wind!*

ARE YOU PLANNING A CONSTRUCTION PROJECT IN VIRGINIA THIS YEAR? PLANNING AHEAD MAY SAVE YOU A HEADACHE LATER!

The City of Virginia requires Building Permits, Demolition Permits and/or Mechanical Permits for most projects. City Code, Chapter 11, Subd. 10 requires that a building permit must be obtained if ANY of the following are true:

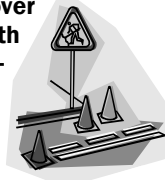
- ⇒ Material and labor costs of ANY project on your property exceeds \$500, **OR**
- ⇒ You construct a fence, wall, garage or other structure, regardless of the cost, **OR**
- ⇒ You change your signage or storefront, **OR**
- ⇒ Demolish any structure

These requirements apply in EVERY residential or commercial district in the City of Virginia. There may be other items required, such as a Certificate of Survey, a variance, and/or a Utility Verification. Planning ahead will make the permitting process smoother.

For further information about permits, please feel free to contact the City Engineering Department at 218-748-7500 or visit our website at www.virginiamn.us.

WATCH FOR WORKERS

Please watch for Utility workers as you drive throughout Virginia over the next several months. With the warm weather comes repairs and upgrades to many of the utility lines located under the City's streets. In order to perform needed repairs and installations, Utility workers may have to barricade areas in the streets and alleyways.



Construction continues at the Virginia Power Plant where the installation of a new boiler and fuel handling and fuel storage structures is underway. The major portion of the construction is expected to be finished by late October 2006. Please watch for construction vehicles around the Power Plant and accept our apologies for any inconvenience this construction may cause you.

July 2006



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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 Connie Larson at (218) 749-7744.

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 800-252-1166 or www.gopherstateonecall.com

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

Virginia Public Utilities Commission minutes can be viewed on the DPU's website—www.vpuc.com

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



ELECTRICAL CODE VIOLATIONS

The City of Virginia and Virginia Public Utilities have joined together to report electrical code violations. All electrical work within the City is subject to inspection by the State Electrical inspector. If an employee of the City or Utility notices obvious or plain-sight electrical code violations, they will notify the City Fire Marshall and Utility Electrical Representative. These two individuals will review the issue and notify the State Electrical inspector if necessary. The State Inspector has the authority to require that the problem be fixed (at the property owner's expense) and can request that electrical service be disconnected if the problem is dangerous.

Property owners in the City of Virginia who are remodeling or building should contact City Engineering at (218) 748-7500 for questions on when a permit is required (see page 4) and the Utility at (218) 748-7540 for questions on steam, water, gas, or electrical services

AUTOMATED METER READING (AMR) UPDATE



There has been a lot going on with AMR this past year. As the DPU rolls this program out, more people want to know what is happening and when. For those who don't already know, AMR is short for Automated Meter Reading. Essentially, AMR allows the DPU to read your meters without having to enter your house. We are implementing this program for our residential customers throughout the City over the next two to three years.

Installations have already occurred in Midway, Ridgewood, and Williams Addition (areas where we provide gas service), and we are now working, with a small crew, in the Lenci Addition. By the time you read this we will have installed 36 steam AMR meters on the Northside of town just east of the hospital that will serve as our initial rollout of AMR in a steam zone.

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OBERSTAR ANNOUNCES DOE GRANT

On May 31, Congressman James L. Oberstar announced a \$1,237,500 grant for Laurentian Energy Authority from the U.S. Department of Energy (DOE).

Laurentian Energy Authority, LLC was awarded this grant to assess the feasibility of producing wood biomass for the Laurentian Bio-Energy Project in Virginia and Hibbing. The project will study the potential sources of wood for this project, including intensively-managed plantations of hybrid poplar, brush lands, rights-of-way clearing and other forest residues. The project will evaluate the economics of biomass and research various management practices. "In a time of high energy prices, this DOE grant will help evaluate our nation's use of renewable fuels, while better understanding forest management and conservation practices in a forest based economy" Oberstar said.

"The joint biomass project is extremely fortunate to have been awarded this grant. The awarded grant will showcase the significance to the State of Minnesota and the entire U.S., the art and science of growing short cycle hybrid poplar trees for the burgeoning renewable energy market." said Terry Leoni, Virginia Public Utilities Manager.

WHAT IF THE POWER GOES OUT?

Unplanned power outages can be caused by weather (see article on thunder and lightning), equipment failure, or trees, birds, squirrels or other animals on the overhead lines or in the transformers. Even a branch touching a line can be enough to cause the power to go out.

When your power first goes off, please check the following prior to calling us.

1. Is it a planned outage? (You should have received a door hanger.)
2. Is it your breakers or circuits? (Check your fuse box.)
3. Is your neighbor's power off?

When you call, you will be asked for the following information:

1. Your name, address and telephone number
2. The approximate time the power was interrupted
3. If the entire area is without power, or just your home
4. If you saw or heard anything unusual when the power went out
5. If you can see any power lines on the ground

In cases of widespread power outages, our phone lines may be busy, please be patient and try your call again in a few minutes.

Keep an Outage Preparedness Kit handy with:

- A flashlight with a supply of fresh batteries
- A portable, battery-powered radio so you can keep up with news. During a major power outage, keep your battery-operated radio tuned to any one of these radio stations that we will update periodically: WEVE 97.9 FM or WMFG 106.3 FM/1240 AM
- A telephone that does not depend on electricity. Cordless phones will not function during an outage
- A supply of easy-to-prepare, nonperishable foods. This includes packaged snacks, fruits and bottled water and juices.
- A wind-up or battery-operated clock
- A first aid kit
- A manual can opener
- Warm blankets

More Power Outage Tips:

- Use candles with caution – never leave them burning unattended.
- Double check to make sure all heat producing appliances like stoves, toaster ovens, irons and hair curlers, are turned off to minimize any fire hazard if the power is restored while you are away.
- Keep your refrigerator and freezer doors closed to help keep in the cold air and prevent food spoilage. A closed refrigerator can keep food cold for up to 24 hours and a closed freezer can keep food frozen for up to 48 hours.
- If you must use propane, natural gas, fuel oil or wood for heat, you should know the flu-like symptoms of carbon monoxide poisoning, which are persistent headaches, sleepiness, lack of energy, nausea, dizziness, weakness, reddening of the face, burning eyes, and shortness of breath.
- During power outages, turn off your hot water heater (if it is electric) and unplug all appliances (except one light to let you know when power has been restored) especially sensitive equipment such as fax machines, microwaves, computers and televisions. Installing sensors or surge protectors can help protect your appliances and equipment from surges when the power is restored. Wait about five minutes after the power comes back on to switch your appliances on to make sure the system is stabilized.

Thank you in advance for your patience and understanding while we are working to restore power to your homes and businesses.

THUNDER AND LIGHTNING

Facts about thunderstorms:

- They may occur singly, in clusters, or in lines.
- Some of the most severe occur when a single thunderstorm affects one location for an extended time.
- Thunderstorms typically produce heavy rain for a brief period, anywhere from 30 minutes to an hour.
- Warm, humid conditions are highly favorable for thunderstorm development.
- About 10 percent of thunderstorms are classified as severe—one that produces hail at least three-quarters of an inch in diameter, has winds of 58 miles per hour or higher, or produces a tornado.



Facts about lightning:

- Lightning's unpredictability increases the risk to individuals and property.
- Lightning often strikes outside of heavy rain and may occur as far as 10 miles away from any rainfall.
- "Heat lightning" is actually lightning from a thunderstorm too far away for thunder to be heard. However, the storm may be moving in your direction!
- Most lightning deaths and injuries occur when people are caught outdoors in the summer months during the afternoon and evening.
- Your chances of being struck by lightning are estimated to be 1 in 600,000, but could be reduced even further by following safety precautions.
- Lightning strike victims carry no electrical charge and should be attended to immediately.

Know the Terms:

Severe Thunderstorm Watch: Tells you when and where severe thunderstorms are likely to occur. Watch the sky and stay tuned to NOAA Weather Radio, commercial radio, or television for information.

Severe Thunderstorm Warning: Issued when severe weather has been reported by spotters or indicated by radar. Warnings indicate imminent danger to life and property to those in the path of the storm.

Take Protective Measures:

To prepare for a thunderstorm, you should do the following:

- Remove dead or rotting trees and branches that could fall and cause injury or damage during a severe thunderstorm.
- Remember the 30/30 lightning safety rule: Go indoors if, after seeing lightning, you cannot count to 30 before hearing thunder.

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Stay indoors for 30 minutes after hearing the last clap of thunder.

The following are guidelines for what you should do if a thunderstorm is likely in your area:



- Postpone outdoor activities.
- Get inside a home, building, or hard top automobile (not a convertible). Although you may be injured if lightning strikes your car, you are much safer inside a vehicle than outside.
- Remember, rubber-soled shoes and rubber tires provide NO protection from lightning. However, the steel frame of a hard-topped vehicle provides increased protection if you are not touching metal.
- Secure outdoor objects that could blow away or cause damage.
- Shutter windows and secure outside doors. If shutters are not available, close window blinds, shades, or curtains.
- Avoid showering or bathing. Plumbing and bathroom fixtures can conduct electricity.
- Use a corded telephone only for emergencies. Cordless and cellular telephones are safe to use.
- Unplug appliances and other electrical items such as computers and turn off air conditioners. Power surges from lightning can cause serious damage.
- Use your battery-operated NOAA Weather Radio for updates from local officials.

Avoid the following:

- Natural lightning rods such as a tall, isolated tree in an open area
- Hilltops, open fields, the beach, or a boat on the water
- Isolated sheds or other small structures in open areas
- Anything metal—tractors, farm equipment, motorcycles, golf carts, golf clubs, and bicycles

During a Thunderstorm—If you are:

- In a forest - seek shelter in a low area under a thick growth of small trees.
- In an open area - go to a low place such as a ravine or valley. Be alert for flash floods.
- On open water - get to land and find shelter immediately.
- Anywhere you feel your hair stand on end (which indicates that lightning is about to strike) - squat low to the ground on the balls of your feet. Place your hands over your ears and your head between your knees. Make yourself the smallest target possible and minimize your contact with the ground. DO NOT lie flat on the ground.

After a Thunderstorm—if someone is hit by lightning call 9-1-1 as soon as possible.

The following are things you should check when you attempt to give aid to a victim of lightning:

- Breathing - if breathing has stopped, begin mouth-to-mouth resuscitation.
- Heartbeat - if the heart has stopped, administer CPR.
- Pulse - if the victim has a pulse and is breathing, look for other possible injuries.
- Check for burns where the lightning entered and left the body. Also be alert for nervous system damage, broken bones, and loss of hearing and eyesight.

Information on Thunder and Lightning from www.FEMA.gov

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AMR UPDATE

Installations of AMR are planned for Northside through the winter of 2006-2007. Finntown and residences near the downtown area will be converted through the winter of 2007-2008 and the remaining conversions, Southside, will likely be done by the winter of 2008-2009. The installations will involve all meters: electric, water, steam, and gas.

As these conversions progress, we will be gradually moving our meter read dates to the 20th of the month so there will be occasions when the time between read dates is lengthened or shortened to accommodate the change. We will attempt to limit this to summer months when consumption is typically lower, but please be aware that this could happen.

Please feel free to contact either Customer Service or Bill Hafdahl if you have any questions about this program.



If you suspect someone may be using electricity, steam, water, or natural gas provided by the Virginia Public Utilities without paying for its use, please contact the DPU's Special Projects Coordinator at 218-748-2106. Stopping utility theft will have a direct impact on your home or business—it keeps your costs down!

BIOMASS UPDATE

In case you haven't heard, "biomass" is using renewable resources as fuel. The State of Minnesota mandated major power producers (Xcel Energy, formerly NSP) to use biomass fuel. Virginia Public Utilities and Hibbing Public Utilities determined that they could use biomass fuel (wood) to supplement underutilized generating assets and sell the extra power generated to Xcel Energy.

Both open loop (waste wood, tops, limbs, agricultural waste) and closed loop (dedicated crops of trees) wood will be used. The goal is to use 75% biomass fuel over twenty years. The wood processing and storage yard will be in Mt. Iron

New wood-fired boilers are being built in both Virginia and Hibbing. The coal and natural gas boilers will be kept as back-ups and will produce 25% of the power over twenty years. December 31, 2006 is the scheduled start-up date for the Virginia boiler. For more information and pictures of the Virginia construction project, see "What's New" on www.vpuc.com.

STEAM SYSTEM & RAIN

Many improvements have been made to the steam system in Virginia, however, when there is heavy rainfall, steam customers will experience low steam pressure, which will affect customer's hot water.



When heavy rains occur, the underground tunnels become flooded, causing steam pipe insulation to become saturated. Pumps remove the water as quickly and efficiently as possible.

Once the rainwater is removed, it can take several days for the insulation to dry out so steam pressure can be returned to normal. We apologize for any inconvenience this may cause our steam customers.