

ROSEVILLE
REQUEST FOR COUNCIL ACTION

Date: 7/16/12
Item No.: 12.b

Department Approval



City Manager Approval



Item Description: Authorize the City Attorney to File an Objection to the Rice St. Interchange Project Community Requested Facilities Surcharge with the Public Utilities Commission

BACKGROUND

The Cities of Roseville and Little Canada jointly requested Xcel to underground the overhead electric lines on Rice St. as a part of the Ramsey County led interchange project which was constructed in 2010-2011. The City of Roseville chose to fund the undergrounding through the Public Utilities Commission authorized Community Requested Facilities Surcharge. The surcharge process allows for Xcel to set the final surcharge amount based on their actual construction cost plus carrying charges.

Xcel Energy provided a preliminary estimate of \$574,300 to bury the power lines from County Road B to County Road B-2. The final costs for the initial undergrounding as submitted by Xcel were \$714,025. In addition Xcel is claiming added costs for scope changes which were incurred due to having to relocate a portion of the newly undergrounded facilities when it was determined they were in conflict with the County construction. Staff has received County project records that indicate Xcel's contractor did not locate the new facilities according to their permit from MnDOT per the project plans and survey information provided to them by the project team.

Staff has repeatedly requested Xcel's documentation of this issue that exonerates their contractor and have received a response that they will not provide it. Xcel has stated our opportunity to challenge the costs per PUC rules is to file an objection within 60 days of the notice of CRFS implementation.

FINANCIAL IMPACTS

The per residential customer cost at this time filed with the PUC is \$0.75 per month for three years. The original estimate prior to construction from Xcel was \$0.44 per month on a residential customer bill. Xcel is claiming \$115,514 of additional costs to the project for scope changes which we are disputing based on the documentation for the project.

STAFF RECOMMENDATION

Staff recommends the City Council authorize the City Attorney to file an objection with the Public Utilities Commission as set forth the CRFS rules challenging the final costs based on project documentation indicating Xcel's contractor being at fault for the additional work to correct the conflicts with the County's project.

REQUESTED COUNCIL ACTION

Motion authorizing the City Attorney to file an objection with the Public Utilities Commission

31 regarding the final costs and surcharge amount for the Rice St. overhead electric undergrounding
32 project.

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