

Local. Renewable. Reliable.



**DISTRICT ENERGY**  
ST. PAUL™

# COOLING SERVICE RATES 2021

## District Energy St. Paul

is committed to providing our customers with reliable service, stable rates, and exceptional customer service. By combining the cooling needs of millions of square feet of building space in Saint Paul, we offer an efficient and flexible energy alternative to traditional on-site systems. Our approach also keeps rates stable and competitive through the use of off-peak electricity, thermal storage, and by working with customers to educate them on how to lower their peak cooling demand.

## District Energy

has 24-hour staff dedicated to monitoring and dispatching the reliable and efficient production of chilled water. The district system allows customers to simplify their energy operations, allowing staff to focus on other building improvements, and to reduce overall maintenance costs for the building. We continue to seek out additional system efficiencies and options to deliver more energy for less, which benefits our customers, the local economy, and the environment.

## How is your bill determined?

A monthly bill is comprised of two primary charges: the demand charge and the energy charge. Demand charges are associated with the system costs for infrastructure, operations, and maintenance. Energy charges account for the energy costs (primarily electricity) to produce chilled water. Customer bills may also include line items for fuel adjustments, service charges, discounts, sales taxes, and city fees. Rate changes are subject to approval by the District Energy board, which includes customer-elected and city-appointed members, and the Saint Paul City Council.

## Energy Charge

The energy charge is based on the cost of electricity and varies by usage. To determine the energy charge, a customer's energy consumption is measured each month and multiplied by the energy rate and fuel adjustment charge. The energy rate is based on District Energy's estimated annual cost of energy divided by the projected total system ton-hours of energy and is expressed in dollars per ton-hour. A fuel adjustment may be included with the energy charge for projected changes in the annual system fuel costs and also is expressed in dollars per ton-hour. The energy charge is a pass-through of the system energy costs based on our electricity cost for production and does not include a markup. Below is an example of the formula we will use for fiscal year 2021 to determine your energy charge:

**Energy Consumption (ton-hour) x Energy Rate (\$0.094 per ton-hour) x Projected Fuel Adjustment (\$0.000 per ton-hour) = Energy Charge**

District Energy uses storage and off-peak electricity to manage costs and reliability. During the fiscal year a fuel adjustment may be made to cover increases or decreases in the energy costs.

district cooling

# COOLING RATES

## Customer Demand, Demand Rate, and Demand Charge

A customer's cooling demand is based on a building's required peak energy capacity which is planned for and provided by District Energy. Demand is based on a building's multiple one-hour peaks from June through September of the previous two 12-month periods. Demand is expressed as tons.

The annual demand charge is based on District Energy's annual non-energy related costs which include energy production (chillers, cooling towers, etc.), energy delivery (pumps, distribution pipeline system, etc.), operations and maintenance, repairs, capital expenditures, general, administrative, debt service, and working capital costs. This sum is divided by the total system-wide customer demand and then multiplied by the individual customer building demand. The demand charge is then billed to the customer in 12 equal monthly installments throughout the fiscal year. The demand rate is expressed in dollars per ton per month and is \$30.02 per ton per month for fiscal year 2021.

The demand charge is a fixed charge that is determined each year prior to the cooling season. Each customer's monthly demand charge is calculated based on a building's demand multiplied by the cooling demand rate. A fixed monthly charge provides customers with the ability to avoid seasonal spikes and forecast costs for a longer time period. The following is an example of the formula we will use for your 2021 monthly demand charge:

**2021 Cooling Demand Rate**  
\$30.02 per Ton per Month

**2021 Cooling Energy Rate**  
\$0.094 per Ton-Hour

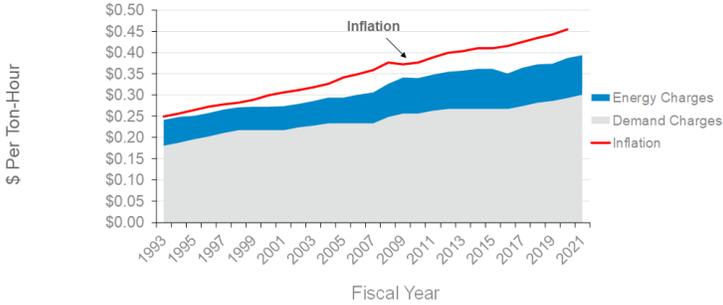
**2021 Transition Rate**  
\$0.394 per Ton-Hour

**Projected 2021 Fuel Adjustment**  
\$0.00 per Ton-Hour

**Conversion Factors**  
1 Ton-Hour = 12,000 Btu = 3.5 kWh  
1 Ton = 12,000 Btu/hour = 3.5 kW

**Demand (ton) x Demand Rate (\$30.02 per ton per month) = Monthly Demand Charge**

District Energy customers are paying less for our cooling services today than 29 years ago (adjusted for inflation)  
Combined Cooling Rate Summary 1993-2021



**District Energy welcomes inquires about our service, rates, and billing. Please direct your questions to our team**

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## Prompt Payment Discount, Charges, Fees, and Tax

**Prompt payment.** A charge of five percent (5%) will be added to the net bill computed at the rates shown above and to other charges and credits, which shall constitute a discount from the gross bill for payment within the discount period, all as more specifically provided in the District Cooling Service Agreement.

**City franchise fee** is three and a half percent (3.51965%). This fee is assessed by the City of Saint Paul on all cooling customers.

**Sales tax** is assessed by the State of Minnesota on all customers, with exemptions provided for residential customers as well as organizations designated non-profit by the State of Minnesota with their proof of status filed with District Energy.

**Service charges** can include chilled water flow charges and credits, service restoration, damage, unauthorized draining, and service call costs for customer building issue.

**ACH payment available**  
District Energy customers have the option to make automatic monthly payments. For more information contact accounting at 651.925.8240.

