

AUSTIN UTILITIES Anticipates Higher Natural Gas Prices this Winter

AUSTIN, Minn.—Austin Utilities is preparing for natural gas prices that may be 30-35% higher this winter. According to the US Energy Information Administration Winter Fuels Outlook, October 2021, “As we head into the winter of 2021–22, retail prices for energy are at or near multiyear highs in the United States.’ ‘We expect that households across the United States will spend more on energy this winter compared with the past several winters because of these higher energy prices and because we assume a slightly colder winter than last year in much of the United States. We expect that the nearly half of U.S. households that heat primarily with natural gas will spend 30% more than they spent last winter on average—50% more if the winter is 10% colder-than-average and 22% more if the winter is 10% warmer-than-average. www.eia.gov/outlooks/steo/report/WinterFuels.php.

The high prices follow changes to natural gas energy supply and demand patterns.

- The drop in demand for natural gas during the COVID-19 pandemic caused many shippers to suspend drilling activity.
- Natural gas storage levels are at a deficit to previous year levels.
- Increased pricing for liquid natural gas (LNG) overseas has shifted the U. S. to being a net gas exporter.

“We want our customers to know we are doing everything within our power to minimize the high cost of natural gas prices to our customers. The price changes daily based on supply and demand which is why we have so many tools in place to protect our customers from high gas prices. We look for prices to come back down at the end of winter. Our team is working hard to manage our internal costs, however the actual natural gas commodity we are purchasing for our customers is highly volatile at this time.” says Mark Nibaur, General Manager.

These are some of the top low-cost ways customers can save on heating costs.

- Take advantage of heat from the sun and open curtains on your south-facing windows during the day to allow sunlight to naturally heat your home and close them at night to reduce the chill you may feel from cold windows.
- Cover drafty windows with clear plastic film during the cold winter months and install tight-fitting, insulating drapes or shades on windows that feel drafty.
- Adjust the temperature. When you are asleep or out of the house, turn your thermostat down 5°-10° from your usual setting. This change could save you 10% a year on your energy bill.
- Replace your filter as recommended by the manufacturer, usually every 2-3 months.

Austin Utilities continues to offer ways for customers to save on energy costs and ensure energy dollars are spent wisely. Their Conserve & Save® rebate program offers a full range of rebates on equipment designed to help customers reduce their energy bills.

The Minnesota Cold Weather Protection Rule help customers avoid winter disconnection if they have a current payment plan with the utility. AU customer service representatives can provide resources to customers who anticipate having difficulties with winter heating bills. Customers may also be eligible for budget billing which allows for even payments each month. You can contact Austin Utilities at (507) 433-8886 for more information.

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Austin Utilities is a municipal utility serving approximately 12,300 electric customers, 10,300 natural gas customers, and 9,000 water customers. Their mission is to offer utility products and services in a safe, reliable and responsible manner in order to enhance the quality of life in our community. Austin Utilities' Board of Commissioners are elected by the consumer-owners of Austin to represent their best interest. For more information on Austin Utilities visit their website at www.austinutilities.com.