

FOR IMMEDIATE RELEASE

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AUSTIN UTILITIES Board Approves Rate Changes for 2022

AUSTIN, Minn. — The Austin Utilities Board of Commissioners approved the 2022 Austin Utilities budget and related rate adjustments at the December board meeting. The annual budget is used to set rates along with Cost of Service and Rate Study's performed every three years.

Electric Rates - In 2022, no changes will be made to the electric rate

Water Rates – In 2022, water rates will increase by 2% for residential customers and 2% for commercial customers. The effect of the overall residential water rate adjustments will be an average monthly bill increase of \$.072. About 85% of Austin Utilities current customers are residential. Small to mid-sized business customers can expect to see monthly water increases in the range of \$1.68 to \$10.56 depending on the size of their meter and usage.

Gas Rates – Austin Utilities will not make changes to the natural gas rate but will use their Purchased Gas Adjustment mechanism (PGA) to address anticipated winter gas increases on a month-by-month basis. During the winter months gas prices could be 30-35% higher.

To minimize the impact of commodity price spikes to their customers, Austin Utilities will use several tools:

- A Natural Gas Hedge program that locks in cost for 65-75% of our anticipated usage.
- A plan to increase winter hedge by up to 90% on a month-by-month basis.
- A Propane Air Plant that can displace natural gas load and avoid purchasing high-priced gas.
- A commercial gas interruptible program in which customers switch to an alternate fuel.
- Peak Gas Alerts to warn customers when costs are high, and conservation should be practices.

“Our team is managing our internal costs very well, however the actual natural gas commodity we have to purchase to deliver to customers is volatile. 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” says Mark Nibaur, General Manager.

Portions of the bill related to sewer charges and storm water fees are controlled and administered by the City of Austin. Changes to these costs are not reported by Austin Utilities.

AU customer service representatives can provide resources to customers who anticipate having difficulties with winter heating bills. 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. 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

