

FOR IMMEDIATE RELEASE

Date: November 15, 2018

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AUSTIN UTILITIES Customers to Save on Electric Costs

AUSTIN, Minn. — The Austin Utilities Board of Commissioners approved the 2019 Austin Utilities budget and related rate adjustments at the November board meeting. The annual budget is used to set rates. For 2019, customers can anticipate a decrease in their electric costs and a small increase in water costs, while natural gas costs will remain flat. The rate changes will become effective with the January 2019 utility bill.

Residential and business customers can expect to see a 1.9% decrease in their electric costs. A major factor contributing to the electric savings is a decrease in wholesale power costs. “Wholesale power costs make up 74% of our electric operating budget. We are experiencing lower costs in the wholesale market and from our wholesale provider,” said Mark Nibaur, General Manager, “We also continue to see efficiencies from moving all of our operations to one building and we are passing those savings on to our customers as well.”

Customers should not see a change in their overall gas costs through the year. A long-term pre-pay gas contract has provided a guaranteed discount on a portion of AUs gas that will help control exposure to any volatility in the market. Natural gas purchases make up 62% of the gas department’s operating budget.

Water rates will be adjusted with a 2.9% increase for residential and business customers. The increase comes as Austin Utilities continues to make investments to their water infrastructure. The Ellis well house, originally built in the 1950’s will be replaced in 2019 along with all the components associated with pumping and distributing water. Budgeted costs for the well house upgrade total approximately \$1,000,000.

The effect of the overall residential rate adjustments will be an average bill savings on the electric side of \$1.23 per month and an increase in water costs of \$0.72 for residential customers. About 85% of Austin Utilities current customers are residential. “Passing on savings to customers is always good news. We are working hard to keep costs down while maintaining our system,” says Mark Nibaur, General Manager. “Reliability is the number one concern of our customers and keeping our infrastructure up to date allows us to continue to provide reliable service.” Small to mid-sized business customers can expect to see electric savings in the range of \$2.53 - \$91.00 and water increases in the range of \$1.89 to \$14.48.

Austin Utilities would like to remind customers that portions of their bill i.e.; sewer charges, storm water fees, and sump pump inspection fees, are controlled by the City of Austin. Changes to those costs are administrated by the City of Austin.

Austin Utilities continues to offer ways for customers to save on energy costs and ensure energy dollars are spent wisely. Austin Utilities Conserve & Save® rebate program offers a full range of rebates on equipment designed to help customers reduce their energy bills. In addition, they offer customers a chance to be Energy Heroes and participate in load reduction on a community level. Customers may also be eligible for budget billing which allows for even payments each month. You can contact Austin Utilities Energy Service Department 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.