

FOR IMMEDIATE RELEASE

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Contact: Mark Nibaur, Austin Utilities

Phone: 507-433-1289 MarkN@AustinUtilities.com

AUSTIN UTILITIES Board Approves Rate Changes for 2024

AUSTIN, Minn. — The Austin Utilities Board of Commissioners approved the 2024 Austin Utilities budget and related rate adjustments at the December board meeting. The annual budget is used to set rates.

Costs of providing energy continue to rise. Reasons behind these increases include rising wholesale energy costs, increasing operational costs, and the continued need to upgrade aging utility infrastructure.

Electric Rates – Electric rates will see a 2-4% increase across all rate classes. The average residential customer will see an increase of \$1.78 per month, small to mid-sized business customers can expect to see an increase of \$3.58 per month. About 85% of Austin Utilities’ current customers are residential. The 2-4% increase is caused by wholesale market prices, transmission costs, and substation capital improvements scheduled for 2024. The cost to purchase wholesale power is 75% of the electric operating budget. AU continues to work with its electric provider to manage high market costs.

Water Rates –Water rates will increase by 4.5% for all customer classes. During the months of May through October the average residential water customer will see a bill increase of \$1.20. Small to mid-sized business customers can expect to see monthly water increases in the range of \$3.40 to \$28.80 depending on the size of their meter and usage. The continued investment upgrades in the distribution system are driving water rate increases.

Gas Rates – There will be no increase in natural gas rates. Rate costs for customers will be similar to 2023. AU uses a Purchased Gas Adjustment mechanism (PGA) to address gas increases or decreases on a month-by-month basis if needed.

“A rate study will be performed in 2024 by a third-party firm. The rate study helps us plan for future revenue needs and prioritize investments in infrastructure and technology while considering customer affordability” said 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 about Austin Utilities visit www.austinutilities.com.