



AUSTIN
UTILITIES

2024

Residential Rate Report

Utilities are often natural monopolies because of the large investment that is required to produce, maintain and deliver electricity, natural gas, and water to our communities. This report is being provided to educate customers on our rates. Rates are reviewed and set annually based on the income needed to cover the cost to serve.

Mark Nibaur
General Manager



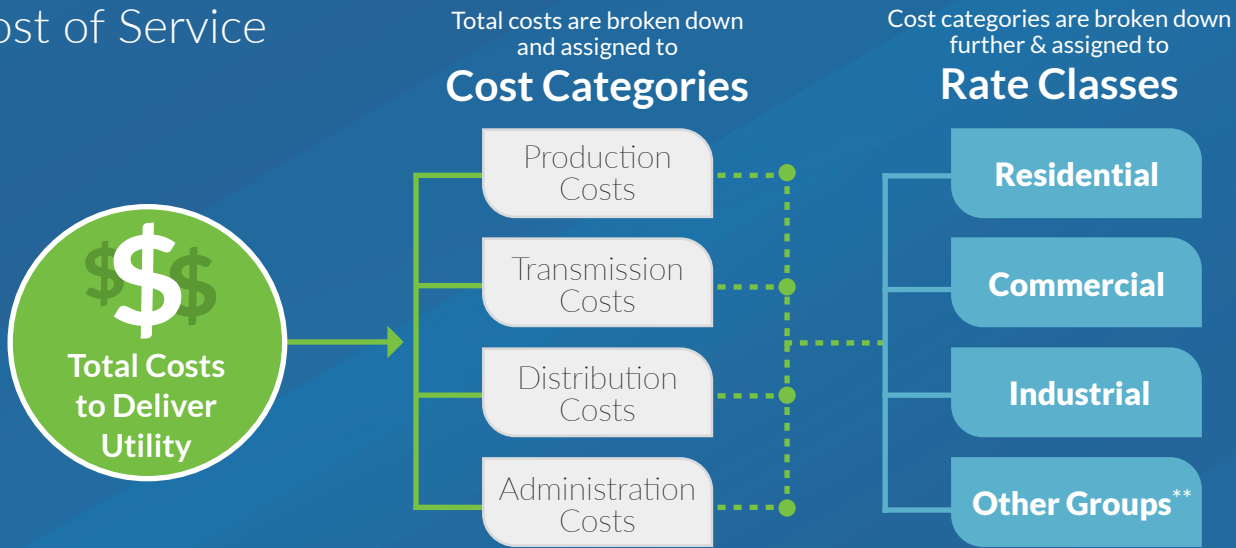
Many of our customers are interested in how we determine our rates, so we are providing information to help customers understand how rates are established. This information is being provided as the result of a customer satisfaction survey identifying the need to provide rate education.

Cost of Service Study – the first step

A cost of service study is the tool typically used by public utilities* to ensure the rates they charge their customers match the cost to provide service to those customers. A cost of service study involves analyzing historical expenses and projecting future cash flow needs to arrive at a revenue requirement. During a cost of service study, costs are allocated to different customer classifications such as residential or commercial.

Austin Utilities will be performing another rate study this year which will recommend rates through 2027.

Cost of Service



* A public utility is an organization that maintains the infrastructure and provides the service for public good instead of profit.

** Other Groups includes street and security lighting, hydrant meters, etc.

Rate Design

Rates are designed to recapture the costs associated with each customer class: residential, commercial, and industrial. Rate designs typically include a Service Availability Charge (to cover fixed costs) and a Usage Charge (to cover variable costs).



Service Availability – FIXED COSTS

Service Availability covers the cost of our distribution system which is how we connect with your home. It does not fluctuate with consumption but is a necessary cost to be sure you have service when you want it. Many customers are confused by this charge because when consumption is low it can sometimes cost more than the usage charge. This charge covers costs such as:

- Meters
- Customer Service
- Meter Reading
- Administration
- Billing and Collections
- Poles and Pipes



Usage Charge – VARIABLE COSTS

Usage costs are calculated according to the metered amount of usage consumed during the billing period. Meters are read monthly for each service provided and the amount consumed is multiplied by the current rate. This charge covers costs such as:

- Electric Commodity
- Water Pumping
- Water Treatment
- Water System Maintenance
- Natural Gas Commodity
- Natural Gas System Maintenance
- Electric System Maintenance

2024 Residential Rates

Rates are reviewed and set annually based on the income needed to cover the cost to serve.






What is a Time of Use Rate?

Electric Time of Use Rates are based on when you use energy. This rate structure has the potential to save you money when shifting your electric usage to times of the day when costs are less. Time of Use Rates will be included in the Austin Utilities rate study scheduled for this year and could be a customer option as soon as this fall.

2024 Austin Utilities Residential Rates




2024 rate changes: Electric 2-4% / Natural Gas 0% / Water 4.5% increase

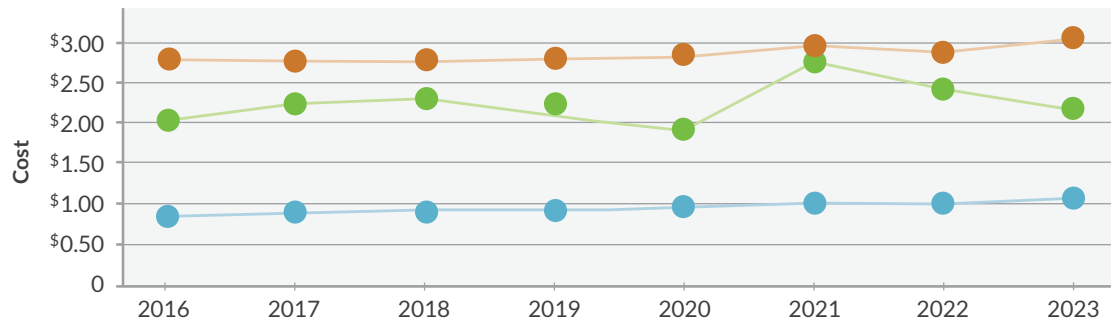
	Monthly Service Availability Charge	Usage
 Electric	\$14	\$0.12145 (kWh)
 Natural Gas	\$17	\$0.6074 Apr-Oct, \$0.8032 Nov-Mar (ccf)
 Water	\$17.20	\$1.95 May-Oct, \$1.40 Nov-Apr (ccf)

One kWh of electricity = 3,412 British Thermal Unit (Btu) One ccf of gas = 100,000 Btu
One ccf of water = 748 gallons

 **32.6%** of the electricity delivered by AU in 2023 was provided from **Renewable Energy Sources**.

Historical Utility Cost Per Day (Based on average AU residential use)

-  **Electric**
\$3.05 (2023)
-  **Natural Gas**
\$2.35 (2023)
-  **Water**
\$1.11 (2023)






2024 City of Austin Service Rates

As a convenience we also bill some services provided by the City of Austin.

2024 City of Austin Residential Rates

2024 rate changes: Sewer 10% increase
Storm Water Fee 0% increase
Hydrant Fee 0% increase

	Monthly Fixed Charge	Usage
 Sewer	\$19.04	\$4.87 (ccf)
 Hydrant Fee	\$1.00	—
 Storm Water Fee	\$5.50	—



Sewer rates are increasing to pay for the \$100M Wastewater Treatment Plant expansion. It is being funded by residential and industrial user fees, loans, and state grants.



Every sewer customer is charged a hydrant fee, regardless of their proximity to a fire hydrant.



Every sewer customer is charged a storm water fee, regardless of whether you live on an urban roadway with curbs, or a rural roadway with ditches.

Funds collected go toward citywide improvements, such as storm sewer, culverts, waterways, dams, and flood control.

▶ **Any questions about these charges** should be directed to the City of Austin by calling **(507) 437-9940**.

Annual Cost Comparison to other local communities

based on rates from Jan-Dec 2023

Compared to utility costs in other surrounding communities, Austin Utilities rates are average. As your local public not-for-profit utility, we strive to keep rates competitive.

Safe. Reliable. Responsible.



Austin Utilities received the American Public Gas Association's Community Service Award in 2023. The award recognizes an APGA public gas system member for the accomplishments of the gas system and its employees in improving and enhancing the quality of life of the community it serves.

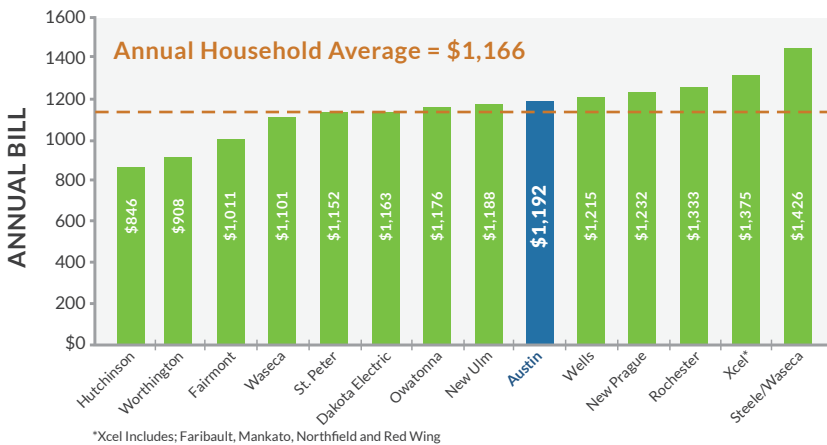


Austin Utilities received an American Public Power Association Sue Kelly Community Service Award. The award recognizes "good neighbor" activities that demonstrate the commitment of the utility and its employees to the community.

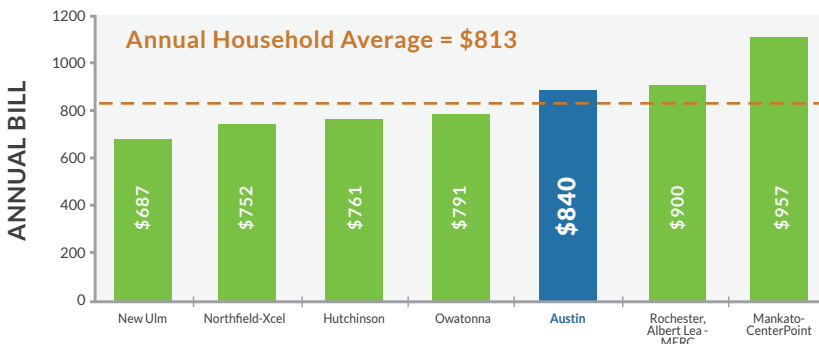


Austin Utilities received the Smart Energy Provider which is a best practices designation for utilities that show commitment to and proficiency in energy efficiency, distributed generation, renewable energy, and environmental initiatives. The program recognizes utility efforts to incorporate energy efficiencies and sustainability while providing affordable electric service.

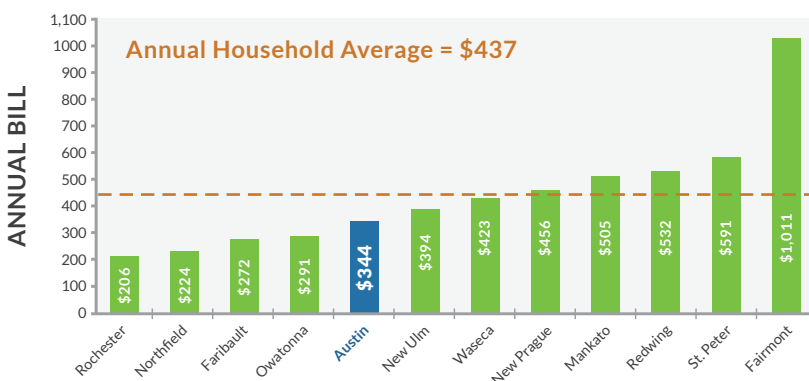
Residential Electric Rate Comparison



Residential Gas Rate Comparison



Residential Water Rate Comparison



We welcome comments at
talk2AU@AustinUtilities.com
 or by calling **507.433.8886**.



1908 14th Street NE
 Austin, MN 55912
www.AustinUtilities.com
 (507) 433-8886

It's Easy to be an Energy Hero

Energy Hero is a voluntary program that gives our customers the opportunity to participate in reducing our peak energy demand. On average, about 70% of our costs to provide energy is our purchased power cost, and of that around 40% is for peak energy demand. The lower we can keep this peak demand, the lower we can keep rates to our customers. We inform Energy Heroes when we are approaching a peak alert by sending notices requesting them to limit their energy consumption.

You can help your community control peak alerts by participating in our Energy Hero program. When you are an Energy Hero, you receive notices when we are experiencing high usage. There are so many ways to help, and every little action makes a difference. Now more than ever, we need everyone's help!

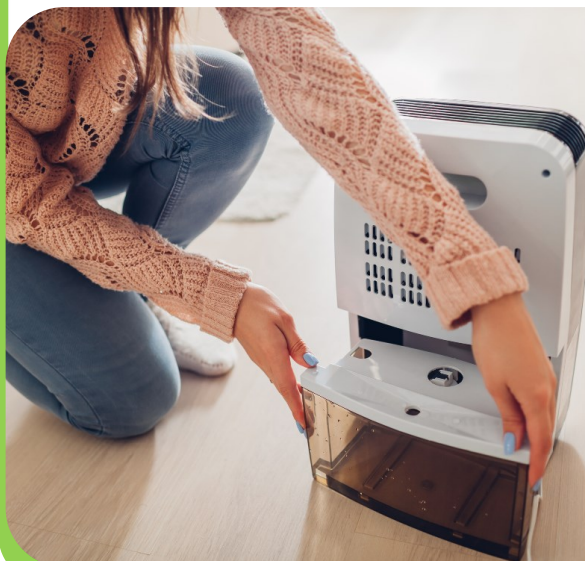
For residential customers, send an email to PeakAlert@austinutilities.com with 'Add me to your list' in the subject line. Include your cell phone and service provider to receive alerts via text message. If you are a business customer, you will also get recognized for participating, this includes a participation decal, name listed on the utility website, name listed in annual thank you in our utility newsletter, and signage to let your customers know when you are participating in a peak alert.

For more information, visit <https://www.austinutilities.com/pages/EnergyHero/>.



What is Sewer Averaging?

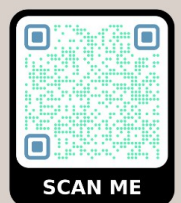
Sewer averaging is calculated by averaging the sewer usage during the months of January through May. From June to October, customers will be billed at their actual consumption or sewer average, whichever is lower. Summer activities like watering the yard, filling up pools, and washing the car will not impact your sewer usage. Sewer averaging is available to residents of the City of Austin.



CONSERVE & \$SAVE™

Say goodbye to dampness, and hello to freshness!

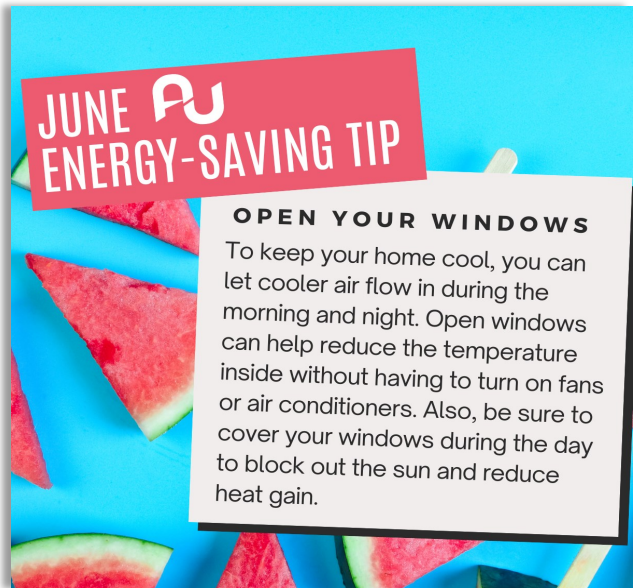
Purchase an ENERGY STAR® dehumidifier and receive up to a \$30 rebate from Austin Utilities.



Storm Preparedness

Whether it's a winter storm, thunderstorm, or any kind of severe weather, power outages can be a likely outcome. To protect yourself, keep in mind the following:

- **Report your outage.** Report your outage 24/7 by calling **507-433-8886**. Please provide your name, service address, and phone number where we can reach you.
- **Disconnect appliances and electronics or use surge protectors to avoid damage from electrical surges.**
- **Keep your refrigerator and freezer doors closed.**
- **Have extra flashlights and batteries and know where they're located.**
- **If you need to use a generator, keep it outdoors and away from windows.**
- **Make a plan for refrigerated medicines and powering medical devices.**
- **Keep mobile phones and electronic equipment charged before a power outage.**



JUNE AU ENERGY-SAVING TIP

OPEN YOUR WINDOWS

To keep your home cool, you can let cooler air flow in during the morning and night. Open windows can help reduce the temperature inside without having to turn on fans or air conditioners. Also, be sure to cover your windows during the day to block out the sun and reduce heat gain.

NOTICE

In compliance with the Code of Federal regulation #49, Part 192.16, Austin Utilities must notify each customer who owns buried natural gas piping after the meter.

1. Austin Utilities does not maintain the customer's buried piping.
2. If the customer's buried piping is not maintained, it may be subject to the potential hazards of corrosion and leakage.
3. Buried gas piping should be:
 - (a) periodically inspected for leaks.
 - (b) periodically inspected for corrosion if the piping is metallic.
 - (c) repaired if any unsafe condition is discovered.
4. When excavating near buried gas piping, the piping should be located in advance, and the excavation done by hand.
5. Austin Utilities and plumbing and heating contractors, can assist in locating, inspecting, and repairing the customer's buried piping.

Customers with buried natural gas piping should feel free to contact Austin Utilities at 433-8886.


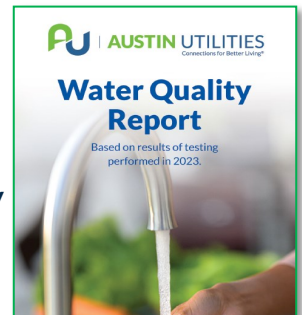
You can also find information at www.austinutilities.com.

Water Quality Report

Our new Water Quality Report based on 2023 data provides in depth information about AU's water system and the high quality of Austin's water.

The report is available in our lobby and online at

<https://www.austinutilities.com/pages/WaterQuality/>



BLOOD DRIVE

Thu. June 27th
Austin Utilities
1908 14th St NE

9:00 am - 3:00 pm

1-800-REDCROSS **redcrossblood.org**

AU will be Closed
Wednesday, June 19th
for the Juneteenth Holiday



Austin Utilities

Board of Commissioners

Tyler Hulsebus **Jeanne Sheehan**
Steve Greenman **Kristin Johnson**
Jay Lutz

To contact or find more information on AU's elected Commissioners visit www.austinutilities.com/pages/board



AU will be Closed
Thursday, July 4th
Independence Day



Austin Utilities

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Office: 507-433-8886
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Website: www.austinutilities.com

