



**AUSTIN
UTILITIES**
Connections for Better Living™

Austin Utilities

Board of Commissioners

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**Austin Utilities will be
Closed
Monday, May 31st**



Connections

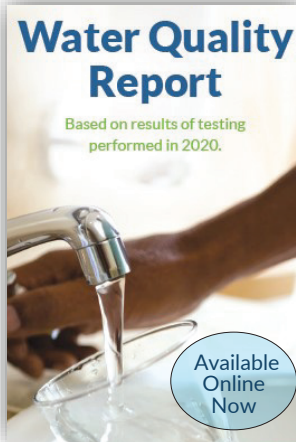
May 2021
Customer Newsletter

Austin's Water is Good

Whether you need it to cool off after a workout or warm you up in a hot bath, your tap water is there when you need it. It is even used to produce your morning coffee, the clothes you wear or cleaning the fruits and veggies you like to snack on. Austin Utilities works hard around the clock to ensure high-quality drinking water is there when you need it on demand. Austin's drinking water is provided from seven underground aquifers ranging in depth from 110 to 1075 feet deep. It meets Department of Health's drinking water standards. To learn about your local water supply from source to tap, check out our annual Water Quality Report available at www.austinutilities.com.



**Drinking Water Week
May 2-8, 2021**



Cost-share available for well sealing

Austin Utilities is partnering with Mower SWCD to provide cost-share assistance to landowners who want to seal an unused or abandoned well as part of our water-protection plan. Cost-share is 50% of the sealing cost (up to \$1,000 cost-share per well). Any Austin Utilities water customer qualifies for the cost-share but funding is limited. Those interested should contact Mower SWCD's Tim Ruzek at 507-460-4577 or tim@mowerdistrict.org



Board Action Reduces Impact of Historic High Gas Prices

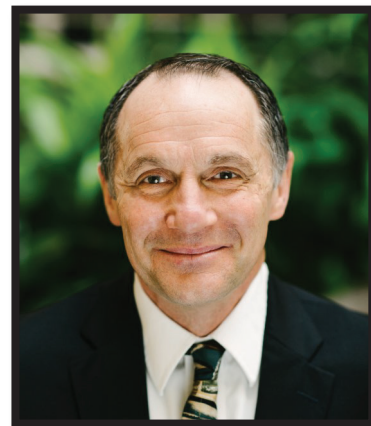
A Message to Our Customers

Once in a lifetime or career, that is what many natural gas industry experts are saying, and I would have to agree. This last February, President's Day weekend, a prolonged severe winter weather event dipped down into the central part of the United States. The unusual event spiked natural gas prices by 70 – 100 times beyond the normal prices we pay on the spot market for natural gas. The good news is AU was able to purchase enough gas for our customers to continue to heat their homes and businesses.

I am very proud of our team during this unusual gas event. Our natural gas system operated without any issues – big thanks to our hard working employees. We operated our standby propane air plant to offset some of the costly purchases of natural gas, saving our customers money. We issued a gas peak alert to our customers to minimize gas usage and a few AU customers that can interrupt their gas usage by switching to a different fuel did so. Overall it was a whole team effort, working together to minimize the financial impact to our customers.

Our board of commissioners was also concerned with the high gas costs and financial stress this event may have on our customers. In a special March board meeting the commissioners made the decision to use some of our cash reserves (reserves that are available to assist our customers in times like this) to lower the overall cost recovery needed from our customers. Additionally, the commissioners approved spreading the cost recovery over a number of months.

It was a gas event unlike I have ever experienced in my career and an unfortunate financial event that will affect our customers during a time we are still managing through a difficult pandemic. Our team is ready to provide assistance to your questions and needs, please reach out to us.



Mark Nibaur, General Manager

AU Tools Reduce Impact

Austin Utilities customers benefited from tools in place to smooth out the impact of the price spikes caused by events like this. Because of the planning and response from Austin Utilities staff, our exposure to these high prices was reduced to 31% of the gas used during that time period.

- Through our Natural Gas Hedge strategy, 56% of our February gas was pre-purchased at an average cost of \$3.21.
- We ran our Propane Air Plant daily during the event to displace natural gas load and avoid purchasing high-priced gas.
- Commercial gas interruptible rate customers switched to alternate fuel.

Customer Facebook Engagement

For the first time ever, a Natural Gas Peak Alert was announced on Social Media asking customers to conserve natural gas. Within 6 hours the post reached 8,002 with 21 shares and ultimately reached 16,978 people.

Austin Utilities is issuing a natural gas peak alert until 9AM Wednesday 2/17 due to extreme cold temperatures. Please help us by setting the thermostat to 68°F while you're awake and setting it lower while you're asleep or away from home. (For every degree you turn down your thermostat and leave it there you save between 1 and 3 percent of your heating bill.) You can also help by reducing the use of gas appliances like stoves and clothes dryers.

NATURAL GAS PEAK ALERT

16,978
People Reached

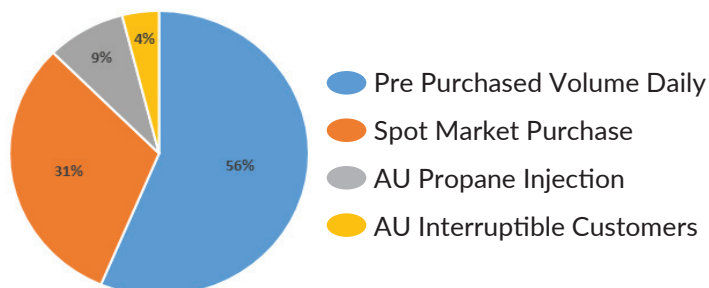
1,355
Engagements

Boost Post

5

3 Comments 28 Shares

AU Natural Gas Consumption Portfolio
February 12 - 18, 2021



2021 February PGA Payment Explained

Beginning with the May statement, customers can expect to see the impact of increased natural gas costs from a historic price spike that occurred during a major winter storm February 13th-17th. To reduce the burden of the costs being passed on to customers, Austin Utilities board approved using reserve funds to pay a portion of the costs and spreading the remaining cost recovery required from customers out over a seven-month period of time. The Purchased Gas Adjustment (PGA) billing mechanism which uses Usage in its calculation, will be used to pass the remaining cost recovery on to customers in a fair and equitable way.

Your total impact can be calculated using the natural gas **Usage** on your statement that includes **Services** used during the February 13-17 time period. Multiply the Usage x \$1.1586. This is the amount of your impact. Look here on your statement to determine the usage that will be used to calculate your impact.

Meter Number	Service Description	Services		Days	Readings		Meter Multiplier	Usage
		From	To		Previous	Present		
8796	Residential Service - Elec	02/04/2021	03/04/2021	30	61333	62238	1	905
1631	Residential Service - Gas	02/04/2021	03/04/2021	30	4520	4697	1	177
7827	Residential Water	02/04/2021	03/04/2021	30	999	1009	1	10
	Sewer Service	02/04/2021	03/04/2021	30	0	10	1	10

Your impact will be divided into seven payments which will be added to your monthly statement from May - November 2021. It will show up on page two of your monthly statement in the **Gas Service** area of the **Current Service Detail**.

Gas Service		
Service Availability		17.00
Gas Usage	177 CCF @ 0.8032	142.17
Purchase Gas Adjustment	177 CCF @ -0.1158	20.50 CR
Feb 2021 PGA Payment		29.30
Total Gas Charges		167.97

Message Center

If you are experiencing financial hardship due please call our office to discuss payment arrangements. We're here to help.

You have 7 months remaining of \$29.30 payment for Feb 2021 Purchased Gas Adjustment (PGA).

Your payment progress will be updated monthly in the **Message Center** area on the front of your statement.

- Customers who wish to pay their financial impact in one payment are able to do so.
- Customers on Budget Billing will have the payment added to their budget payment.

Average Impacts

Average Residential - \$191 (based on 165 ccf) or \$27.29 for 7 months (May-Nov) - Rate 110/111
 Average Small Commercial - \$671 (based on 579 ccf) or \$95.86 for 7 months (May-Nov) - Rate 210/211
 Average Large Commercial - \$6467 (based on 5582 ccf) or \$808 for 7 months (May-Nov) - Rate 410/411

Customers who are having difficulty paying their statement, can reach out to our customer service department at 507-433-8886. They are ready to assist in setting up payment arrangements and pointing customers in the right direction to receive any available financial heating assistance.

For more information on how this storm impacted Austin Utilities see the April 2021 edition of the Connections newsletter available at www.austinutilities.com

How to calculate your impact:	Example	Your Bill
Feb usage (see bill example above)	177	
PGA (Purchased Gas Adjustment) x	1.1586	x 1.1586
Total Impact	\$205.07	
Divide by 7 (monthly payments)	\$29.30	

SYSTEM-WIDE METER UPGRADE

Austin Utilities is in the process of making a substantial investment in infrastructure. This summer, we will begin installing new meters in our entire service territory. These new meters will improve reliability, provide operational savings, and give you more tools and opportunities to manage and save energy. To take advantage of the information your new meter will provide be sure to sign up for an Austin Utilities SmartHub account.



FOR MORE INFORMATION

(507) 433-8886 www.austinutilities.com

Note: Due to the unique features of each type of installation, all your meters may not be installed at the same time.

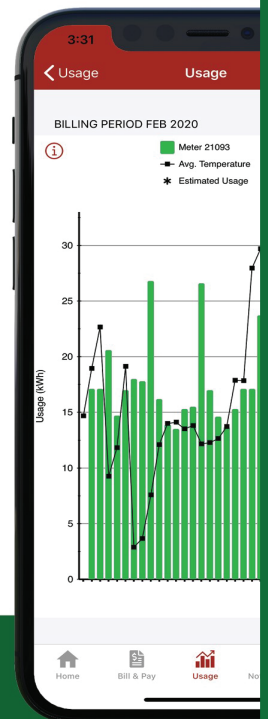
GET CONNECTED

CHECK YOUR USE and reduce your bill with Austin Utilities SmartHub.

Through SmartHub's detailed graphs, you'll be able to monitor your use 24/7. SmartHub users have lowered their bills by discovering issues that lead to high bills and changing habits that can reduce use.

TO SIGN UP:

- 1 Collect your account number and email address
- 2 Download the SmartHub app or click on My Account at www.austinutilities.com
- 3 Select Austin Utilities as your provider and follow the prompts.



Download the free app online or sign up at
www.austinutilities.com

Notification to Customers

In compliance with Austin Utilities adopted rules relating to cogeneration and small power production, Austin Utilities is obligated to interconnect with and purchase electricity from cogenerators and small power producers that satisfy the conditions as a qualifying facility. Austin Utilities is obligated to provide information regarding rates and interconnection requirements free of charge to all interested customers upon request. All interconnections require an application and approval to become a qualifying facility. Any disputes over interconnection, sales, and purchases relative to qualifying facilities should be brought to Austin Utilities Board of Commissioners for resolution, per Austin Utilities Distributed Generation Rules adopted February 13, 2018. Interested customers should contact Austin Utilities at 1908 14th St. NE, Austin, MN 55912 or call 507-433-8886.

The Austin Utilities Board of Commissioners Monthly Meeting was held on March 16th, 2021. Agenda items included:

- Options for cost recovery from February gas spike
- AU economic incentives for Nutek, Inc.
- Project update on 69kv line
- COVID-19 customer arrears

Meeting minutes are available at
www.austinutilities.com

Even if the lobby is closed you can still reach us at:

Austin Utilities

1908 14th St NE Austin, MN 55912

Office: 507-433-8886

Email:

talk2au@austinutilities.com

Website:

www.austinutilities.com

