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

Water Quality Report
Available Online Now

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.
A Message to Our Customers

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 customers to lower the overall cost recovery needed from our customers.

Our board of commissioners was also concerned with the high gas costs and financial stress this event may have on our customers.

Our natural gas system was able to purchase enough gas for our customers to continue to heat their homes and businesses. The unusual event spiked natural gas prices by 70 – times beyond the normal prices we used during that time period.

The good news is AU was able to purchase gas peak alert to our customers to minimize saving our customers money. We issued a gas peak alert to our customers to minimize our standby propane air plant to offset some of the costly purchases of natural gas, operated without any issues –

I am very proud of our team during this unusual gas event.

100

unusual event spiked natural gas prices by 70 – times beyond the normal prices we

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

Mark Nibaur, General Manager

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.

![Gas Service](image)

- 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.

![Message Center](image)

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

### 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

<table>
<thead>
<tr>
<th>Service Description</th>
<th>Service Availability</th>
<th>Gas Usage</th>
<th>Purchase Gas Adjustment</th>
<th>Feb 2021 PGA Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential Service - Elec</td>
<td>177 CCF @ 0.8032</td>
<td>142.17</td>
<td>177 CCF @ -0.1158</td>
<td>29.30</td>
</tr>
<tr>
<td>Residential Service - Gas</td>
<td>177 CCF @ 0.8032</td>
<td>142.17</td>
<td>177 CCF @ -0.1158</td>
<td>29.30</td>
</tr>
</tbody>
</table>

### How to calculate your impact:

- **Feb usage (see bill example above)**
- **PGA (Purchased Gas Adjustment) x**
- **Total Impact**
- **Divide by 7 (monthly payments)**

**Example**

<table>
<thead>
<tr>
<th>Feb usage</th>
<th>PGA</th>
<th>Total Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>177</td>
<td>1.1586</td>
<td>205.07</td>
</tr>
</tbody>
</table>

**Your Bill**

<table>
<thead>
<tr>
<th>Dividend</th>
<th>Multiplier</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1586</td>
<td>1.1586</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Result</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>$29.30</td>
<td></td>
</tr>
</tbody>
</table>
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.

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.

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.

GET CONNECTED

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