

**FOR IMMEDIATE RELEASE**

Date: December 30, 2024

Contact: Mark Nibaur, Austin Utilities

Phone: 507-433-1289 [MarkN@AustinUtilities.com](mailto:MarkN@AustinUtilities.com)**AUSTIN UTILITIES Board Approves Rate Changes for 2025**

AUSTIN, Minn. — The Austin Utilities Board of Commissioners approved the 2025 Austin Utilities budget and related rate adjustments at the December board meeting.

Austin Utilities, every 3-4 years, commissions a third party to conduct a rate study to evaluate future rate requirements. The study ensures the setting of sufficient rates for AU to operate efficiently while managing customer costs. The study results assist AU staff and Board in establishing fiscal budgets and rates for our customers.

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 1-3% increase across all rate classes. The average residential customer will see an increase of \$2.99 per month, small to mid-sized business customers can expect to see an increase of \$3.83 per month. About 85% of Austin Utilities' current customers are residential. The 1-3% increase is caused by wholesale market prices, transmission costs, and general infrastructure updates. The cost to purchase wholesale power is 75% of the electric operating budget. AU continues to work with Southern Minnesota Municipal Power Agency (SMMPA) 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 \$1.50. Small to mid-sized business-customers can expect to see a monthly water increase of \$4.91 depending on the size of their meter and usage. The continued investment upgrades in the distribution system are driving water rate increases.

**Gas Rates** – Gas rates will increase by 2% for all customer classes. The average residential customer will see an increase of \$4.13 per month, small to mid-sized business customers can expect to see an increase of \$34.04 per month. The increase is due to fluctuations in gas prices and the costs of materials and equipment.

“Our board and staff worked jointly to trim operating expenses for 2025 to help reduce the rate increases,” said Mark Nibaur, General Manager. “We understand the financial impact our customers are experiencing, and we are committed to providing reliable and safe utility services at a reasonable price”.

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.

####

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. For more information on Austin Utilities visit their website at [www.austinutilities.com](http://www.austinutilities.com).