

CUSTOMER UPDATE

ENERGY COSTS GOING UP?

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OPU MEMO



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It's only August, and already I am talking about expected utility cost increases for our customers this coming winter. Last year, in the November 2021 issue of our newsletter, I warned you to expect that the cost to heat your home that coming winter could be 30-40% higher than it had been in the previous year. As it turned out, it was "only" 25% higher. This year, we are forecasting that natural gas prices could be 50% higher for our customers than last year, and electricity could be higher as well.

In my memo last year, I reported that the wholesale price for natural gas was approximately double what it had been one year prior. In the end, winter was warmer than predicted, and the wholesale prices retreated somewhat. However, starting January of this year, prices have been more-or-less marching upward and are now more than three times what they were two years ago.

So what is causing this runup in natural gas prices? As always, it comes down to supply and demand. Demand has increased, but supply has not yet returned to pre-pandemic levels. There are primarily two factors. One is the Liquefied Natural Gas (LNG) market which puts natural gas on ships and sends it to other parts of the world. Because the price of gas in other parts of the world is so much higher than it is in the United States (even with our recent runups), natural gas producers can make much more money exporting natural gas than they can selling it domestically; therefore, they will ship as much as they can, reducing the supply available for us. In June of this year, the United States became the largest exporter of natural gas.

We exported 12% more natural gas in the first 6 months of 2022 than we did in the last 6 months of 2021. The other factor is natural gas being used to produce electricity. Extremely high temperatures across North America have caused increased electricity demand for air conditioning. At the same time, restrictions on the delivery of coal (primarily because railroads are unable to transport the needed coal) causes natural gas to be used for electricity generation instead of coal, even when coal would be considerably less expensive.

In addition to the price of natural gas going up, the cost to bring the gas to our city on the interstate pipeline is also increasing. Our pipeline company, Northern Natural Gas (NNG) has filed for a 124% rate increase effective January 1, 2023. (That's right, 124%!) This rate increase is being contested, but it will never-the-less go into effect in January as an interim rate increase, and we must pass this cost on to you.

Since we have already purchased much of our gas for this winter at lower prices, you will not feel the full effect of the wholesale gas price increases. We estimate that the combined effect of higher wholesale natural gas prices and higher pipeline costs will add up to a 50% increase for our customers over last year. While 50% isn't as bad as threefold, it is still very significant.

Did I mention that electricity could also be more expensive this winter? The high natural gas prices and restrictions on coal have caused the wholesale electricity market to increase just as significantly as natural gas prices. Our wholesale electricity provider, Southern Minnesota Municipal Power Agency (SMMPA), has warned us that they may need to implement a 10% rate increase in November. Again, if that happens, we must pass the increased cost on to you.

While we individual consumers don't have control over the energy markets, we can control how much natural gas and electricity we use. Our featured article this month provides ideas on ways to save. We will provide additional information as we get closer to winter.

The good news is that the energy futures markets predict supply and demand will stabilize in 2023 and prices will return to "near normal." Let's hope that is the case, and this is the last year I need to sound the alarm about increasing energy costs for the coming winter.

As you have probably noticed, the City of Owatonna is busy working on several construction projects this year. The following is a recap of the major projects:

29th Avenue AKA East Side Corridor: Steele County and the City of Owatonna are working together on developing an environmental study for the future 29th Avenue. Currently, there is no efficient way to travel from the NE to the SE part of town. The future roadway will help alleviate this deficiency in the roadway network.

WWTP Expansion:

A July 8 groundbreaking event kicked off construction on Owatonna's Wastewater Treatment Plant expansion. The expansion of the plant positions the community for future growth without further watershed degradation.

Rice Lake Construction Group mobilized the week of July 11th. This project exceeds \$55 Million and expands the capacity of the treatment works from 5.0 million gallons per day to 9.1 million gallons per day, an 80% increase. The increased capacity is necessary to meet current flow and position the city for growth into the future. It also addresses new discharge permit limits that are being imposed on the city.

2022 Street & Utility Project:

15th Street NE (From Cedar to the cul-de-sac), Linn Avenue (from 16th Street SW to 18th Street SW), and Selby Avenue (from Mound Street to Lemond Road) have been designated for reconstruction this year. The project was awarded to JJD Companies, work is expected to begin later this summer and will continue into next year.

The 2021 Truman Avenue Project is complete. We would like to thank everyone involved for your cooperation and patience. The contractor still has a few miscellaneous items to finish prior to finalizing the project. Affected property owners will receive correspondence regarding special assessments in the coming months.

The Cedar Avenue revitalization project is underway. The adjusted completion date is August of 2022. This is the first phase of downtown revitalization which is a high

priority for the City of Owatonna. Construction newsletters, detour maps, and project information is available on ISG's Streetscape Project Website: <https://gis.isginc.com/MN/Owatonna/NorthCedarAveStreetscapeProject/>

Phase 1A, the reconstruction and expansion of the City owned parking lot at the South East corner of Vine and Oak is planned for 2023. More information about the plans for the parking area will be coming in the next few months.

Steele County/City of Owatonna Signal Maintenance and Upgrades: Work to overhaul 11 traffic signal systems in Owatonna is underway. As part of a joint project by Steele County and the City of Owatonna, the work will complete maintenance, repairs, and upgrades of signals within the city to improve operations and extend the life of the signal system. While the work is in progress, the intersections will be open to traffic but there will be lane closures with flaggers. Signals may be out of service for short durations or in an all-red-flash mode. Expect delays during the work. The work is expected to be completed by the end of August.

13 Street Sections, in four neighborhoods, are planned for overlay during the 2022 construction season. The Street Department plans to overlay these streets starting July 26th.

The CIPPS (Cured In Place Pipe System) Project for 2022 involves lining 11,270 feet of clay sanitary sewer lines to improve carrying capacity and reduce inflow. The project began on June 15th. The lining process is expected to start around the week of September 19th. Meanwhile several spot repairs discovered in the mains will be addressed.

The Street Maintenance Project for 2022 involved crack sealing and seal coating of 5.08 miles of streets within the City of Owatonna. Chip sealing began on July 25th.

Overlays: The structures have all been adjusted and/or replaced on the streets. The curb and gutter that has been removed should be replaced starting later this

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week. The Streets Department is scheduled to overlay the streets beginning on the week of August 8th.

The County Road 48 (Bixby Road) and 18th Street SE roundabout project planned for construction in 2022 has been delayed to 2023 due to delays caused by the railroad. The City, County and School District continue to work together to deliver this important project before the new high school opens in the fall of 2023.

Miscellaneous catch basin and pothole repair is ongoing. Please contact the Public Works Office to report a concern regarding city streets.

Citizens Services is the new Public Works online permitting platform. Residents and contractors can submit and pay for permits for dumpsters, right of way work, and curb cuts using this site. Residents are also able to submit (and pay for) requests for replacement boulevard trees and wood orders.

Please stay safe in work zones, your safety and the safety of the workers depends on you. Slow down and be attentive. Thank you for your patience as projects are underway.



ENERGY COSTS GOING UP?

Ways to Save Energy

This article is based on information from Trane.com

With anticipated energy prices in the region and throughout the country on the rise, here are a variety of ways you can use to help offset costs.

1. Fan Yourself

Buying stand, box or ceiling fans is a small investment that can reduce your energy costs. Using fans to help cool your home means you can raise the thermostat setting by 4 degrees without reducing your comfort level. Just remember to turn off the fans when you're not in the room. They aren't intended to cool the space — just the people in the space, via the wind chill effect.

2. Optimize Your Thermostat Setting

According to the Department of Energy, setting your thermostat at 78 degrees in the summer can save you up to 10% in energy costs each year. If 78 degrees is too warm for you, you can adjust it a bit lower to be comfortable. Just remember, for every degree you raise your thermostat above 72 degrees, you save up to 3% of your cooling expenses.

Consider getting a programmable thermostat, so you can program a warmer setting when you're not home and automatically start cooling your home right before you get back. If you're into technology, try a wireless remote thermostat, that can be paired with your smartphone, tablet or desktop computer to control your air conditioner from wherever you are.

3. Upgrade Your Air Conditioner and Appliances

If you're ready to take your summer energy savings to the next level, go for a system upgrade. Heating and cooling uses

nearly half of the energy in your home, so investing in an energy efficient system is a smart move that will save you money in the long run.

When you're upgrading your air conditioner, look for Energy Star certified systems that have a high Seasonal Energy Efficiency Ratio (SEER) and Energy Efficiency Ratio (EER) ratings. They'll be 15% more efficient than other models. While you're going green, think about upgrading your entire home with Energy Star appliances. At the very least, schedule seasonal maintenance for your air conditioner and other systems, so they're working their best.

4. Go Low Flow

In the summer, water usage usually increases — whether it's watering your lawn or taking more post-swim showers. Keep outdoor watering costs down by only watering grass and plants in the early morning or at dusk, so the water doesn't evaporate in the summer heat. Another secret to having an energy efficient home is installing low-flow water fixtures. These work well on shower heads, toilets and even your outdoor sprinkler.

5. Wash with Cold Water

Change up your laundry routine by only washing and rinsing your clothes with cold water. If you do it year round, it could save you around \$200 annually.

6. Close the Blinds & Check Your Seals

Kicking up the AC isn't the only way to keep your home cooler in the hot summer months. Take a quick walk around the house and close all the blinds and curtains. This will keep your rooms from

heating up too much and being super hard to cool with your air conditioner or fan. Another tip to keep warm air outside is to add weather stripping to your doors and windows.

7. Keep Your Fridge Cool

Your refrigerator and freezer are essential to keeping your lemonade and popsicles cold all summer long. So, here are few tips to save on your energy bill by maintaining your refrigerator properly. Set the thermostat between 35 and 38 degrees for the refrigerator and between 0 and 5 degrees for the freezer. Check the door seal and vacuum the coils. Make sure your fridge is always full of food (or even just jugs of water), so there's less air space for it to have to cool.

8. Relax and Unplug

Keep your electronics from sucking up all your summer energy by unplugging your chargers, TV, computer and other small electronics when you're not using them. It's an easy way to save up to \$100 a year, according to the Department of Energy.

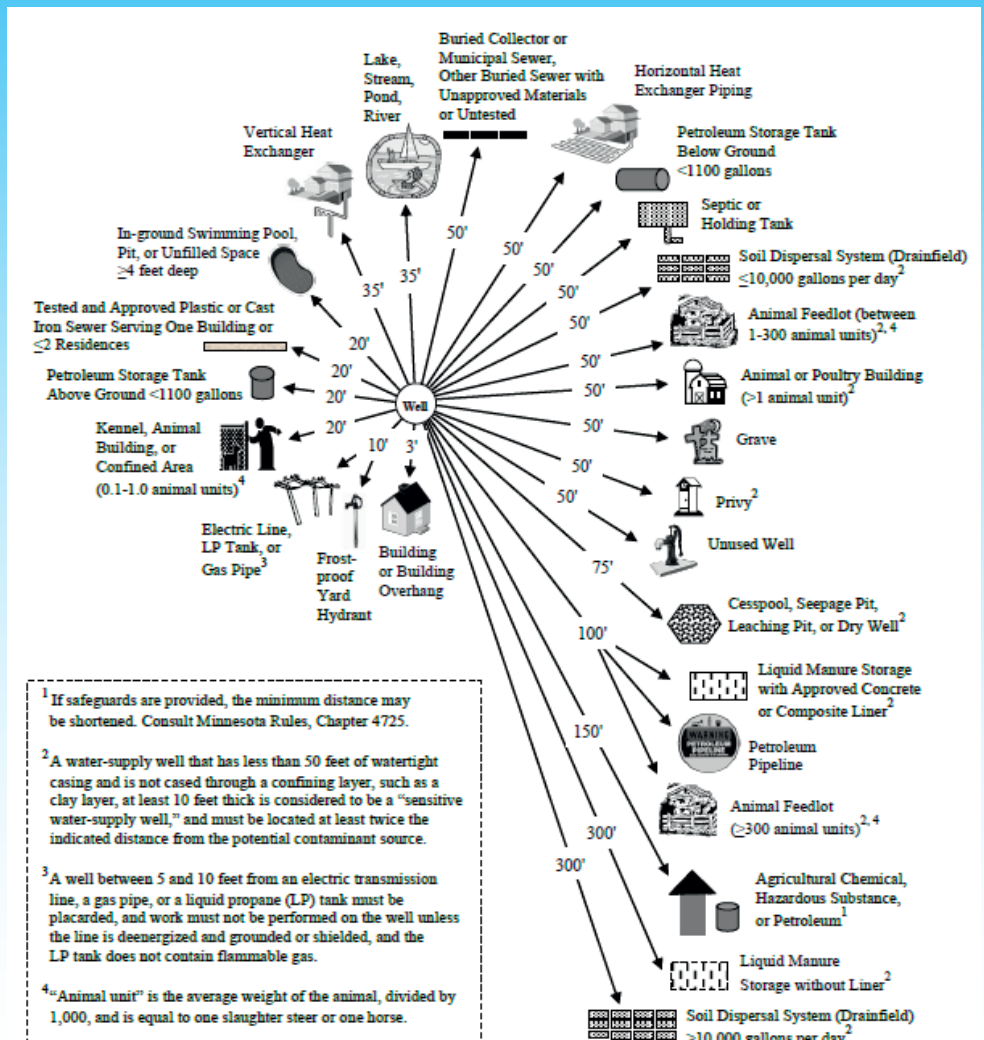
9. Dine Out

Whether you're grilling a great meal or treating yourself to dinner at your favorite restaurant, steering clear of your kitchen in the summer can reduce your energy bill. Using kitchen appliances can raise the temperature by 10 degrees. Not only will you reduce the energy you use to run those appliances, but you'll also save on air conditioning costs to cool down your home.

Important Information For Private Well Owners

As a public service, OPU is providing the following information from the Minnesota Department of Health for private well owners:

- Water with nitrate levels of more than 10mg/L should not be given to infants less than 6 months of age. Doing so may be fatal.
- You can minimize your exposure to lead and copper in your drinking water by letting the water run for 30-60 seconds before using it for drinking or cooking.
- At a minimum, private wells should be tested for Coliform Bacteria once a year and for nitrates once every two or three years.
- Test your well water at least once for arsenic.
- Private wells and public water supplies may not be interconnected. If you have a private well for lawn irrigation make sure it is not hooked up to your potable water supply in your home if your potable water comes from a public water supply.
- Steele County has a cost share program available for residents that have an abandoned well to help cover the cost of well sealing. Only a licensed well contractor may seal a well. For details call Katie Barden at 507-444-7487.
- A copy of the [Well Owners Handbook](#) and other brochures, pamphlets and fact sheets pertaining to wells and water systems may be obtained from the Minnesota Department of Health (MDH) at no charge by calling 651-201-4600 or by visiting their web site at; www.health.state.mn.us/divs/eh/wells/index.html



CONSERVATION TIP\$

Paying attention to the outdoor dew point can help determine when it's a good time to open the windows and turn off the A/C. Most people find it comfortable to open the windows when the dew point is 55 degrees or lower, even if the air temperature is a little higher than you normally set your A/C.



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Smell Something?



If you smell something like rotten eggs, it could be a natural gas leak.

Leave your house immediately, stay 300 feet away and call 911.

Avoid an explosion by NOT switching on ANYTHING electrical.

For more info, visit OPU at www.owatonnautilities.com or call 507-451-2480



Take Action for Water Quality in Your Community! Visit the Clean River Partners and City of Owatonna Fair Booth

Take the opportunity to learn a little bit about what CRP and the City have been working on as well as the opportunity to be comment and review the City of Owatonna's Stormwater Pollution Prevention Plan as part of the communities MS4 Program. The Stormwater Pollution Prevention Plan document will be available at the booth for you review! You may also review and comment by filling out a survey on the City's stormwater website. Your input is greatly valued! Steele County Fair dates: August 16th – 21st, 2021.

Save the Date - 14th Annual Watershed Wide Clean-up on 9/17/2022

For over a decade, volunteers have combed the stream banks and waterways around Owatonna with the goal of cleaning trash and debris from the Straight River. With every passing year, more and more garbage is removed by hard working individuals and businesses who are dedicated to making a difference. Since 2009, residents of Owatonna and the surrounding cannon river watershed have volunteered cleaning up local lakes, creeks, the Cannon and Straight River.

The 14th Annual Watershed Wide Clean-up will take place in Owatonna on September 18th from 9am to 12 noon at Morehouse Park. The event is hosted by the Clean River Partners, who helps to find sponsors and coordinate the clean-up event. This is the largest one-day clean-up event in Minnesota with over 200 volunteers working in 8 locations across the watershed!

Get Involved! If you are interested in helping or sponsoring the event, visit www.cleanriverpartners.org. Please come and join us to ensure our waters stay clean, safe and healthy!

Learn more about the Stormwater Program by visiting our stormwater management website at www.owatonna.gov/300/Stormwater-Management contacting stormwater@ci.owatonna.mn.us



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Moving?

Remember to contact the Customer Service Department **ONE WEEK** prior to moving, 451-2480.

STEELE COUNTY FREE FAIR AUGUST 16-21, 2022



COME VISIT US IN THE FOUR SEASONS BUILDING

Gas Leak?

If you smell gas and can't find the source immediately, go to a neighbor's house and call 911.

Don't turn electrical switches on or off or use a flashlight or cell phone in the home, because an electrical spark could ignite the gas and cause an explosion.



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