

CUSTOMER UPDATE



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Roger Warehime, General Manager

OPU Commission

Matt Kottke Kent Rossi Randy Doyal Jay Johnson Doug Zirngible

OPU MEMO

It's a new year and the new rates approved by our commission in November are going into effect. Our 2023 budgeted rates increased over our 2022 budgeted rates by 14% for electricity, 5% for water, and 29% for natural gas. The primary driver for our rate increases are the wholesale electricity and natural gas prices: 87% of the electric increase and 95% of the natural gas increase is due to wholesale price increases.

In the June 2022 OPU memo, I talked about risks we faced that coming summer after our transmission operator, MISO, announced that electric generating supply for 2022/23 was short of the projected demand. MISO (Midcontinent Independent System Operator) is the organization that operates the electric transmission grid in Minnesota, 14 other states, and Manitoba. Based on MISO's warning, we prepared our plan for how we would respond should MISO declare a generation emergency which would require us to reduce load. The first part of the plan includes public appeals to reduce consumption; if that is not enough, we might have to resort to involuntary load shedding by turning off circuits. Fortunately, we were not called on to reduce load this summer.

However, MISO did declare a generation emergency during the recent cold snap as we entered the Christmas weekend on December 23, 2022. MISO declared the emergency because of "extreme cold, generation outages, and neighboring regional transmission organizations struggling to serve load". Indeed, the neighboring grids were having many issues. Customers in Tennessee, the Carolinas, and Texas expe-

rienced rolling blackouts. The U.S. Department of Energy (DOE) declared an emergency that allowed Texas generators to exceed normal emissions restrictions if needed to maintain reliability.

Much of the issue in the southern states was due to the demand for electricity being higher than normal because the temperatures were colder than normal and much of the heating in the south is done with electricity. Here in Owatonna, our demand was not higher than normal. However, our Owatonna Energy Station (OES) was not able to operate because of restrictions on the natural gas pipeline and much of our wind generation was offline due to freezing of the turbine blades.

As we head into 2023, energy costs and reliability will continue to be a concern not just for us here locally but for everyone across the country. As we saw last February with the Texas cold snap and then again last week, what happens outside our city limits impacts us. As regulations change and we move toward carbon-free electricity, we need to be sure that technology keeps up so that we can continue to deliver reliable, cost-effective energy.

Later in January I will join other municipal utility folks from across the state when we visit our legislators in Saint Paul to inform and educate them on the complexities and potential unintended consequences of various energy policies being proposed. Similarly, I will be traveling to Washington, DC in March to do the same thing at the national level.

The goal of carbon-free electricity is admirable, but it will require electric energy storage, carbon capture, and nuclear power. None of these technologies is yet commercially available at a cost and scale necessary to become carbon free without further and dramatically increasing costs and reducing reliability. So, for now, we are doing what we can here locally to get you the energy you need to stay safe and comfortable this winter while advocating for policies and pace that will ease a smooth transition in the future.

CONSERVATION TIP\$

Keeping the proper humidity level in your home will help you feel warmer even with the thermostat set down 2 degrees. Household humidity levels should be between 30% and 50% for optimal comfort. If you start seeing condensation on your windows, make sure to lower the humidity level slightly to avoid damage to windows and walls.



CITY SPOT

OWATONNA CITY COUNCIL

HIGHLIGHTING: ADMINISTRATION

Martin Luther King Jr. Day Celebration

The Owatonna Human Rights Commission (HRC) hosts an annual event celebrating this holiday. This year's event will be held January 16 on the federally recognized Martin Luther King, Jr. Day from 6:30 until 8 a.m. It includes a breakfast at Plaza Morena Campestre Grill, 160 26th Street NW. Please arrive between 6:15 and 6:30. At 7 a.m., Dr Char Kunkel, Professor of Sociology at Luther College will speak about Dr. King's legacy and the call for all to join in the long struggle for freedom and equity. This event is open to the public at no cost. Please join the HRC for this call to action.



MAYOR Tom Kuntz

COUNCIL MEMBERS

Dan Boeke
David Burbank
Nathan Dotson
Kevin Raney
Greg Schultz
Brent Svenby
Doug Voss

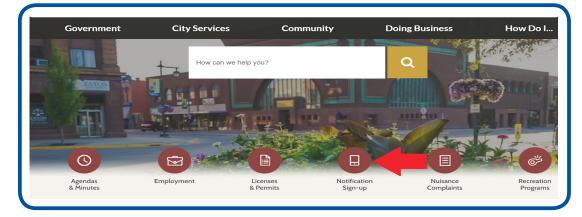
2023 Sanitary Sewer Rates Increase

Sanitary sewer rates increased January 1. The City Council approved this increase at its December 20 meeting. Annual adjustments of the sanitary sewer rates are necessary to maintain adequate funding for current and future operations and to help fund the wastewater treatment facility expansion. For additional information, Ordinance 22-13 is available at Owatonna.gov.

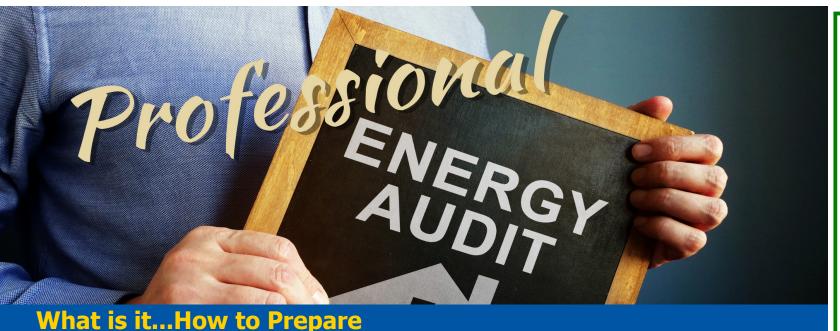
2023 Sanitary Sewer Increase	
Customer Class	Monthly
Residential	\$15.00 <u>\$16.20</u>
Commercial	\$17.16 <u>\$19.91</u>
Light SIU	\$52.00 <u>\$63.44</u>
Heavy SIU	\$676.00 \$730.08

City of Owatonna Information Resources

- Visit owatonna.gov
- Send an email to info@ci.owatonna.mn.us
- Tune in to "Talk of the Town" the third Wednesday of each month on KRFO (1390 AM or 94.7 FM) at 9:40 a.m. and KOWZ (100.9 FM) at 10:10 a.m.
- Watch the Public Access Cable Channel 181 on Charter/Spectrum or 900 on Jaguar/MetroNet
- Follow the City of Owatonna on Facebook for the latest updates



Sign up to receive notifications when the latest City Newsletters, News Releases or *City Spotlight* Videos are posted at Owatonna.gov. Click on "Notification Signup" on the home page and look for "Communications".



Article from Energy.gov: https://www.energy.gov/energysaver/professional-home-energy-assessments

A professional energy assessment can provide you a roadmap to saving money and improving the comfort of your home.

Home energy assessments are conducted by professionals that have industry accepted credentials. Professional energy assessments generally go into great detail to assess your home's energy use. The energy assessor will do a room-by-room examination of the residence, as well as a thorough examination of past utility bills. Many professional energy assessments will include a blower door test and a thermographic scan. Assessors may use equipment to detect sources of energy loss, such as blower doors, infrared cameras, furnace efficiency meters, and surface thermometers. Check out the Energy Saver 101 home energy audit infographic to get an idea of what energy assessors look for and to learn more about the special tools they use to conduct an assessment. https://www. energy.gov/energysaver/articles/energy-saver-101-infographic-home-energy-audits

Through the process, the home assessor will gather information and produce a report including characterizations of your home and action you can take to reduce your home's energy use while increasing comfort of the living space. Common recommendations often include:

- Conduct whole-home air sealing to reduce air leakage and drafts
- Add insulations to your home's attic, foundation, or walls to prevent heat loss.
- Seal and insulate ducts in unconditioned spaces.
- Remove or repair any parts of the home with internal moisture or mold to improve air quality and reduce deterioration.
- Improve the efficiency of heating, cooling and hot water equipment.

 Install home ventilation, smart thermostats, LEDs, smart power strips, ENERGY STAR appliances, and other efficient technologies that improve home performance.

The right mix of improvements to your home will depend on the age and quality of current equipment, the local climate, and your home energy goals. The first step to determining the appropriate combination and size of equipment for your home is getting a professional assessment.

Preparing for an Energy Assessment

Before the energy assessor visits your house, make a list of any existing problems such as condensation and uncomfortable or drafty rooms. Have copies or a summary of the home's yearly energy bills (Owatonna Public Utilities provides this information to the auditor when you request an audit). Assessors use this information to establish what to look for during the audit. The assessor will also talk with you to better understand your needs and interests in having an assessment. The assessor will examine the outside of the home to determine the size of the house and its features (i.e., wall area, number and size of windows). The assessor then will analyze how you use your home:

- Is anyone home during working hours?
- What is the average thermostat setting for summer and winter?
- How many people live in the home?
- Is every room in use?

Your answers may help uncover some simple ways to reduce your household's energy consumption. Walk through your home with the assessor and ask questions to get the most out of your audit.

To schedule an audit through Owatonna Public Utilities, contact the customer service department.



lobby and drop them in the bins designated for holiday light recycling.

Available now through Jan 31

NEED HELP PAYING YOUR ENERGY BILLS?

SEMCAC's Energy Assistance Program may be able to help you with winter energy bills.

(eligibility is based on household income)

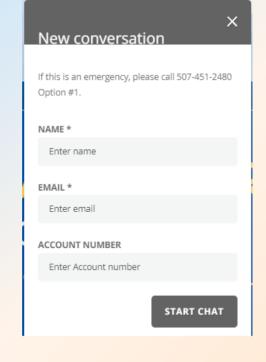
CALL SEMCAC! 800-944-3281

Serving Dodge, Fillmore, Freeborn, Houston, Mower, Steele & Winona Counties.

The Energy Assistance Program is funded by the State of Minnesota Department of Commerce through a block grant from the Federal Health and Human Services Department.

NEW Value Added Service!!

We recently updated our website to include Live Chat as an additional channel of communication with our customers. While browsing our website, a customer can click on the Live Chat link located in the lower right corner of the site. During normal business hours, customers will be connected to one of our customer service representatives who will assist the customer in real time. Outside of normal business hours, customers can leave a message and a team member will follow up with them the next business day. This new feature allows customers additional flexibility in how they want to contact us. If you smell gas or are reporting an outage, please call 507-451-2480 option #1 instead of choosing Live Chat.







JUST A REMINDER, KEEP YOUR OUTDOOR METERS FREE OF SNOW AND ICE

In Minnesota, snow and ice tend to cover everything at some point. When your gas meter is covered with ice and snow, it can cause a potentially dangerous situation. If there is snow on your meter, brush it off. If it's covered with ice, give us a call at 451-2480 option #1 and we'll take care of it for you.

In addition, snow and ice should be cleared from exhaust and combustion air vents for gas appliances to prevent the accumulation of carbon monoxide in buildings and to prevent operational problems for the combustion equipment. Monitor the accumulation of snow or ice blocking regulator or relief valve vents which could prevent regulators and relief valves from functioning properly. Use caution in cleaning snow from around the piping on service regulator set as it is susceptible to damage that could result in failure of the equipment. Where possible, use a broom instead of a shovel to clear snow off regulators, meters, and associated piping.

As always, if you smell gas and can't find the source immediately, go to a neighbor's house and call OPU at 451-1616. Don't turn electrical switches on or off or use a flashlight or telephone in the home, because a spark could ignite the gas and cause an explosion.



2023 Stormwater Utility Fee Changes

Beginning January 1st, 2023, you will notice a 3% change in your Stormwater Utility Fee. As a result of the 2015 rate structure study conducted by Foth Infrastructure and Environment, LLC the stormwater utility fee is set to gradually

increase on an annual basis through 2019 and then generally match the approximate rate of inflation years following, in order to provide an equitable, stable and fair funding source for all stormwater management activities.

There were no rate changes for years 2020 and 2021. The rate for a single-family residential property will be a constant monthly fee of \$4.66 (starting 2023).

Year	Rate
2022	\$4.52
2023	\$4.66

All other properties are based on the following equation that evaluates the equivalent residential unit (ERU), acreage, and intensity factor for the associated land use:

Stormwater Utility Fee = (ERU) X (Intensity Factor) X \$4.66 ERU = (parcel acreage/0.33)

If the property is multi-family, townhomes, and or mobile homes with individual meters, it will be billed at 80% of the current single family residential rate, per unit.

The City is anticipating undertaking another rate study in the near future. Additional information can be found at: http://ci.owatonna.mn.us/482/Public-Works

For more information regarding the Stormwater Utility Fee please contact the Public Works Department at 507-444-4350.



ALL CONSERVE & SAVE® REBATE APPLICATIONS FOR PURCHASES MADE IN 2022 MUST BE SUBMITTED TO OPU NO LATER THAN MARCH 31, 2023.

HOWEVER, THE APPLICATION DEADLINE FOR BONUS DOUBLE REBATES IS THREE (3) MONTHS AFTER YOUR INSTALLATION DATE. EQUIPMENT MUST BE INSTALLED BY MARCH 31, 2023.

Eligible equipment includes: Furnaces (retrofit only), Boilers, Smart Thermostats, Water Heaters, Showerheads, Attic Insulation, Attic Air Sealing, and Rim Joist Sealing/Insulation.

Visit www.owatonnautilities.com to download rebate applications with complete terms and conditions. Applications may be emailed to rebates@owatonnautilities.com or mailed to Owatonna Public Utilities, Attn: Rebate Processing, PO Box 800, Owatonna, MN 55060-0800.







P.O Box 800 208 S. Walnut Ave. Owatonna, MN 55060

Office: 451-2480 Service: 451-1616

OFFICE HOURS:

Monday-Wednesday:

8:00 a.m. - 5:00 p.m.

Thursday:

8:00 a.m. - 6:00 p.m.

Friday:

8:00 a.m. - 4:00 p.m.

Saturday & Sunday:

Closed

Payment Options

- Online at www.owatonnautilities.smarthub.coop
- Phone at (507) 451-2480
 Option 2 or 1-888-228-2398
 (Available 24/7)
- Automatic Withdrawal; bank account or credit card
- Drive-up drop box located in our parking lot
- Drop box locations at CashWise and HyVee Food Store
- Mail to P.O. Box 800, Owatonna, MN 55060
- ACH bank draft sent directly from your bank

Moving?

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



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.





