

OUR MISSION

To provide our customers with safe, reliable, cost-effective, and quality long-term electric and water utility services. To communicate and educate our customers in the use of utility services, programs, policies, and future plans. These products and services will be provided in an environmentally and financially responsible manner.

OUR VISION

Provide exceptional services and value to those we serve.

OUR VALUES

-  **INTEGRITY**
-  **QUALITY**
-  **COMMUNICATION**
-  **SAFETY**
-  **COMPETITIVE**

Letter from our General Manager on 2022 Rates

At Elk River Municipal Utilities, our mission is to provide safe, reliable, and quality long-term electric and water service to our customers and to provide it in a cost-effective way. Whenever possible ERMU has found ways to keep prices low and recently has reduced costs to its customers. Electric rates saw a five percent reduction in 2019 and zero percent increases in 2020 and 2021. The ERMU staff works hard every day to operate within a responsible budget because we know that it has a major effect on the community. Holding a reduced electric rate for three years has helped keep millions of dollars in our customers' pockets.



For 2022, we are in the position of needing to increase rates while being committed to keeping that increase as low as possible. We are raising our electric rates by three percent, which brings residential customers back to approximately the rates they were paying in 2014. Water rates will increase by 2.5 percent.

As a publicly-owned utility, it is more than our goal to keep costs low; it is our duty. We hope the information provided in this newsletter will help you better understand how we arrived at these rates as we seek to maintain an open and honest relationship with you, our consumer-owners.

-Theresa Slominski, General Manager

2022 Electric Rate Increase



More than 70 percent of ERMU's expenses in a typical year come from acquiring the energy our customers rely on to power their homes and businesses. We chose Minnesota Municipal Power Agency (MMPA) as our power provider for its shared mission of bringing affordable electric service to its member communities and for its diverse portfolio of power sources which helps make that possible. However, it is important to understand that

the goods and services needed to provide electricity to customers are not exempt from the factors currently affecting the global economy.

With supply chain challenges and inflation at a 30-year high, over the past year MMPA has seen record cost increases between 60-75 percent for the production, purchase, and transmission of electricity. While ERMU staff has worked diligently to keep operations costs below the rate of inflation, major increases in the largest part of our expense budget makes it impossible for us to responsibly reduce or even hold rates for 2022. In the interest of true transparency, we also want our customers to be aware that they should expect their monthly bill to show a Power Cost Adjustment (PCA) charge for the first part of 2022. You can find more details about PCAs on the opposite side.



CONTROLLING YOUR COSTS

There is one thing every customer can do to help keep the utilities bill as low as possible: Use less. In addition to using electricity and water wisely, efficient appliances like those that are ENERGY STAR® and WaterSense-rated can cut down on usage for you.

ERMU also offers rebates for a wide variety of efficient appliances:

Energy Star® REFRIGERATOR	\$100 REBATE
Energy Star® WATER HEATER	\$400/\$450 REBATE
Energy Star® DEHUMIDIFIER	\$30 REBATE
Energy Star® POOL PUMP	\$200 REBATE
Energy Star® CLOTHES WASHER	\$40 REBATE
Energy Star® DISHWASHER	\$40 REBATE
Watersense FAUCETS	\$10 REBATE
Watersense TOILETS	\$25 REBATE

Visit www.ermumn.com/programs-rebates to learn more.

Understanding Power Cost Adjustments

A Power Cost Adjustment is an industry standard tool that ensures the actual cost of the power that customers use is what they see on their bill. PCAs are calculated at thousandths of a cent per kWh and can either increase a bill's total to meet rising costs or decrease it in the form of a credit when costs are below expectations.

Adjustments are necessary because power providers obtain energy from multiple sources, all of which are susceptible to any number of market influences that can affect prices. For example, the polar vortex that hit Texas last winter disrupted electric infrastructure and the supply of natural gas, greatly increasing prices for those customers who rely on it. Fortunately, ERMU is committed to doing everything it can to protect its customers from price increases.

For the past nine years the Utilities Commission has approved an annual rate stabilization approach, which absorbs up to \$500,000 in PCA costs that would otherwise appear on our customers' bills. ERMU's careful budgeting process has helped us establish a beneficial track record for our customers who, until recently, have not seen a PCA charge since 2014. The need for charges now is largely attributable to the extraordinary circumstances we are seeing in the energy market.

Service Address : 123 MAIN ST

Elk River Municipal Utilities Services							
Rate	Meter No.	Service Dates		Readings		Multiplier	kWh Usage
		From	To	Previous	Present		
Residential Electric Service	99999999	11/23/2021	12/28/2021	15000	15500	1	500
⚡ Electric	Electric Customer Charge						\$13.50
	Electric Usage						\$58.00
	Power Cost Adj						\$3.00

Locate the PCA below Electric Usage on the back of your bill

“As the ERMU mission statement promises, we are committed to educating our customers about their utilities. This means that no matter the news, we will provide it to the community with transparency and honesty.”

-John Dietz, Utilities Commission Chair



2022 Water Rate Increase



The complex system that reliably and safely brings quality water to our customers requires daily care and maintenance. While ERMU water customers had a zero percent rate increase last year, a 2.5 percent increase for 2022 ensures that we are appropriately funding for the staff, equipment, and testing needed to provide one of our community's most crucial services.

Additional water department projects for 2022 include: improvements to facilities, updating our Wellhead Protection Plan, and work required for the Highway 169 Redefine project.