

CUSTOMER UPDATE

THINKING ABOUT ROOFTOP SOLAR?



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OPU MEMO



Roger Warehime,
General Manager

OPU Commission

Mr. Matt Kottke
Mr. Kent Rossi
Mr. Randy Doyal
Mr. Jay Johnson
Mr. Doug Zirngible

Last month, I talked about our expectations for higher natural gas prices this winter. This month I am talking about what our electric, water, and natural gas rates will be for 2022. As I write this memo, our commission hasn't yet approved our new rate policies; however, they have approved our budget which includes the rates. We expect that they will approve the rates at our December commission meeting.

The good news is that, on the whole, neither our electric nor our natural gas rates are increasing for 2022. That doesn't mean there are no changes, however. For electric, we are moving some costs from the commodity portion of the bill to the fixed charge. This is to move us toward the targets set by our cost-of-service study which indicates we are not collecting enough on the fixed portion of the bill. Residential customers will see their monthly charge increase from \$12 to \$13; the per-kWh charge will be decreased such that, for the average customer, there is no change to the bill.

For water, we are continuing a multi-year plan to increase water rates by just under 5% each year. This increase is necessary because the rates we have been charging are not adequate to cover the infrastructure investments we must continue to make in our water system. Fortunately, water makes up the smallest portion of most customers' utility bill.

Although our electric and natural gas rates are not changing, our customers can still be impacted by real time cost variations in the energy market. In addition to the published rates, we have adjustment factors which are calculated each month to pass through the difference between the actual cost of the commodity and the cost which is assumed in our rate. For natural gas, this adjustment is called the Purchased Gas Adjustment, and for electric it is called the Energy Acquisition Adjustment. The adjustment can be positive or negative.

To estimate the entire impact on our customers, we include an estimate of what the impact of the adjustment factors will be. For natural gas, we estimate an increase of 9.5% and for electricity we estimate a decrease of 2.2%. This, along with the water rate increase, results in a total impact of a 2.5% increase (\$4 per month) to the average residential customer who has all three utilities.

We know that rate increases, no matter how small, are never welcome. In addition to making sure our services are extremely reliable, we also work hard to control costs and remain competitive. I am proud to report that the most recent rate comparison report by the American Public Power Association showed that our average electric rates are among the lowest in Minnesota. Compared to OPU, the average investor-owned utility's rates are 8.5% higher and the average municipal utility's rates are 9% higher.

I wish you a safe and happy holiday season and a prosperous 2022!

CONSERVATION TIP\$

Vacating in warmer weather this winter? Don't forget to turn your furnace down. Keeping your house just warm enough to keep pipes from freezing will reduce how much you are paying while you are away. Setting your thermostat between 45 and 55 is warm enough to keep your pipes from freezing, depending on the outdoor temperature.



City to Enhance E-Commerce for Residents & Businesses



Kris Busse,
City Administrator

Following a thorough planning and selection process, the City of Owatonna has selected a new financial software solution. This new technology will make it easier to do business with the City online.

The need for a new Enterprise Resource Planning (ERP) solution became apparent when the City needed to quickly adapt to functioning online due to COVID-19. With City Hall closed and several employees working remotely, many work-arounds were put into place to continue providing services to Owatonna's residents and businesses. Staff discovered many efficiencies with the transition to online services and this option was positively received by those whom we serve.

The City's financial software was due for an upgrade this year. With so many best practices utilizing online platforms implemented during the pandemic, it became clear that we needed to continue providing services online with added online convenience. Staff conducted a thorough analysis of all the City's financial and business processes. Selecting a vendor for this important investment involved every department to ensure the solution chosen was forward-looking and encompassed all the ways we conduct transactions. Five critical components emerged:

- Citizen services available online
- Budgeting
- Financial reporting, billing and accounts payable
- Work order system
- Reporting and transparency

With help from the Government Finance Officers Association, a comprehensive Request for Proposals captured our future needs and enticed several software companies to provide demonstrations and pricing. OpenGov was selected as the vendor who could best provide an integrated way to manage the City of Owatonna's business processes. These innovative processes will lead to more efficient workflows, internal controls and budget monitoring.

The five-year contract with OpenGov is an important step to help the City of Owatonna achieve its strategic goal of being an efficient, effective, and economical government. It answers the need to provide contactless interactions with residents, business owners and others who conduct financial transactions with the City. The cloud technology it uses aligns with the City's continuity of operations plan.

The implementation for the new ERP kicked off in October and is expected to be completed mid-year 2022.



-  Full-featured, Web-based, Financial Management System
-  Core Accounting Functionality
-  State-of-the-art Budgeting
-  Flexible Reporting, Dashboards, Analytics
-  Modern Permitting, Licensing, Code Enforcement Suites

MAYOR

Tom Kuntz

COUNCIL MEMBERS

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



Thinking About Rooftop Solar?

Q: I am interested in putting solar on my home, where do I begin?

A: Before picking up the phone to call a solar contractor to get a quote, do your research. Clean Energy Resource Teams (CERTs) is a great starting point for research. CERTs is part of the U of M Extension Office and provides unbiased information, including a directory of solar installers. Also consider checking the Better Business Bureau website to ensure the installers you are considering have good reputation. Something that will be important in your research is understanding that energy is measured in kWh (kilowatt hours), and solar array size is measured in kW (kilowatt).

Q: Do I have a good location for solar?

A: South facing roofs with no shade (shade can come from trees, neighboring structures, dormers, etc) are optimal for rooftop solar. East and west facing roofs can also be OK options but they will not produce as much electricity as south facing roofs. Trees can be removed, but the cost of having a tree service remove large trees should be taken into account when determining your payback. The age of your roof is also an important factor in considering rooftop solar. If your home needs a new roof, it is best to have that done before adding solar.

Q: How much solar do I need on my home?

A: This depends on the amount of electricity you use annually as well as your roof. After adding up the "kWh" from your last 12 utility bills, an online tool, PVWatts® Calculator can be used to estimate how much energy a solar array would produce on your roof. PVWatts® will ask for some information about your roof such as the angle of your roof as well as the direction it faces and then you enter an array size in kW. Start with an array size somewhere between 5 kW and 10 kW, then adjust the size as needed until the production is close to your annual electricity use.

Q: What is the process for having solar installed on my home?

A: Utilities call the process of connecting solar to a home or business "interconnecting". The majority of this process is generally completed by the contractor you choose. An application needs to be filled out with technical details of the array, the Utility will approve the application or point out changes that are required, and a building permit must be granted through the City. Once this is done, the contractor will install the array and work with the Utility to do the interconnection test.

Q: How does adding solar on my house change my utility billing?

A: Once your array is operating, the Utility measures the electricity going into your home from the "grid", as well as the solar electricity leaving your home going out to the "grid". When your meter is read, the solar energy given to the grid is subtracted from the energy you used from the grid. If this net is positive, you will be billed for the net energy used from the grid. If the net is negative, you will be paid for the net. The rate you are paid is called the "Average Retail Rate" and is very close to the utility billing rate, but lags rate changes by a year.

Q: Are there rebates for putting buying solar?

A: YES! OPU has a \$500 rebate for qualifying solar installations. There are also Federal Tax Credits available until 2024.

Resources and Links:

- **CERTs Tools and Guides:**
<https://www.cleanenergyresource teams.org/tools-guides>
- **Better Business Bureau:** <https://www.bbb.org/>
- **PVWatts® Calculator:** <https://pvwatts.nrel.gov/>
- **Federal Tax Credit Guide:**
<https://www.energy.gov/eere/solar/homeowners-guide-federal-tax-credit-solar-photovoltaics>

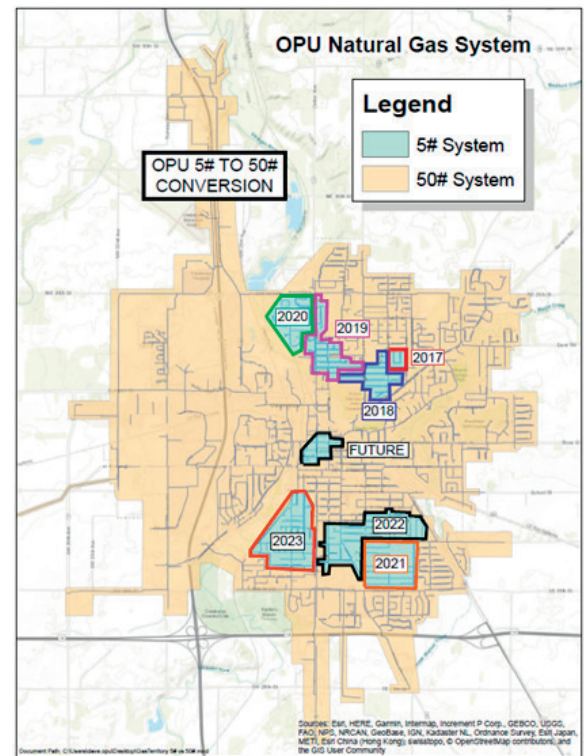
NATURAL GAS INFO

Owatonna Public Utilities has been working diligently over the last few years trying to bolster our Natural Gas Distribution System by increasing the delivery pressure to our system from 5 PSI to 50 PSI (pounds per square inch).

By delivering higher operating gas pressure, both the size of pipe and installation cost of the natural gas distribution system can be reduced. In the past, the typical way to provide sufficient natural gas volume was accomplished by increasing the pipe size. Increasing the gas pressure will allow us to install smaller pipe sizes, meet customer demands and reduce installation costs.

Residential building sizes continue to grow and become more complex with additional natural gas appliances (natural gas generators, on demand hot water heaters, etc...) requiring more pressure and volume. By increasing the pressure to our distribution system now, OPU is able to be in front of demand before it becomes too taxing on our system.

Year five of seven of the conversion project was just completed. Improvements have also been made in the downtown area, and will continue, as building renovations and street maintenance enables us to do so.



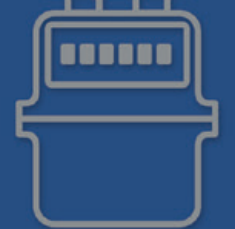
Customer Owned BURIED GAS PIPING NOTIFICATION

In compliance with the Department of Transportation, Pipeline Safety Regulations, Part 192.16,

Owatonna Public Utilities is notifying customers about their responsibility for customer-owned gas piping. Owatonna Public Utilities DOES NOT own or maintain gas piping downstream (house side) of the natural gas meter. Gas piping after the gas meter is customer-owned. Maintenance and inspection of customer-owned piping is the customers' responsibility.

To ensure safe and reliable operation, customer-owned buried gas piping should be:

- Periodically inspected for leaks
- Periodically inspected for corrosion if the piping is metallic
- Repaired if any unsafe condition is discovered, or flow of gas should be shut off
- Located and marked in advance when excavation is performed or is about to be performed near the buried gas piping
- Carefully excavated by hand when work is performed near the piping



← Piping coming into the home is the customer's responsibility

As an OPU customer, you should have received the above notice earlier in the year. The notice explains the pipe coming out of the meter (house side) is the responsibility of the homeowner to maintain and inspect, as needed. It's very important to know that dividing line (OPU vs. Private Ownership), and to make sure the customer-owned side of the service, and the house, are checked periodically for leaks, corrosion, and any other noticeable defects.

OPU conducts annual leak detection surveys on our distribution system, including gas mains and services. In residential areas, this is done in a four-year rotation, with 25% of the city completed every year. All Commercial and new construction areas are done annually. It is important for homeowners and business owners to understand, beyond the meter and into buildings, OPU is unable to survey these areas. As a homeowner, understanding where that change of ownership is located can help you be aware of unsafe conditions and can help you identify problem areas before a leak occurs.



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.

2022 Stormwater Utility Fee Changes

Beginning January 1st, 2022, you will notice a 4% 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.



Year	ERU
2021	\$4.35
2022	\$4.52

There were no rate changes for years 2020 and 2021.

The rate for a single-family residential property (ERU) will be a constant monthly fee of \$4.52 (starting 2022).

All other properties are based on the following equation that evaluates the equivalent residential unit, acreage, and land use:

$$FEE = (Parcel\ Acreage / 0.33) \times Intensity\ Factor \times Current\ ERU$$

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

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.

GET BONUS GREEN FOR BEING GREEN!

In addition to our base rebates, Owatonna Public Utilities is now offering **BONUS REBATES** for the following efficient natural gas equipment purchases made through December 31, 2021:



NATURAL GAS EQUIPMENT

STANDARD REBATE

BONUS REBATE

TOTAL REBATE*

Retrofit Furnace $\geq 92\%$ AFUE	\$150.00	\$150.00	\$300.00
Retrofit Furnace $\geq 95\%$ AFUE	\$300.00	\$300.00	\$600.00
Retrofit Furnace $\geq 97\%$ AFUE	\$400.00	\$400.00	\$800.00
Smart Thermostat	\$50.00	\$50.00	\$100.00
Boiler $\geq 85\%$ AFUE	\$200.00	\$200.00	\$400.00
Boiler $\geq 90\%$ AFUE	\$400.00	\$400.00	\$800.00
Boiler $\geq 95\%$ AFUE	\$500.00	\$500.00	\$1,000.00
WaterSense Showerheads	\$25.00	\$25.00	\$50.00
Attic Insulation - Self Installed	\$125.00	\$125.00	\$250.00
Attic Insulation - CEE Contractor	\$350.00	\$350.00	\$700.00
Attic Air Sealing	\$200.00	\$200.00	\$400.00
Rim Joist Sealing/Insulation	\$150.00	\$150.00	\$300.00

*Combined total rebate not to exceed purchase price

Visit www.owatonnautilities.com to learn more and download a Natural Gas Rebate Application with complete terms and conditions.



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

Office: 451-2480 Service: 451-1616

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US Postage
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Owatonna MN

POSTAL CUSTOMER
ECRWSS

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

*Merry
Christmas and
Happy New Year*

from all of us at OPU. May this holiday season
bring you peace, love, joy and good health.

To allow our employees to spend time with their families
this holiday season, OPU is closed the following days:

- Thursday, December 23
- Friday, December 24
- Friday, December 31

All other days will have normal business hours.

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 OPU at 451-2480 option 1.

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.

