



## 2023 Rates Announced

At their November meeting, the Princeton Public Utilities Commission approved electric and water rates for 2023. Here is a summary of those changes.

### *Seasonal Electric Rates*

In 2022, Princeton Public Utilities (PPU) and the Princeton Public Utilities Commission (PUC) hired an independent, third party to conduct an electric rate study. The goals of the rate study were to:

- ensure the long-term health and integrity of the utility system;
- quantify policies, priorities, and initiatives;
- evaluate the cost of providing services;
- track cost information;
- evaluate equity between customer groups; and
- communicate financial decisions and their impacts.

In the meantime, PPU has:

- paid off a significant amount of debt;
- streamlined its internal operations to reduce costs;
- completed converting all electric meters to AMI;
- begun work on a ten-year capital improvements plan; and
- seen a 10% increase in wholesale electricity rates from SMMPA, PPU's joint power agency.

Preliminary results of the electric rate study were presented to both the PUC and the Princeton City Council on August 4<sup>th</sup>, 2022. The rate study found that PPU is financially stable and well-positioned for the future. As a result, PPU is projecting an overall electric rate increase of less than 1% for 2023.

The rate study emphasized that PPU, like other utilities, is experiencing significant price pressures during the summer months as consumptions continue to rise. PPU has made efforts to encourage reduced usage through the Peak Alert program and through energy efficiency rebates ([www.SaveEnergyInPrinceton.com](http://www.SaveEnergyInPrinceton.com)) but it hasn't been enough to keep



summer demands down. Although PPU has historically provided rate consistency by offering a single rate year round, the rate study highlighted the growing cost differences between summer and non-summer usages.

Starting in 2023, it is therefore necessary for PPU to implement summer and non-summer rates - much like other Minnesota electric utilities. This will provide our customers with lower cost energy during the non-summer months and allocate costs more appropriately during the summer months when the electricity markets are more expensive.

### *Lower Water Rates*

As for the water department, PPU is nearing the completion of a Comprehensive System study. With this study, PPU is working closely with the City of Princeton to identify infrastructure improvement needs over the next several years as it pertain to water, sewer, and roads. This collaboration will allow for the efficient use of both ratepayer and taxpayer dollars.

PPU is also wrapping up the conversion of the water metering system to AMI. Expected to be completed in 2023, this effort has already helped to reduce costs and improved our ability to provide our customers with more information on their utility consumption.

In addition, PPU has:

- funded a capital improvements program to replace aging equipment;
- paid off a significant amount of debt; and
- streamlined its internal operations to reduce costs.

As a result of these developments, PPU will be lowering the water monthly charge by \$3 per month for residential, commercial, and industrial customers in 2023. Showing, once again, that Public Power is here to serve you.

More details can be found in the 2023 Rate Book available on our website at:

<https://princetonutilities.com/billing-and-services/>