

# **City of Buffalo**

**Utility Department and Rate Overview**

# Your **Utility**

## Services for the City of Buffalo



# Minnesota Municipal Power Agency (MMPA)

100% of our electricity is purchased through this collaborative member agency

12 members that have an active voice on their board

Owned & purchased generation both conventional & renewable



# Power Cost Adjustment

PCA will reflect on the increase/decrease on the cost of fuel to generate electricity and will vary from month to month

- Volatile supply chain & delivery
- Renewable generation

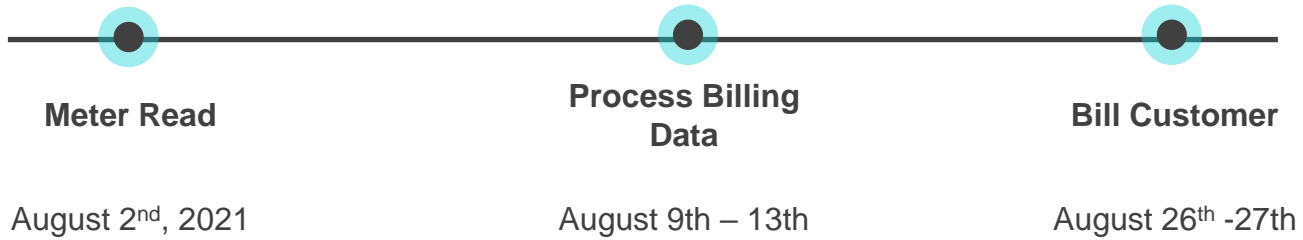
**Account for  
Unexpected Changes**

**Not a Change in Rates**

**Does Not Generate  
Extra Revenue**

**Provides Both  
Reductions and  
Increases to Your Bill**

# July Bill Timeline



# Services on Your Bill

- Electric Consumption
- Water Utilization
- Wastewater Utilization
- Storm Sewer Utilization
- Garbage
- Recycling



# Benefits of Public Power

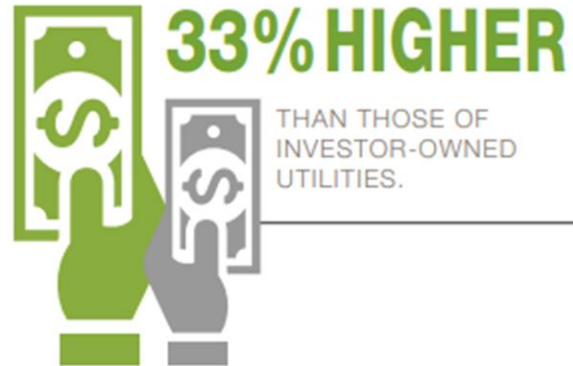
**Local Control**

**Reliable Customer Service**

**Local Economic Development**

**Competitive Prices**

PUBLIC POWER'S CONTRIBUTIONS TO  
STATE AND LOCAL GOVERNMENTS ARE



<sup>3</sup>American Public Power Association, "Public Power Pays Back: Payments and Contributions by Public Power Utilities to State and Local Governments in 2014," March 2016.

A graphic featuring the text "Rate Review" centered within a white double-lined circle. The circle is surrounded by ten white tick marks of varying lengths, positioned at approximately 12, 1, 2, 3, 4, 5, 6, 7, 8, and 9 o'clock. The background is a smooth gradient from light orange at the top to light blue at the bottom.

# **Rate Review**



# Local Municipal Electric Rates



City	Fixed Rate	KW/HR Rate	Power Cost Adjustment	Population
Arlington	\$5.50	\$0.0900	Yes	2,500
Buffalo	\$9.72	\$0.1232	Yes	16,000
Chaska	\$11.20	\$0.1239	Yes	24,000
Elk River	\$13.50	\$0.1270	Yes	23,000
Le Sueur	\$10.50	\$0.1053	Yes	4,000
Olivia	\$13.80	\$0.0940	Yes	2,500
Shakopee	\$9.00	\$0.0988	Yes	41,000
Delano	\$14.00	\$0.0982	Yes	6,000



# Electric Residential Rate Comparison

## WITH CITY OF BUFFALO

Average \$/kWh (Excluding Customer Charge)  
Over Last 6 Months:  
0.12200

Current COB Cust Charge:  
\$9.25

Total kWh's Used/Month	Billing Charge Pretax
200	\$33.65
400	\$58.05
600	\$82.45
1000	\$131.25
2000	\$253.25
3000	\$375.25

Or Enter Customer Usage Below

\$9.25

## WITH XCEL ENERGY

Average \$/kWh (Excluding Customer Charge)  
Over Last 6 Months:  
0.12436

Current Xcel Customer Charge  
\$10.00

Total kWh's Used/Month	Billing Charge Pretax
200	\$34.87
400	\$59.74
600	\$84.62
1000	\$134.36
2000	\$258.72
3000	\$383.08

Or Enter Customer Usage Below

\$10.00

# Electric Residential Rate Comparison

WITH CITY OF BUFFALO	
Average \$/kWh (Excluding Customer Charge) Over Last 6 Months:	
0.12200	
Current COB Cust Charge:	
\$9.25	
<b>Total kWh's Used/Month      Billing Charge Pretax</b>	
200	\$33.65
400	\$58.05
600	\$82.45
1000	\$131.25
2000	\$253.25
3000	\$375.25
Or Enter Customer Usage Below	
\$9.25	

WITH WRIGHT HENNEPIN	
Average \$/kWh (Excluding Customer Charge) Over Last 6 Months:	
0.12100	
WH Current Off-Peak Rate (Excluding Customer Charge):	
0.08000	
Current WH Cust Charge:	
\$19.90	
<b>Billing Charge Pretax</b>	
<b>Total kWh's Used/Month</b>	
200	\$43.28
400	\$66.66
600	\$90.04
1000	\$136.80
2000	\$253.70
3000	\$370.60
Or Enter Customer Usage Below	
\$19.90	
*WH Bill Amounts Assume 10% of Usage Was Off-Peak	

# Water & Sewer Rate Increase

Rate Increase Impact on Water & Wastewater (Sewer) Cost - Residential				
		Existing 2020 Cost	2021 Cost	Monthly Dollar Increase
<b>Customer User Size in Gallons</b>				
<b>Low User – Residential</b>				
	Water (2,000 gals/month)	\$16.22	\$19.18	\$2.96
	Sewer (2,000 gals/month)	\$25.28	\$32.00	\$6.72
	<b>Total Monthly Cost</b>	<b>\$41.50</b>	<b>\$51.18</b>	<b>\$9.68</b>
<b>Low Moderate User – Residential</b>				
	Water (4,000 gals/month)	\$23.94	\$28.86	\$4.92
	Sewer (4,000 gals/month)	\$50.56	\$58.00	\$7.44
	<b>Total Monthly Cost</b>	<b>\$74.50</b>	<b>\$86.86</b>	<b>\$12.36</b>
<b>High Moderate User – Residential</b>				
	Water (6,000 gals/month)	\$34.76	\$45.02	\$10.26
	Sewer (6,000 gals/month)	\$75.84	\$84.00	\$8.16
	<b>Total Monthly Cost</b>	<b>\$110.60</b>	<b>\$129.02</b>	<b>\$18.42</b>
<b>High User – Residential</b>				
	Water (8,000 gals/month)	\$45.58	\$61.18	\$15.60
	Sewer (8,000 gals/month)	\$101.12	\$110.00	\$8.88
	<b>Total Monthly Cost</b>	<b>\$146.70</b>	<b>\$171.18</b>	<b>\$24.48</b>

# Water & Sewer Rate Comparison

**Table 4-6**

**Monthly Combined Bill Comparisons**

Residential Usage (gallons)	3,000	6,000	10,000
Buffalo current	\$58.00	\$110.60	\$187.12
Buffalo proposed			
Annandale	46.50	69.00	99.00
Becker	31.14	60.99	102.35
Big Lake	54.60	90.84	142.59
Delano	71.84	125.96	198.12
Elk River	40.12	48.82	76.87
Howard Lake	97.14	136.53	189.05
Maple Plain	99.13	116.23	180.19
Waverly	80.00	140.00	220.00

- For **3,000 gallons** the water is **\$24.02** and if customer also had a sewer average of **3,000** sewer would be **\$45.00** for total combined cost of **\$69.02**
- For **6,000 gallons** the water is **\$45.02** and if customer also had a sewer average of **6,000** sewer would be **\$84.00** for total combined cost of **\$129.02**
- For **10,000 gallons** the water is **\$77.34** and if customer also had a sewer average of **10,000** sewer would be **\$136.00** for total combined cost of **\$213.34**

## Strengths

- Knowledge, experience, & skills in all our Utility staff
- Customer service focused
- Local support for economic development
- Healthy relationships with City Council
- Low risk profile with monthly safety training and strong support with leadership

## Weaknesses

- Standard operating procedures to promote efficiency
- Utility management model
- Communication plan for all Utility divisions
- Conservation education and tips for customers
- Redundant infrastructure



## Opportunities

- Training & Development program
- Utility measurements and scorecards
- Department synergy
- Develop Utility Management model
- Staff focused on communication & conservation programs
- Infrastructure redundancy

## Threats

- Misinformation and miscommunication
- Supply chain & labor markets
- Cybersecurity
- Lack of technology & innovation
- Aging infrastructure

A circular graphic with a gradient from orange at the top to teal at the bottom. The circle is outlined with two thin white lines. Ten short white lines radiate outwards from the circle's perimeter at various angles. The text "Thank you" is centered within the circle in a black, sans-serif font.

Thank you