



Algonia Municipal Utilities

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October 5, 2020

Dear Valued AMU Electric Customer:

At AMU, providing you with reliable, responsible, and always ready electric service 24/7 is our top priority. This reliability is fundamental to help Algonia businesses and industries excel and to enhance our customer's daily lives.

AMU is committed to providing the necessary electric system maintenance and upgrades to meet the needs of our customers today and to meet the growing demands of our customers in the future.

The reason for this letter is to inform you that new electric rates will be effective starting with the October 30, 2020 billing. The average residential customer with usage of 900 kWh/month will see an increase of approximately \$6.85/month. The average small commercial customer with average usage of 1,000 kWh/month will see an increase of approximately \$17.40/month. The impact on large commercial and industrial customers depends on usage and load factor. Below, we detail how these new rates will support the upgrades and maintenance needed for our electric system.

2020 Electric Rate Components

1. **Metered Energy Charge:** This charge reflects the costs of owning and operating the electric system, which varies with the quantity of electricity produced.
2. **Customer Service Charge:** This charge covers fixed costs that Algonia Municipal Utilities incurs to service the needs of each customer, regardless of usage. These costs include serviced facilities, meter reading, bill distribution, and payment processing.
3. **Demand Charge:** This charge applies to large commercial and industrial customers and is measured in kilowatts (kW). This is a measurement of capacity or the rate at which energy is used. Demand represents the amount of energy used in 15-minute intervals during a billing cycle. To measure demand, electric meters record the average demand usage over each 15-minute period and record the highest (peak) 15-minute period for the month. Customers are billed on the peak value for each billing period.

I have included the new electric rates on the back of this letter. The new rates will be effective with the October 30, 2020 billing. Please contact me if you have any questions or comments.

Sincerely,
John Bilsten
General Manager

"COMMUNITY OWNED FOR COMMUNITY BENEFIT"

Electric Rates
Effective with the October 30, 2020 Billing

		Current Rate	New Rate
Residential	Energy Charge (all kWh)	13 cents	12.4 cents
	Customer Charge	\$10.75/month	\$23.00/month
Small Commercial	Energy Charge (all kWh)	15.5 cents	15.8 cents
	Customer Charge	\$10.60/month	\$25.00/month
Large Commercial	Demand Charge (all kW)	\$18.00	\$20.75
	Energy Charge (all kWh)	4 cents	2.8 cents
	Customer Charge	\$24.00/month	\$94.40/month
Industrial	Demand Charge (all kW)	\$15.15	\$20.65
	Energy Charge (all kWh)	3.5 cents	2.8 cents
	Customer Charge	\$31.80/month	\$94.40/month
Public Street Lighting	Energy Charge (all kWh)	5.3 cents	5.9 cents
Security Lights	No Change in Rates		