



**CITY OF ALGOMA**  
**A GREAT LAKES COMMUNITY**  
*Live Healthy, Live Well, Live Algoma*

The City of Algoma recently completed a rate study to ensure our revenues were adequate to meet debt covenants as well as operating costs for daily operations and future capital improvements. Our rate consultant, John Mayer, started the rate study in late 2022 and finished his review in early May, 2023. When reviewing the rates Mr. Mayer took the following information into consideration:

1. Current operating costs
2. Bond/Loan covenants that require cash reserves for equipment replacement & repairs
3. Financial markets and cost trends
4. Future capital needs to ensure plant operation and compliance with regulatory rules
5. Current debt payments and future debt needs
6. Bond market requirements for debt

Initially an increase of 12.5% (\$7.42 per month for the average user) was determined to be necessary to ensure adequate cash flow and funding for debt to accomplish the necessary capital improvements. However, staff worked on alternatives with Mr. Mayer to lower the needed increase by adjusting timing on issuance of debt, as well as using some reserves for capital needs. These changes allowed us to reduce the necessary increase to approximately 9%.

We are acutely aware that budgets are tight everywhere as we all deal with the repercussions of inflation, so the needed increase will be phased in. We will increase the rates by approximately 4.5% effective July 1, 2023 and again on January 1, 2024. We will then resume the annual 3% inflationary increases effective January 1, 2025.

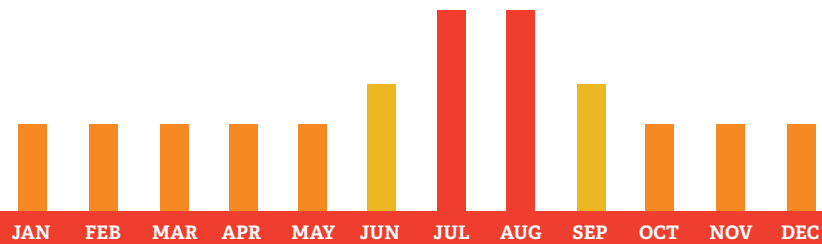
# DID YOU KNOW?

## ENERGY COSTS MORE IN THE SUMMER.



Because of increased air conditioning use, overall customer demand for electricity is at its highest in the summer months—and our cost to serve you is also the highest in the summer. Due to higher costs across the electric system, your bill is likely to increase during this time of year.

### MONTHLY ELECTRICITY COSTS



### SUMMER IS A GREAT TIME TO SAVE

Here are some easy ways to save energy and lower your bill during the summer:

- **Get a professional air conditioner tune-up.** A well-working air conditioner can save 5-15% on cooling costs.
- **Set your thermostat** to at least 80° when you are away.
- **Install a smart programmable thermostat.** Control your home's heating and cooling system more efficiently, saving up to 5-8% a year.
- **Run your dishwasher** only when it is fully loaded, and turn off the dry cycle and air dry dishes instead.
- **Close shades and blinds** during the day to block some of the sun's warmth.
- **Use ceiling fans.** The air movement in the room can make it feel 4 degrees cooler.
- **Change to LED bulbs.** They use less energy and give off far less heat.

### BUDGET PAYMENT PLAN

Avoid unpredictable utility bills and make balancing your budget a little easier. Pay the same amount each month, based on the average of your actual bill charges during the previous 12 months. Your utility bill will show how much energy you used, but some months you will pay less for what you actually used and some months you will pay more. **Contact us for details.**



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At Algoma Utilities, we join forces with other local, not-for-profit utilities through WPPI Energy to share resources and lower costs.