

A Community Update on Electric Rates

Working together to keep local electric service safe, reliable, and financially responsible

The AMU Board of Trustees approved updated electric rates at its September 2, 2026, meeting following completion of a cost-of-service and electric rate study. The new rates will be effective with electricity billed on or about November 30, 2026. Algona Municipal Utilities understands that changes to electric rates affect homes, businesses, and monthly budgets, and we want to share this information clearly and openly, so customers know what is changing, why it is needed, and how AMU is working to serve the community well. AMU reviews electric costs each year to plan for maintenance, equipment needs, rising energy costs, and future system improvements. This notice explains the upcoming adjustment, how it may affect different customer groups, and AMU's continued commitment to safe, reliable, and locally operated electric service.

Why We Review Rates

Just like households and businesses, AMU reviews its costs from time to time to make sure we can continue to operate responsibly. These reviews help us plan for system maintenance, equipment needs, financial obligations, and future improvements while keeping rates as fair as possible for all customer groups.

AMU updates its cost-of-service analysis on an ongoing basis; however, the proposed change would be the first electric rate adjustment since October 2020. The recently completed rate study helps provide a clear, cost-based roadmap for keeping rates fair, stable, and aligned with the needs of a reliable local utility. The study was completed by DGR Engineering, a firm recognized for its cost-of-service and rate study expertise.

One of the biggest pressures on electric rates is the continued increase in energy costs, which make up approximately 70% of AMU's electric utility expenses. The Board's foresight in investing in a diverse mix of generation and electric transmission assets helps hedge against rising energy costs and supports AMU's long-term planning.

AMU is taking a firm and disciplined approach to new, larger electric loads, including data centers and other high-density computing operations such as Bitcoin mining: these customers will pay 100% of their interconnection costs, along with their proportionate share of any system investments required to serve them. AMU is using this same approach for its current new Bitcoin-related high-density computing load. This policy ensures existing customers are protected, requires new large loads to pay their fair share, and positions AMU to grow electric usage in a way that spreads fixed system costs

across more kilowatt-hours—strengthening long-term control over energy and capital improvement costs.

Based on the study, AMU is proposing an overall electric rate adjustment of about 5%. The goals are to help maintain adequate reserves, support continued reliability through investments in electric distribution, transmission, and generation, and keep the electric utility financially strong for the community we serve.

What This Means for Customers

Because different types of customers use electricity in different ways, the proposed changes will not affect every customer the same. Some customer groups are expected to see an increase, while others are expected to see a decrease.

Residential Customers: An average residential customer using 809 kWh per month would see an increase of approximately \$10.24 per month.

Small Commercial Customers: An average small commercial customer using 1,000 kWh per month would see a decrease of approximately \$22 per month.

Large Commercial Customers: Monthly impacts will vary based on each customer's usage, demand, and load factor. The average monthly impact of the increase for a large commercial customer using 16,000 kWh and 54 kW of demand is approximately \$122.00.

Industrial Customers: Monthly impacts will vary widely based on each customer's usage, demand, and load factor.

Approved 2026 Electric Rates

2026 Electric Rates For electricity billed on or about November 30, 2026			
Rate Class	Rate Components		
		Current Rate	New Rate
Residential	Energy Charge (all kWh) Customer Charge	12.4 cents \$23.00/month	12.8 cents \$30.00/month
Small Commercial	Energy Charge (all kWh) Customer Charge	15.8 cents \$25.00/month	12.8 cents \$33.00/month
Large Commercial	Demand Charge (all kW) Energy Charge (all kWh) Customer Charge	\$20.75 2.8 cents \$94.40/month	\$19.95 3.8 cents \$99.25/month
Industrial	Demand Charge (all kW) Energy Charge (all kWh) Customer Charge	\$20.65 2.8 cents \$94.40/month	\$20.10 3.8 cents \$99.25/month
School Lighting and Fairgrounds	Demand Charge (all kW) Energy Charge (all kWh) Customer Charge	\$20.75* 2.8 cents \$94.40/month	\$19.95* 3.8 cents \$99.25/month
Public Street Lighting	Energy Charge (all kWh)	5.9 cents	No Change
Security Lights	No Change in Rates		

* School/Fairgrounds demand rate has no demand ratchet.

Why Bills Can Vary

Electric bills are based on multiple factors, including how much electricity is used, when it is used, and the demand placed on the system. Since every home and business uses electricity a little differently, individual bill impacts may vary from the examples shown above.

Reliability and System Investment

AMU's 2024 reliability results compare very favorably with national utility benchmarks, underscoring the value of continued investment in Algona's local electric system.

- AMU Customers experienced an average outage duration of 28.3 minutes in 2024.
- AMU achieved service availability of 99.9%.
- AMU's results were substantially stronger than national comparison data: 120 minutes reported by the American Public Power Association and 377 minutes reported by the U.S. Energy Information Administration for all electric utilities in the United States.

- AMU's reliability, safety, and infrastructure investment helped earn the Reliable Public Power Provider (RP3) designation from the American Public Power Association.
- AMU is one of only about 250 public power utilities nationwide to receive this recognition.

Reliable service also provides real customer value. Fewer and shorter outages help reduce the hidden costs that customers can face from lost time, disrupted business operations, spoiled food, or damaged equipment. AMU's ongoing investment in poles, wires, transformers, substations, technology, and outage response helps keep service dependable today while reducing the risk of larger, more expensive replacements in the future.

Thank You for Being Part of Our Local Utility

AMU is proud to serve Algona and the surrounding area with locally operated electric service. As we plan for the future, we remain committed to maintaining reliable service, managing costs carefully, and making decisions that support the long-term strength of our community and our community-owned utility.