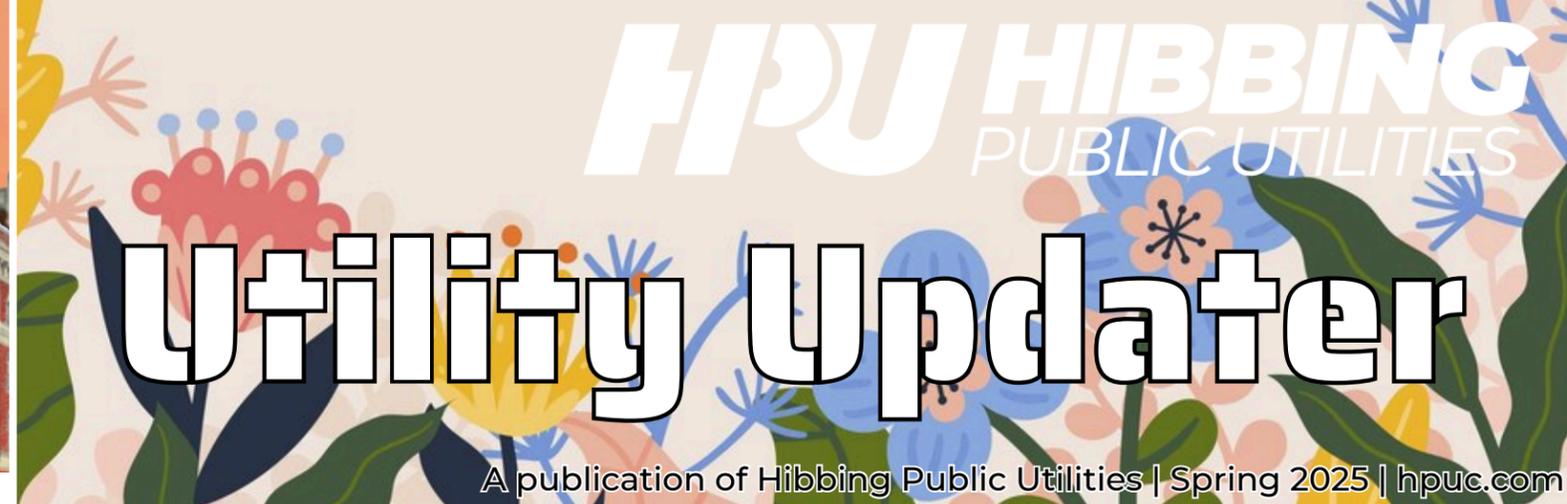


2025 Utility Town Hall Meeting



- **Date:** May 20th, 2025
- **Time:** 6:00 pm - 9:00 pm
- **Location:** Memorial Building, Little Theater
400 E 23rd St., Hibbing, MN 55746
- **Topics:**
 - 2024 Year in Review
 - 2025 Projects
 - Rates Discussion
 - Community Q&A



Upcoming Rate Changes:



The Hibbing Public Utilities Commission (HPU) is currently considering rate changes set to take effect before the end of 2025. HPU is committed to open communication and a transparent decision-making process. This article aims to inform ratepayers about the infrastructure improvements these adjustments support, how the proposed rates were developed, and a potential impact these changes could have. By sharing this information, HPU hopes to help customers better understand HPU's need for action and prepare our community for any adjustments to billing rates.

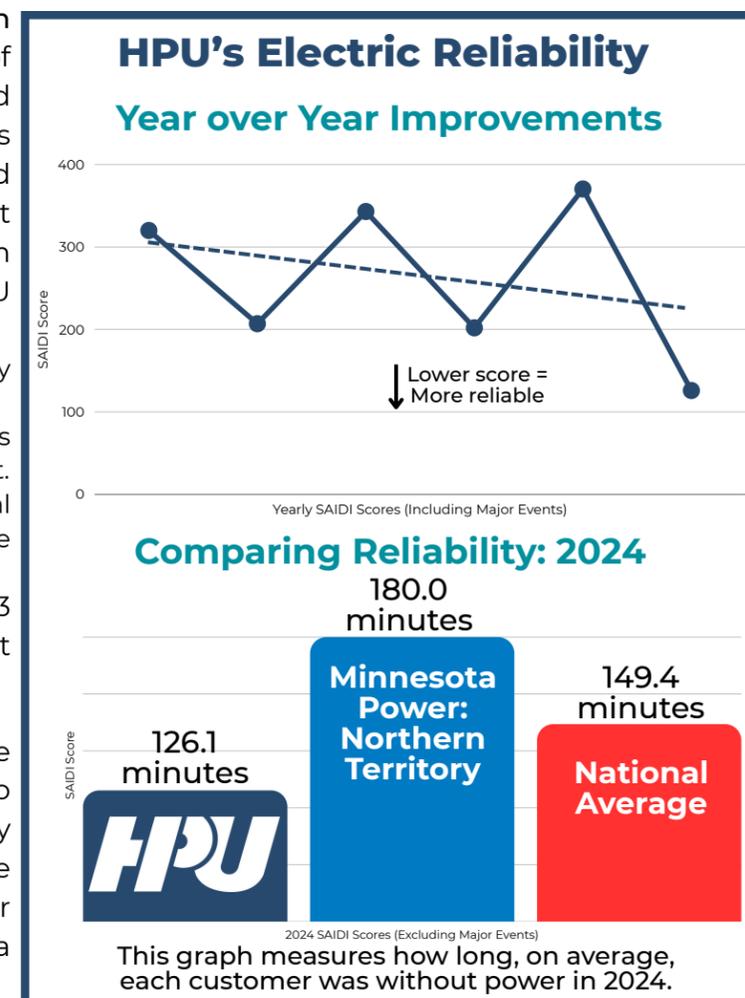
The Right Investments: Outage Reductions

HPU's mission is to provide the residents with reliable utility services at competitive rates. One of the largest challenges to this mission is outdated infrastructure. As infrastructure ages beyond its expected service life, it becomes both less reliable and more expensive to maintain. Because of this, the cost of inaction is simply too high. The following long-term plans have been created and implemented by HPU over the last 3 years;

- **Hib-WATER** - Addresses water production shortfall by strengthening water production and distribution.
- **Substation Modernization Projects** - Replaces outdated substations with modern electrical equipment.
- **Annual Vegetation Management** - Clears electrical lines from vegetation to prevent weather and wildlife related outages.

In support of these projects, HPU has secured \$6.3 million of outside funding, but these projects must include local buy-in from our residents.

HPU is proud to report that these efforts have already improved our reliability metrics. Here are two graphs tracking HPU's SAIDI score. SAIDI is an industry standard electrical reliability metric. It measures the average amount of outage time experienced per ratepayer in a given year. A lower score represents a more reliable utility.



Rate Changes: Cont.

Rate Study & Potential Impact

In order to maintain compliance with its debt covenants with the City of Hibbing, HPU worked with a third-party utility accounting firm, Baker Tilly, to perform a comprehensive and objective study of HPU's rates. The primary goal of this study was to evaluate HPU's financial needs through 2029, and design a sustainable rate structure to match those needs. Importantly, the study evaluated the operating costs and revenues of each service and proposes rate changes to develop each service into a self-sustaining fund. This planning ensures that each service supports its own maintenance and capital rebuilds. This is a vitally important principle to maintain fairness across billing, ensuring each ratepayer is only paying to benefit the services they use.

The study was finished and presented to the Commission on January 7th, 2025. The Commission has been taking time to evaluate the potential adjustments and is seeking community input prior to taking formal action. HPU will be discussing this topic at a Town Hall Meeting scheduled for Tuesday, May 20th, 2025 at 6:00 pm. This meeting will be held in the Little Theater of the Memorial Building and is open to all HPU customers and stakeholders.

Spring Energy Saving Tips:



Unplug unnecessary devices -
Dormant devices can account for as much as 10% of household energy use. Unplug televisions, chargers, gaming systems when not in use.

Replace/Clean Air Filters -

Remember to replace filters on; HVAC systems, refrigerators, dishwashers, etc. Having a clean intake filter on these devices will help them operate more efficiently and use less power.



Estimated Impact of Proposed Adjustments

	Usage	Current	Proposed
Electric	638 kWh	\$ 102.09	\$ 107.60
Gas	75 CCF	78.59	75.54
Steam	10 Mlbs	208.00	215.28
Water	6,000 Gal	41.30	45.70
Total		\$ 429.98	\$ 444.12
% Change		-	3.3%

Rate Comparisons: Staying Competitive

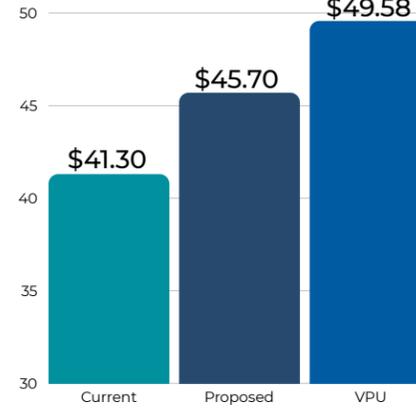
Electric



Natural Gas



Water



2025 Utility Projects

Electrical Projects

Background:

HPU currently relies on a single external power supply connection that it does not own or maintain. This lack of control has contributed to multiple reliability issues, including a city-wide outage on Mother's Day 2023. To address this, HPU is launching a project to build two new connection points, improving system reliability and control for the Hibbing community.

Project Locations:

- Southern Hibbing - Project Route to be discussed at **May 20th Town Hall Meeting**

Timeline:

This project is still in the planning and permitting phase. Limited surveying along potential routes will occur in 2025.

Impact:

HPU will be contacting impacted landowners along the planned route. This project plans to primarily use existing right-of-ways to minimize its impact.

Water Projects

Background:

HPU has committed to annually replacing ~2% of outdated watermain infrastructure.

Project Locations:

- 12th Ave E (Howard St to 23rd St.)
- 23rd St. (1st Ave. to 9th Ave. E)
- 17th St., 5th Ave., & 6th Ave.

Timeline:

Work is expected to begin in mid-late May. Project must be significantly completed prior to Oct. 31st.

Impact:

HPU will contact affected ratepayers. Temporary services will be set up by the contractors through the duration of the project.



Project Updates

HPU will be posting weekly project updates to its website at: www.hpuc.com/current-projects

Legislative Update:



HPU seeking \$12 Million to Support Water Projects -

Securing funding for water infrastructure remains HPU's highest priority. With several key projects planned for 2025 - targeting both production and distribution - HPU has submitted a \$12 million request through the state bonding process. Bonding bills are typically finalized in early May; we encourage community members to contact HPU to learn how you can support these essential investments in Hibbing's water system.

The Role of Biomass in Minnesota's Energy Future-

Biomass energy was initially excluded from Minnesota's Carbon-Free by 2040 Bill, prompting HPU and other stakeholders to advocate for its recognition as a carbon-free energy source. This effort so far has received bipartisan support as a responsible use of MN's waste products. HPU would especially like to thank Hibbing's Senator Rob Farnsworth and Representative Spencer Igo for their leadership to advance this initiative.