



KERRVILLE PUBLIC UTILITY BOARD

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KPUB FREEZES RATES FOR CUSTOMERS AFTER FREEZING TEMPS & THE AFTERMATH OF WINTER STORM URI

February 25, 2021—The Kerrville Public Utility Board (KPUB) was quick to take action when we saw the extreme winter weather on the horizon, suspending customer disconnects for non-payment the week before Winter Storm Uri hit and took measures for preparations for the weather events ahead.

Even with our preparedness, no utility was prepared for the Electric Reliability Council of Texas (ERCOT) energy supply challenges that occurred. ERCOT manages the electric power flow to 90% of the Texas electric load, and KPUB is connected to the ERCOT grid. These state-mandated service interruptions are designed to prevent an uncontrolled total statewide outage.

The energy crisis and state of emergency for Texas unfolded as a simultaneous result of increased power demand with the extreme winter weather and a significant drop in energy supply—approximately a third of the state’s power generating capacity shut down during the storm events. Additionally, during this crisis, many utilities experienced spiking natural gas prices up to 100 times from typical rates in a time when power was needed the most.

“We have been receiving a large number of calls about the news reports on the horror stories with bill prices as a result of these events,” said Mike Wittler, KPUB General Manager & CEO. “While KPUB is still assessing and calculating costs from the event, we remain confident in assuring our customers that they will not experience the outrageous bill prices that are causing panic in our industry.”

As a result of these recent events, the KPUB Board of Trustees took action at its monthly board meeting yesterday, approving a resolution that temporarily freezes KPUB’s electric bill rates for customers at their current rates. KPUB is a not-for-profit, community-owned electric utility company with some of the most competitive rates in Texas. Our rate is just 8.5 cents per kWh based on 1,000 kWh usage for our residential consumers—the current state average hovers between 11-12 cents per kWh.

While KPUB faces costs and exposure from purchasing energy during a crisis event—we are not alone, and it’s not something the public power industry is taking lightly. The astronomical price increases from natural gas producers are something that is being



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aggressively questioned by consumers, utilities and state leaders as a price-gouging event during an emergency and life-threatening situation. Public power utilities are not-for-profit utility companies, and as such, any costs are passed down to their customers.

“KPUB has already asked for action from our state leaders, and we will continue to pursue every available legal regulatory, legislative and political remedy that can be obtained to protect our rate payers and prevent these natural gas companies from price-gouging,” said Wittler. “These events were already traumatic enough—no customer should be taken advantage of in a situation like this. We stand confident that if no outside relief is obtained, KPUB can develop a long-term plan to spread costs to maintain competitive, low rates for our customers.”

Should there be rate impacts, our customers will be provided advanced notice, and the costs would be spread over time. It is not clear yet what impact the storm will have on the ultimate price of power longer term; however, consistent with our mission, KPUB aims for low-cost energy for our customers, and any rate changes will be transparent.

In addition, KPUB is aware that many businesses were shut down, and community members are experiencing costly repairs as a result of the storm event. The utility will be temporarily suspending disconnects and waiving late fees until further notice in a proactive response to help our friends and neighbors impacted by these events.

KPUB does caution our customers to still be prepared for variations in their bills during the winter months because that’s when it’s possible to consume the most energy. For example, when it’s 100 degrees outside and your thermostat is set at 70, that’s a 30-degree temperature gap for energy usage. When it’s 10 degrees, that’s a 60-degree temperature gap.

We will continue to work with our customers after the fact on payment plans and extensions for anyone who struggles to pay their electric bills as a result of these events, just as we have done throughout this pandemic.

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About KPUB

The Kerrville Public Utility Board (KPUB) was acquired by the City of Kerrville in 1987 and serves approximately 23,250 customers throughout its 146 square mile service area, including Kerrville, Center Point, Ingram, Hunt, and surrounding areas in Kerr County. KPUB is overseen by a five-member board of trustees who serve without compensation and who are responsible to the City of Kerrville for the management and control of the system. KPUB is a responsive and efficient locally-owned provider of reliable, high-quality utility service at the lowest responsible price.