

March 23, 2022

To: Rep. Jamie Long
Rep. Chris Swedzinski

CC: Rep. Julie Sandstede
de

From: Kent Sulem
MMUA Director of Government Relations and Senior Counsel

Re: Support for HF 3944

Dear Representatives:

I am writing to share MMUA's strong support for HF 3944, Rep. Sandstede's effort to provide some relief for consumers and municipal gas utilities who suffered extreme costs due to the Polar Vortex of February 2021. HF 3944 provides a tax credit for consumers and allows municipal gas utilities that used their financial reserves to lessen the vortex's impact on their customers to be reimbursed.

The impact of the disaster in Texas caused an unforeseeable and unprecedented spike in the cost of natural gas which in turn impacted utilities and consumers across Minnesota. Many of the municipal gas utilities affected by the price spike saw a year's fuel budget spent in the course of just a few days.

When last session's emergency relief efforts stalled, some municipal gas utilities were forced to pass the extra costs on to their customers. It was common to hear of billings that increased \$350-\$500 or more per household. HF 3944 offers a path towards helping those customers by making them eligible for a one-time tax credit essentially equal to the amount of their share of the increased cost of natural gas due to the polar vortex.

This bill also directly assists those utilities that spent down part of their financial reserves, meant to cover repairs and upgrades to the utility, and the occasional but manageable budgetary surprise

While the price of natural gas came down from its peak, it remains significantly higher than a year ago (excluding the vortex period.) Thus, the need for the relief offered in HF 3944 is even greater today.

I know the committee will hear directly from a number of municipal gas utility representatives, but on behalf of its gas utility members, MMUA strongly supports the passage of HF 3944.