

House Climate and Energy Finance & Policy Committee
Regarding: HF2216/SF2132 and HF1135/SF1018

Dear Members:

(1) I've observed the House and Senate energy committees and the joint body, the Legislative Energy Commission, for some years. With rare exceptions, these bodies seem to operate primarily as utility playpens, with weak or absent representation of the public interest.

(2) In support of this I note here the witness list for the Jan 17, 2021 meeting (HF2216):

Katie Sieben, Chair, Minnesota Public Utilities Commission
Joe Sullivan, Vice-Chair, Minnesota Public Utilities Commission
Aditya Ranade, Deputy Commissioner, Commerce
Annie Levenson-Falk, Citizens Utility Board
Bill Grant, Minnesota Community Action Partnership
Kent Sulem, Minnesota Municipal Utilities Association
Kris Manderfeld, New Ulm Public Utilities
Jack Kegel, Minnesota Municipal Utilities Association
Rick Evans, Xcel Energy

By generous interpretation, 2 of these 8 might be regarded as representing public/ratepayer interests.

(3) It appears to me that the effect of this bill would be to transfer the costs of gas purchases under price-spike conditions to the taxpayers of Minnesota, while protecting utilities from consequences of their actions.

However, such price spikes can be anticipated, and ratepayer protections should have been built into present rate designs, but apparently were not. Gas utilities were the likely the predominant influence over existing rate designs. Therefore, both "public" and "municipal" gas utilities should be required to absorb at least fifty percent of the excess costs. NONE should be passed on to ratepayers. Especially, none should be passed on to LIHEAP beneficiaries, who are already challenged by utility costs. This is Minnesota, not Texas.

(4) The Committee should give close attention to the points raised by Ms. Overland regarding the existence and use of natural gas storage capacity in Minnesota.

(5) With regard to HF1135/SF10185, "eliminating the sunset for recovery of gas utility infrastructure costs...." This bill would allow continued, or additional, "cost recovery" from Ratepayers. The language in Laws 2005 (SF1368) was to have expired in 2015, so there must have been previous extensions (?). In any event, given the imperative need to reduce fossil fuel consumption, expansion of natural gas infrastructure should not be encouraged without more careful consideration.

Respectfully submitted,

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