



Minnesota Energy Resources Corporation
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March 11, 2026

House Energy Committee
Minnesota State Capital
Capital 123
75 Rev. Dr. Martin Luther King Jr. Blvd
St. Paul, MN 55155

Re: Minnesota Energy Resources Corporation's Support of HF3830

Dear Co-Chair Rep. Acomb, Co-Chair Rep. Swedzinski, and Members of the House Energy Committee;

Thank you for the opportunity to comment in support of HF3830. We appreciate the bill as it would eliminate the sunset of the gas utility infrastructure cost (GUIC) rider. GUIC is utilized for natural gas line replacement or relocation in order to meet safety requirements; or relocation of natural gas facilities in road right-of-way to comply with federal, state, and local requirements.

The GUIC statute was enacted 20 years ago, extended in 2013 and again in 2024, and has become the accepted method of paying for these targeted natural gas infrastructure capital projects. To utilize a GUIC rider, a utility files a detailed proposal to the PUC, including project details, costs and rider surcharge rates to be charged to customers, which are fully evaluated and approved by the Commission before the work is performed or the surcharge is added to customer bills. After completion, the utility files a report that reconciles the project's expected and actual expenditures along with the expected and actual recoveries from customers. The PUC thoroughly reviews that reconciliation and may approve modifying cost recovery based on the data included in the reconciliation.

These projects and the related costs are not predictable. The GUIC rider and its reconciliation mechanism provides the flexibility utilities need to address specific types of capital projects on the gas distribution system, while ensuring that the projects and costs are scrutinized and are found to be in the public interest before a utility recovers those costs from customers.

We urge support and passage of HF3830. Thank you for the opportunity to provide this testimony and we are available to answer any questions.

Sincerely,

A handwritten signature in blue ink, appearing to be "Paul H.", with a horizontal line extending to the right.

Minnesota Energy Resources Corporation
Vice President – Regulatory Affairs