

H.F. 1226

As amended by H1226A2

Subject Securitization for natural gas utilities**Authors** Igo**Analyst** Bob Eleff**Date** March 20, 2025**Summary**

House File 1226, as amended by the H1226A2 amendment, establishes a process by which a natural gas utility, after experiencing an “extraordinary event” – such as a storm, a cybersecurity attack, or a sharp temporary spike in wholesale natural gas prices – can issue bonds in order to raise funds to enable the utility to restore or maintain its ability to provide natural gas service to its customers. The bill applies to Minnesota’s two largest natural gas utilities, Centerpoint and Xcel.

The bonds are retired over time via a charge on the monthly bill of all utility natural gas customers. The Minnesota Public Utilities Commission regulates the process and must approve the charge only if it is just and reasonable, consistent with the public interest, and produces tangible and quantifiable savings for customers compared with the costs of financing a conventional loan.