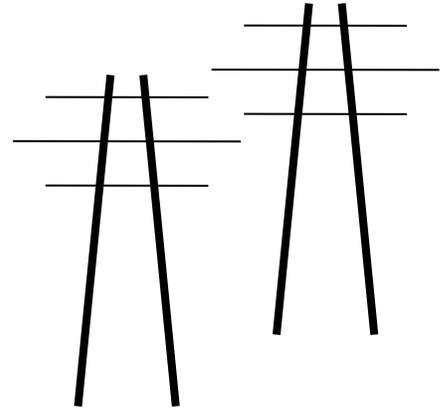


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February 26, 2021

Will Seuffert
Executive Director
Public Utilities Commission
121 – 7th Place East, Suite 350
St. Paul, MN 55101

via eDockets only

RE: It's a gas – Natural Gas shortage, prices, supply and **STORAGE**
Investigation Docket: G-999/CI-21-135

Dear Mr. Seuffert:

I noticed the Commission's special meeting on Tuesday regarding natural gas supply, and I'm reading in the paper about costs that may be passed on to customers. That's concerning.

After listening to the meeting and reviewing the presentations of CenterPoint and Commerce, and am surprised not to hear discussion of CenterPoint's storage, and use of stored natural gas to cover the short extreme spike, with replenishment after the price again drops, which has already occurred. Storage should have been front and center of the discussion with CenterPoint.

I'm writing this comment because 15 years ago I had the privilege of representing the Prehn family in Blooming Prairie township when Simon Industries proposed a natural gas plant over the CenterPoint underground storage dome along Hwy. 13 in southern Minnesota – we did stop that plant, which would have been right across Hwy. 13 from the Prehn's home.

The 7+ billion cubic foot underground natural gas storage dome, extending over 10 square miles, is located under and on both sides of Hwy. 13, north of Waseca and south of Hwy 60. What I learned at that time was that very few Minnesotans knew of this underground natural gas storage. I'm willing to bet that more Commissioners don't know of this storage than do, because there were no questions about CenterPoint's use of natural gas in storage.

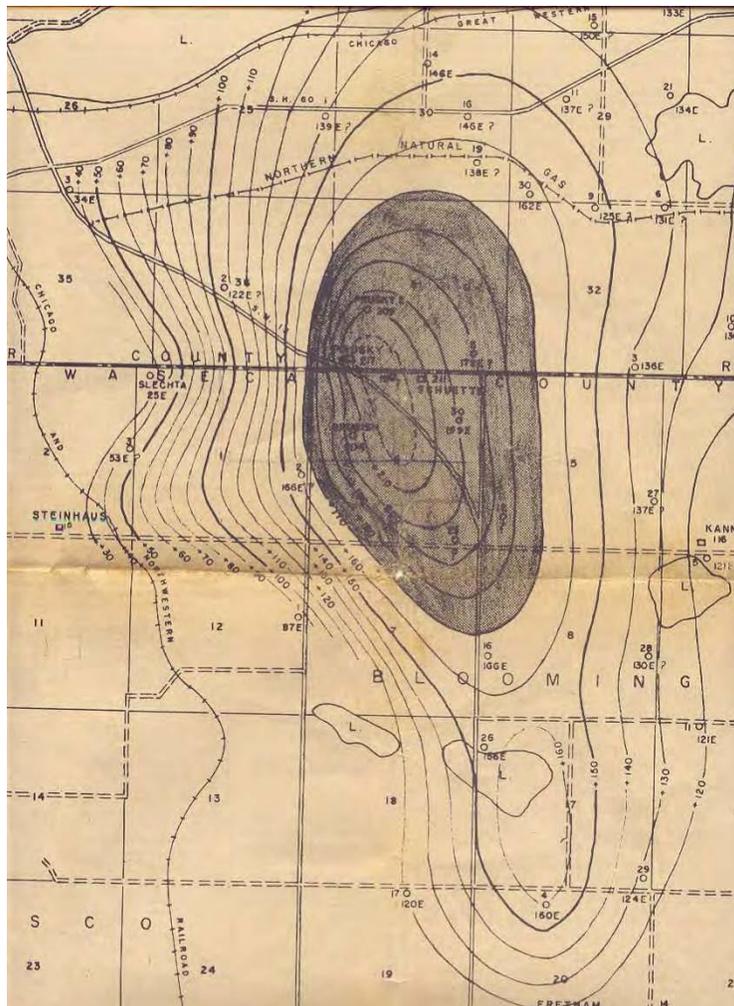
What seems to have occurred is that purchases of natural gas continued despite the **EXTREME** price spike. Because costs are passed on to ratepayers, where is the incentive to avoid purchasing gas when the price is high? Where is the incentive to prioritize use of stored natural

gas rather than purchase gas when the price is so high, particularly for CenterPoint, which has cornered the market on stored natural gas. Where is the prohibition of sales of that gas in storage at “windfall” prices rather than using gas in storage to mitigate impact to customers?

The Commission should specifically dig into some storage issues:

- DNR holds the storage permit – bring DNR into discussion and gather history and information;
- Amounts of gas in storage by natural gas utilities, but especially CenterPoint;
- Utilities’ use of natural gas storage in the case of an emergency;
- Whether CenterPoint controls it’s underground storage or leases storage to others;
- Availability and any limits to withdrawal;
- Consider incentives and directives going forward to use stored gas to mitigate rate impacts of an emergency;
- Consider prohibitions of sales of stored natural gas at inflated prices during emergency and price-gouging law.

Here’s a map from the 60s when the underground storage was in permitting at the DNR, with Highways 60 and 13 shown on the map:



On googleearth, you can see the pumping and contaminated water treatment facility at this link:
<https://www.google.com/maps/@44.195605,-93.5158852,193m/data=!3m1!1e3>



In the surrounding countryside, you can also see many wells over the area of the underground storage, covered with what looks like outhouses or satellites, such as these two, a short distance south on Hwy 13 from the pumping and water treatment facility:



In the meeting presentations, linked by the Commission, storage is noted nominally noted in system diagrams on page 1 of both CenterPoint and Commerce, and again on p. 11 of the Commerce presentation. CenterPoint should address storage in greater detail and use of natural gas in storage, particularly because CenterPoint control of Minnesota's natural gas storage. From the meeting webcast, it appears that underground storage did mitigate the natural gas supply issues, per Xcel's representative, and MERC stated that it leveraged its storage, as did Greater Minnesota Gas. Yet CenterPoint didn't address storage, or mitigation or leveraging!

EIA reports "[Cold weather results in near-record withdrawals from underground natural gas storage.](#)"¹

The Commission has ordered an investigation, and storage should be a priority subject. The amount of cubic feet and cost of gas purchases must be specified, and the amount of storage each utility has should be disclosed. There should also be leveraging and mitigation plans combined with storage, and in an extreme situation as we saw last week, an emergency storage sharing program, where gas companies exhaust their storage before relenting to purchase natural gas at the extreme rates of the cost spike. As it stands, there is no incentive for gas companies to avoid purchasing gas, or selling stored gas, at high spot market prices. That works for the corporations, but doesn't work for ratepayers. And get the DNR involved for details of storage.

As Commissioner Sullivan noted, there also needs to be a working plan to notify customers to reduce usage, prior to interruption of interruptible customers. Our daytime temp is set at 65, and 60 at night and we could easily reduce it. A more active plan could include a Commission program through Commerce to cover southern walls of Minnesota homes and buildings with simple and cheap solar heaters, which would significantly reduce natural gas use.² Imagine that! Curtailment should be a last ditch response.

Please look into natural gas storage and use of natural gas storage in a state of emergency.

Thanks for opening this docket and starting an investigation. Please let me know if you have any questions.

Very truly yours,



Carol A. Overland
Attorney at Law

cc: Nancy Prehn

¹ <https://www.eia.gov/todayinenergy/detail.php?id=46916>

² <https://www.builditsolar.com/Experimental/PopCanVsScreen/PopCanVsScreen.htm>