
Senate Bill No. 2366
Testimony
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Dakota Natural Gas, LLC
House Energy and Natural Resources Committee
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Chairman Porter and members of the Committee, my name is Kristine Anderson. I am the in-house corporate attorney for Dakota Natural Gas, LLC, and I also handle regulatory affairs for the company. DNG supports Senate Bill No. 2366, as it is an excellent step forward in the quest to expand natural gas access throughout North Dakota.

As you may be aware, DNG was created specifically for the purpose of bringing natural gas solutions to unserved communities in North Dakota; hence, DNG is precisely the type of company that has to overcome the many existing barriers to actually get natural gas to small communities. In its first few years of operation, DNG successfully established gas distribution systems in four eastern North Dakota communities that had been trying to obtain natural gas for decades. Many more communities throughout the state have contacted DNG asking us to help them get natural gas service because it is such a vital resource for a community and so many are without it. In response, DNG has – and continues to – conduct economic viability studies in several parts of the state. Unfortunately, the result is often the same – building out a system to an unserved area is just too expensive and the hurdles are too great. Without additional programs and/or assistance to overcome those hurdles, there is no way to make such a project viable.

It comes as no surprise that natural gas is again being discussed, because the state has prioritized the issue in recent years. Despite North Dakota's production of huge amounts of natural gas, the Interim Energy Development and Transmission Committee noted in its report that only about 20% of the state's communities have natural gas access. While it is true that the unserved areas only account for approximately 25% of the state's population, natural gas service should be much more pervasive – especially in a production state like North Dakota. Without legislative intervention of some kind, it seems highly unlikely that any of the remaining 25% of residents will ever obtain natural gas service.

As the state learned from the dearth of applicants for the very generous grant opportunity created for a trans-Dakota natural gas pipeline during the 2021 special legislative session, expense is not the only hurdle faced when building a pipeline. Similarly, finances are a major, but not the only, hurdle to be overcome when building natural gas distribution systems – especially to small communities. That is precisely why the study contemplated by Senate Bill No. 2366 is so critical. Only by understanding the barriers to natural gas accessibility that are unique to small communities can the Legislature take meaningful steps to address the problem. Such a study is an important measure in that process, signaling progress in the purposeful effort to bring natural gas to communities that will benefit exponentially from acquiring it – a very consequential endeavor, indeed! DNG welcomes the opportunity to share its experience and provide information as part of such a study.

Thank you for the opportunity to share DNG's support with you. A study such as that proposed by this Bill will make a real difference in identifying ways to expand natural gas access throughout the state. I respectfully request that you support it. Please give Senate Bill 2366 a do-pass recommendation.