

## House Bill 1170

**Presented by:** Julie Fedorchak, Commissioner  
Public Service Commission

**Before:** Senate Finance and Taxation Committee  
The Honorable Jordan Kannianen, Chair

**Date:** March 8, 2023

### TESTIMONY

Mr. Chair and committee members, I am Julie Fedorchak, Commissioner on the Public Service Commission, and I submit this testimony on behalf of the Commission in support of HB 1170.

During my 10 years on the Commission, I have been involved in numerous efforts to help connect rural communities to natural gas service. North Dakota is the only natural gas producing state in the northcentral region of the US. Yet, we have more than 300 communities that do not have natural gas service.

Natural gas is the most efficient fuel for home heating and industrial processes. When it comes to small town economic development natural gas service is an important factor between being a viable location for industrial development or not.

The challenge for those communities that don't have natural gas service boils down to one thing: cost. The infrastructure necessary to extend service to small communities often costs more than the community can offer utilities in terms of customer revenue to be sustainable long term.

That's where this bill comes in. Providing a property tax break to help reduce that cost of investment could be the difference for some North Dakota communities that are on the bubble of the economic calculation for natural gas service today. This would be a real benefit to those communities, and would help them take advantage of one of North Dakota's greatest resources: our plentiful natural gas.

For these reasons, the Commission supports HB 1170 and encourages you to do the same.