



AMERICAN PUBLIC GAS ASSOCIATION

February 19, 2021

President Joseph R. Biden Jr.
The White House
1600 Pennsylvania Avenue, N.W.
Washington, DC 20500

Re: High Natural Gas Prices Due to Winter Storm Uri

Dear President Biden:

Recent weather events, including Winter Storm Uri, brought record low temperatures to many states and covered nearly 75% of the country in snow and ice. Many localities are not accustomed to severe winters and the disruptions that can accompany them. The American Public Gas Association (APGA), which represents the interests of over 700 community and municipally-owned gas systems in 38 states, appreciate the efforts that you have already taken in response to this natural disaster and write to request that you issue a Major Disaster Declaration for all impacted states.

Throughout this severe weather, many communities across the U.S. have relied on their public gas utilities to maintain delivery of safe, traditionally affordable, clean, and reliable natural gas for use in space and water heating and cooking. Our members have been proud to support and serve their customers in this time of need, as well as throughout the entire coronavirus (COVID-19) pandemic. However, the energy price impacts from Winter Storm Uri have only further compounded all the challenges facing Americans as we continue to address the pandemic and economic recession.

Unfortunately, municipal gas utilities, and consequently their customers, have fallen victim to significant price increases throughout this crisis. Natural gas prices, which have hovered around \$3/MMBtu, skyrocketed to upwards of \$300/MMBtu and even higher in some cases. With demand for natural gas rising in response to the cold temperatures, our members had no choice but to purchase gas at the inflated prices or pay even steeper penalties to ensure their customers could continue to heat their homes. In one case, a municipal utility spent its monthly gas budget each day over President's Day weekend. In another, a joint action agency expended three times its annual gas purchasing budget just to buy gas for its customers for four days.

Unfortunately, similar stories abound throughout the mid-western and south-central states most severely impacted by the storm, bringing into question how many of these communities will be able to purchase gas for their customers throughout the remainder of the winter, let alone the rest of the year. Without relief, these high prices will be passed directly to consumers, with many customers anticipated to face monthly bills hundreds or thousands of dollars more expensive than usual.

APGA members are locally-owned and governed to be accountable to the neighbors they serve, not corporate boards or investors – community aid and quality service is the mandate for these utilities.

Understandably, our members are uniquely concerned with how the market reacted in this emergency because publicly owned utilities have rates set at a local level. Consequently, we requested an objective investigation into the matter by the Federal Energy Regulatory Commission (FERC) and the Department of Energy (DOE).

Concurrently, these communities require immediate disaster relief from all levels of government. We appreciate your quick response to this crisis and the resulting support of federal emergency aid that the Federal Emergency Management Agency (FEMA) has made available to states such as Oklahoma and Texas, which will enhance state, tribal, and local response efforts in areas affected this severe weather. APGA and our members also request that you supplement these efforts by issuing a Major Disaster Declaration for all states impacted by the high natural gas prices resulting from this natural disaster. Such a declaration would enable federal agencies like FEMA to provide a wide range of much needed assistance for individuals and public infrastructure. Without this financial relief, states and localities will be unable to continue supporting the communities now burdened with the excessive costs incurred to ensure Americans remained safe and warm throughout this unprecedented weather emergency. This challenge is in addition to the ongoing burdens of the pandemic and recession, which further strains the available resources.

As not-for-profit entities, public gas systems continue to focus on providing safe, clean, and reliable energy to their customers to best support their communities in this time of need. We look forward to working together with you and your administration to ensure that natural gas remains an affordable energy choice for the thousands of American communities, now and in the future. Thank you again for your commitment to understanding and addressing the challenges our industry and country currently face.

Respectfully submitted,



Dave Schryver
President & CEO
American Public Gas Association

cc: Alejandro Mayorkas, Secretary of Homeland Security
Bob Fenton, Senior Official Performing the Duties of FEMA Administrator