



September 9, 2025

Mr. Mike Bull
Acting Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, MN 55101

Attention: *PUC Docket Number: G999/CI-21-565*

Re: In the Matter of a Commission Evaluation of Changes to Natural Gas Utility Regulatory and Policy Structures to Meet State Greenhouse Gas Reduction Goals

Dear Mr. Bull:

Please find the attached comments on potential changes to regulations and policies that impact natural gas utility line extension allowances from organizations representing Minnesota's farmers, livestock producers, and renewable fuel processors.

The Minnesota Biofuels Association (MBA) is a nonprofit organization dedicated to supporting and representing the renewable fuel industry in Minnesota.

The Minnesota Corn Growers Association represents nearly 7,000 dues paying corn farmer members in state and federal public policy advocacy efforts.

The Minnesota Farm Bureau Federation is a grassroots membership organization of over 31,000 member families who are farmers, ranchers, and others who are invested in the future of agriculture.

We appreciate the opportunity to offer these comments and thank the Minnesota Public Utilities Commission for considering them.

Should you or the Commission have additional questions, please contact:

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In the Matter of a Commission Evaluation of Changes to Natural Gas Utility Regulatory and Policy Structures to Meet State Greenhouse Gas Reduction Goals

PUC Docket Number: G999/CI-21-565

On behalf of the Minnesota Biofuels Association, Minnesota Corn Growers Association, and the Minnesota Farm Bureau Federation, we appreciate the opportunity to offer comments regarding the Minnesota Public Utilities Commission’s (PUC) evaluation of changes in how natural gas utilities calculate free footage allowances and other costs related to natural gas main and service line extensions.

Natural gas fuel is critical to the operation of Minnesota farmers and agriculture processing, the overwhelming majority of which are in greater Minnesota. Our organizations represent significant users of natural gas fuel – whether for drying grain; fueling industrial processing equipment; maintaining residential heating and appliances; or heating livestock barns. As such, our members would disproportionately feel the ramifications of policy or regulatory changes that impact standards of service for public utilities – namely that those services must be safe, adequate, efficient, and reasonable.

Several comments in the docket refer to an “outdated natural gas system.” As organizations who represent farmers and agriculture processing businesses, our members do not view the natural gas system as “outdated” but instead fundamental to the successful operation of their business.

That is why we are concerned about the potential elimination of line extension allowances, which would weaken equitable access to critical energy resources, increase costs for rural businesses and residents, create future renewable energy infrastructure bottlenecks, and disincentivize rural economic development in nascent renewable energy technologies.

We urge the PUC to maintain the free footage allowances and current line extension policies and, before any potential changes are implemented, recommend an economic analysis on impacts to a variety of industries and sectors in Minnesota by changes to natural gas policy, including fees for line extensions.

1. Farmers and businesses in greater Minnesota need affordable energy resources.

A. Corn Drying & Livestock Heating

Changes to cost structures for natural gas line extensions could have significant implications for Minnesota corn farmers. This year, Minnesota farmers planted approximately 8 million acres of corn. One of the top inputs for corn production is grain drying, in addition to the purchase of seed and fertilizer. Once corn is harvested, it needs to be dried down to a moisture content of no more than 12 percent in order for the grain to be

stored before selling later in the year. Moisture content of harvested field corn can range from 18 to 23 percent.

About one-third of Minnesota's total corn crop is exported to international markets and drying corn post-harvest is necessary to preserve corn quality for international customers. Additionally, corn farmers have been increasing on-farm grain storage in recent years to market and sell corn throughout the calendar year to take advantage of market prices and increased basis to mitigate market risk and improve farm profitability.

Although propane is currently the dominant fuel choice for fall corn drying, farmers have been making the switch from propane to natural gas based on interconnection costs and on-farm infrastructure. Electric options for grain drying do not yet exist at-scale or at an economical price point for Minnesota farmers and do not currently perform as well as their thermal energy counterparts.

Significant changes to gas line extension policies could limit co-location or gas interconnection opportunities for corn farmers and rural businesses and make natural gas as a fuel choice for thermal energy operations uneconomical and leave farmers dependent on delivered fuels.

Another agriculture sector that utilizes natural gas and would be impacted by a change in line extension policy is livestock. Minnesota livestock operations use natural gas in the winter to help keep animals warm and comfortable. Animal comfort ensures the best production outcomes for the farmer. Natural gas provides reliability to Minnesota's livestock farmers, and it has been the experience of livestock farmers that when temperatures really plunge during the winter, natural gas is a more reliable form of energy than electricity.

B. Equitability & Affordability

Rural Minnesotans often lack access to affordable and reliable energy resources because distributing those resources must be done across greater distances and often with inadequate infrastructure. When considering the impacts of removing the 75 feet of free footage for service lines, the PUC should consider the distance between communities, farms, and businesses in rural Minnesota. The distances between established natural gas lines and where new connections are needed often necessitate longer line extensions in rural areas than for businesses and residents living in the metro area.

Line extension policies are an important component of maintaining affordability in the natural gas system, a key part of the PUC's mandate. Residents in greater Minnesota are feeling squeezed by rising costs for farm inputs, groceries, housing, and childcare, and further increases for essential services like natural gas would place additional strain on their pocketbooks.

For example, family farmers are paying more for inputs like feed, seed, fertilizer, fuel, and equipment as a result of lingering supply chain disruptions, inflation, and trade fluctuations. The price of fertilizer now represents roughly 36 percent of a corn farmer's operating cost¹. According to the National Corn Growers Association, the price of phosphates has increased more than 60 percent over the past decade, and urea ammonium nitrate (UAN) has increased by 37 percent since the beginning of the year.

While these farm production inputs have all seen cumulative price increases collectively of 18 percent since 2013 according to the American Farm Bureau Federation², farm commodity prices remain well below the cost of production. The daily cash bid for corn closed on September 8, 2025, ranging from \$3.61-\$4.19. These prices are dangerously similar to the cash price for corn in the 1980's. The daily cash price for corn in September of 1983 averaged \$3.58. Softening prices and high inputs have eroded farm income. Farm income in 2025 is expected to be net-negative and the lowest since 2012. Adding additional costs for natural gas line connections would further erode declining farm incomes.

2. Minnesota's climate goals are compatible with maintaining line extension allowances.

The state of Minnesota has committed to ambitious climate mitigation goals, and we see our organizations as playing a critical role in helping the state reach them through lifecycle emissions research, identifying and implementing low-carbon and zero-carbon practices and technologies, and continued innovation at farms and factories.

We disagree that meeting the state's Greenhouse Gas Reduction Goals can be accelerated by phasing out the free footage allowance or making connecting to natural gas lines more challenging. As has been pointed out by other commenters, the likely result of barring line extensions or ending free footage allowances is more farms and businesses relying on other forms of energy, which are often more expensive or less climate-friendly than natural gas.

Besides its application in industrial processes and for drying grain, natural gas is a natural complement to renewable energy resources. The National Renewable Energy Laboratory³ has noted that by providing an instantly dispatchable source of electricity, natural gas power plants allow the grid to match supply and demand while easing the intermittency concerns of renewable resources like wind and solar. In leveling the costs and reliability of renewable energy generation, natural gas can help facilitate a balanced approach to decarbonizing our economy.

¹ <https://www.ers.usda.gov/data-products/commodity-costs-and-returns>

² [Analyzing Farm Inputs: The Cost to Farm Keeps Rising | Market Intel | American Farm Bureau Federation](#)

³ [Wind, Solar, and Gas: Managing the Risks of America's Clean Energy Transition - Progressive Policy Institute](#)

We take issue with assertions by commenters that natural gas ratepayers bear a risk from underutilized or stranded natural gas distribution assets. This analysis assumes that natural gas pipeline infrastructure will become obsolete when Minnesota meets its Greenhouse Gas Reduction Goals. However, this fails to account for the future growth and need for renewable resources like green hydrogen and renewable natural gas (RNG) from food waste, landfills, livestock operations, and wastewater treatment facilities.

Natural gas pipeline infrastructure is already compatible with these zero-carbon gaseous fuels. By building-out line extensions and connections today, we will obviate the need for future infrastructure build-out when RNG supply becomes prevalent and widespread. To meet our climate goals and facilitate the transportation of zero-carbon fuels as they become more readily available in the marketplace, we should be upgrading and expanding our existing infrastructure.

3. Economic development in greater Minnesota would be hampered by eliminating the line extension allowance.

The state of Minnesota has been aggressive in investing in tax incentives and other grant programs meant to attract renewable energy technology manufacturers. When seeking to attract new clean energy business development, it is critical that the state establish a level playing field through policy and regulation with other competing states.

When a business looks to build a new facility or expand an existing one, it often looks at factors like total cost, time and certainty in permitting, and access to infrastructure and capital. Our organizations have previously expressed concerns about Minnesota falling behind in terms of securing new business investment as a result of local and state permitting challenges.

According to the Minnesota Chamber Foundation, Minnesota’s environmental permitting process is already a key barrier to economic growth in the state. A February 2024 report⁴ noted that Minnesota’s environmental review timelines can be up to six times longer than other states including Iowa, North Dakota, Wisconsin, and Illinois.

Minnesota does not border any of the states used as examples (New York, Maryland, Oregon, Colorado) by commenters of jurisdictions where free footage and line extension policies have been changed. We contend that Minnesota will have a more difficult time competing for renewable energy industry development if it is alone amongst its upper Midwest peers in adding additional costs for natural gas service connections.

As the state continues to make investments intended to attract Sustainable Aviation Fuel (SAF) producers, adopting policy on natural gas line extensions that is incongruent with our

⁴ “Streamlining Minnesota’s environmental permitting process: Essential for economic growth,” Minnesota Chamber Foundation, February 2024, mnchamber.com/permitting

neighboring states would serve as another disincentive for businesses to locate new SAF production in Minnesota.

4. Recommendation and Conclusion

Given the disruptions that could result for farmers and agriculture processing businesses by changing the current line extension policy, we urge the PUC to maintain the free footage allowances.

As the PUC continues to examine this issue, we strongly recommend an economic analysis on impacts to a variety of industries, sectors, and individuals in Minnesota by changes to natural gas policy, including fees for line extensions.

We thank the Commission for considering our comments.

Sincerely,

Minnesota Biofuels Association
Minnesota Corn Growers Association
Minnesota Farm Bureau Federation

