



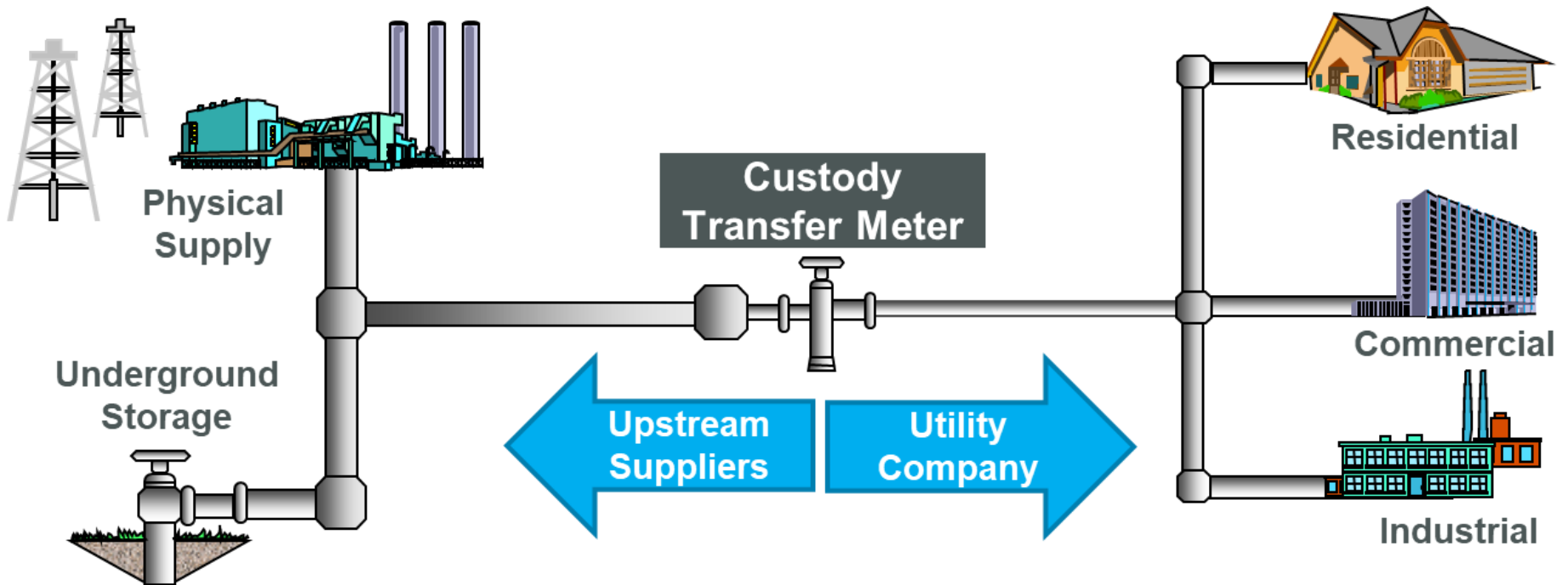
February 2021 Cold Weather Event and its Impact on Natural Gas Prices

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*MN Senate Energy & Utilities Finance & Policy Committee
MN House Climate & Energy Finance & Policy Committee*

February 26, 2021

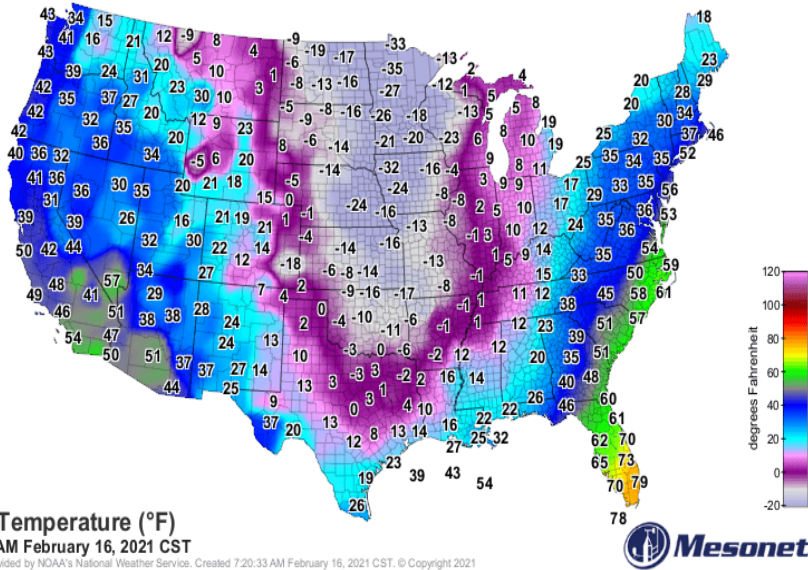
Commitment To Serve & Obligation To Purchase



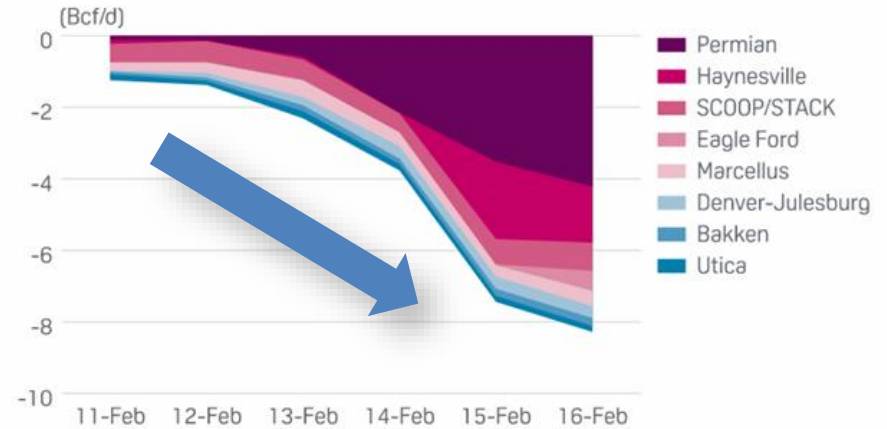
- Price of gas is passed through to customer with no mark-up
- Utilities use a diverse portfolio of supply sources and pricing structures
- Importance of reliability during a wide variety of conditions
 - Including extreme cold weather like we saw earlier this month
- Lack of supply results in penalties and customer reliability issues

Cold Weather Impact: Increased Demand & Reduced Supply

Unprecedented Combination
Widespread High Demand + Less Supply Due To “Freeze Off”



US GAS PRODUCTION PLUMMETS AMID HISTORIC FREEZE OFF



Data reflects change in gas production by basin versus pre-storm, prior 30-day averages

Source: S&P Global Platts Analytics