



Chairman and Members of the Committee:

For the record, my name is Mike Rud. I serve as the Executive Director of the North Dakota Propane Gas Association. On behalf of our over 130 NDPGA members and the well over 1,000 North Dakotans they employ, I urge a **“DO NOT PASS”** on SB 2345.

NDPGA is pro-natural gas.. it’s needed to produce propane. Independent American Energy.

The strategic partnerships between North Dakota’s long-standing and emerging energy industries enable all sectors of the industry to work together as they meet our state and nation energy needs without government funding any expansion of one energy over another competing energy source. **ESPECIALLY WITH 150 MILLION of TAX PAYER \$\$\$\$.**

ALL OF THE ABOVE ENERGY POLICY. That’s been ND’s goal from Day One!

North Dakota currently has about 50,000 homes, farms and businesses using safe, efficient and affordable propane. Many of NDPGA’s locally owned and operated businesses likely serve your communities in some capacity. **The propane industry generates over \$800 Million in economic activity annually in ND.**

Millions of private business dollars have been spent by propane marketers to meet the needs of rural residents and small communities. To my knowledge the state’s propane industry has never asked for legislation to expand *propane’s* customer base. If one of my members wants to grow or expand operations, **two options exist: dipping into cash reserves or going to the bank to borrow the money. We ask for a level playing field—not special treatment.**

The Expansion of any energy market should be driven by consumer demand. It should be funded with private investment, not state tax payer dollars.

For example, after the 2013-2014 winter vortex which hit most of the United States, propane

marketers saw the need for more bulk fuel storage, more transports and other industry needs to meet consumer demand. Millions of private dollars were spent during this time on industry upgrades across the state. It's also my understanding when Dakota Access Pipeline expanded to get more oil out of the Bakken in a timely fashion, it did so on its own dime. A scenario very similar to what we are hearing in the oil patch about natural gas today. It's also my understanding when MDU built the refinery in Western ND very little or no state money was leveraged.

Bottom line: History has shown if the ROI (return on investment) is there, energy industries will use private dollars to expand. We have seen this very idea play out on two separate occasions in ND recently. The Bobcat plant in Gwinner converting to natural gas and the ADM plant in Wahpeton doing the same. To my knowledge, both businesses signed long term natural gas supply agreements. The free market system and Capitalism at work.

NDPGA members are by no means afraid of competition as long as all competitors are on equal footing. Free enterprise needs to prevail in this matter. **VOTE "DO NOT PASS" on SB 2345.**

