

# CITY OF TWO HARBORS

522 First Avenue • Two Harbors, MN 55616  
(218) 834-5631 • FAX (218) 834-2674

DAN WALKER  
Administrator

March 12, 2021

Dear City Utility Customer:

In mid-February 2021, energy markets across the middle of the U.S. experienced unprecedented pricing activity amid a major weather event that pushed Arctic air as far south as Texas. Natural gas pricing for delivery between February 12 and 17 was as high as \$1,200 at hubs in Oklahoma, over \$300 in Texas, and above \$150 in the Upper Midwest. This price blowout was the direct result of a dramatic loss of natural gas supply just as demand for space heating and power generation was spiking. In addition to extremely high nearby natural gas prices, many suppliers and utilities across the region were unable to fulfill supply commitments due to the lack of availability. This led to widespread force majeure and other mandatory supply curtailments with the threat of steep penalties for consumers.

The City of Two Harbors was affected by the unprecedented pricing activity. The 2021 cost of gas went from \$5.63/mcf for January's consumption to \$21.16/mcf for February's. An average household uses approximately 29,000 cubic feet of natural gas, utilizing the February, 2020 rate, the charge for gas would be \$171.39, this year the same usage would cost \$671.06.

The City of Two Harbors takes this matter very seriously and is committed to helping our customers with the higher than normal bills you are receiving today. The Council met on March 11 to review several options for lessening the affect for our customers. We are sensitive to the hardship this unprecedented pricing will likely cause for many of our customers. We have determined that the City will take the following steps to reduce the impact of these charges for our customers:

1. Eliminate the City's overhead portion of the natural gas rate for this billing period.
2. Allow for payment over a period of twelve months with no penalty for the natural gas portion of this month's bill.
3. Work with customers to establish a budget payment plan, for those who aren't already on the budget plan.
4. Work with existing budget plan customers to make adjustments to existing payment plans.

Customers wishing to establish new, discuss or make adjustments to existing budget payment plans should contact City Hall via email at: [info@twoharborsmn.gov](mailto:info@twoharborsmn.gov), or by phone at: (218) 834-5631.


In addition, below is a list of other agencies who may be able to provide financial assistance, for those who qualify:

1. AEOA – Fuel Assistance, Phone: 1-800-662-5711 or 1-800-223-1850
2. Lake County Social Services Phone: (218)-834-8400
3. Salvation Army: (218) 722-7934

We anticipate a high volume of calls in response to this letter, so if you are having difficulty getting through to City Hall, please call back at a later time or day or contact us through email. In addition, we anticipate that many customers will assume their meter has been mis-read, however, since our meters are now read electronically, this is unlikely the case.

We are thanking you in advance for your patience and understanding as we work with you through this difficult time. We look forward to assisting those of you who may need guidance with this process.

Sincerely,



Dan Walker  
City Administrator