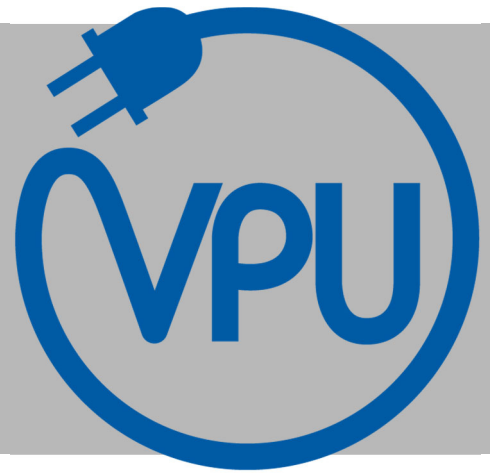


# The VPU Quarterly

October 2025



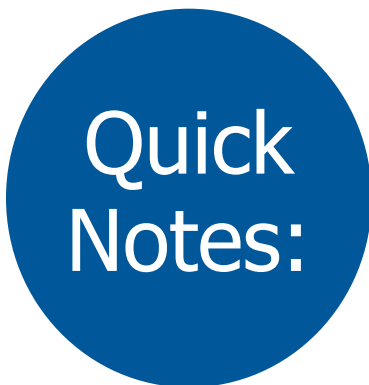
## Core Conversion Progress

By the time you receive this newsletter, the steam conversion deadline will be just over one year away. Thank you to all of our customers who have embraced this change and forged forward with your conversion plans!

Unfortunately, we still have a lot of customers who are at risk of being “left out in the cold” come October 31, 2026. Last month, I made phone calls (and left a fair amount of voicemails) to any customers who we have not heard from thus far. The next step will be delivering informational doorhangers to anyone who has either not started their conversion or is still in-process. I promise we are not trying to nag you, but we are trying to do our due diligence to be sure you are aware of the upcoming deadline. Furthermore, we are also trying to make ourselves available to assist in any way that we can.

The last thing we want to do is overwhelm or burden any of our customers, so I encourage you to call us with any questions that you have. You can reach our Customer Service Department at (218) 748-7540 or you can call me (Cassandra) directly at (218) 748-2112. We are more than happy to walk you through the paperwork process, mail you forms, review loan & grant information, or whatever it is that we can do to better support you throughout your conversion.

VPU is still doing prep work on our end for the conversion, as well. The components needed to isolate electricity from the steam plant are currently being manufactured, and discussions have begun on a street project that will allow us to isolate water lines from the steam plant, too. Additionally, our Commission recently approved our management staff to move forward with developing a plan to dismantle the steam plant and its contents after it is abandoned.



### **The office will be closed on the following dates:**

November 11, 2025  
November 27, 2025  
November 28, 2025  
December 24, 2025  
December 25, 2025  
December 31, 2025  
January 1, 2026

### **Know the smell of natural gas!**

If there is a faint smell, call the VPU at (218) 748-7540.

If in doubt, exit the building & call 911!

### **Sign up for Direct Pay and eliminate the need to write a check each month!**

Forms are available in the VPU office or on our website at [www.vpuc.com](http://www.vpuc.com).

# Natural Gas Pipelines

This upcoming winter will mark five years since Winter Storm Uri, which was commonly referred to as “the polar vortex” at the time. Winter weather alerts were issued for over 170 million people throughout the United States, and in its wake, the storm left over 5.2 million properties in a blackout and caused numerous fatalities.

Although Minnesotans and our electrical grids are more acclimated & better equipped to handle the cold than other parts of the country, we were unable to escape the effects the storm had on the natural gas market. As demand spiked, prices rose to 75 times the norm, and the most common question I heard in the aftermath was: “How does what happens in Texas affect us all the way up here?”

## Northern Natural Gas System

**NGI**



Source: Berkshire Hathaway Energy

The natural gas that VPU has access to via Northern Natural Gas’s (NNG) pipelines is sourced from the southern part of the United States. Most commonly referred to as the Field Area, this is the region where natural gas is extracted before being funneled through the pipeline north into the Market Area. NNG’s Market Area begins just south of the Iowa border, and as you can infer from the sprawling red tentacles of the map, the market consists of many buyers along the pipe, with Virginia being geographically located near the very end of the line.

As gas flows through the pipeline, it will encounter various other components throughout its 14,200 miles of travel. Compressor stations help push gas through the pipeline by increasing its pressure and volume in order to maintain movement. Storage facilities are strategically located to provide a temporary home for natural gas that is flowing through the pipeline. Not only do these facilities provide relief from the system becoming oversaturated when demand slumps, but they also allow gas to flow back into the system to meet peak demand during a cold snap. Odorizers are also a fundamental part of the natural gas system. Without them, gas would remain odorless, and thus increase the difficulty with which we can detect leaks before they become dangerous.

The final component is a town border station, or TBS for short, which is where gas exits the Market Area and flows into the distribution system of the purchaser. VPU has two such stations. The smaller one is located on Highway 37 and serves the Midway area with a capacity of 640 Mcf per day. This station was built in 2018 in conjunction with the Highway 53 Bridge project. The larger station is located on Highway 7 and serves the bulk of Virginia with a capacity of just over 8,500 Mcf per day.



Town Border Station (TBS) located on Hwy 7 and feeds Virginia proper.

Although this is a simple version of how a unit of gas flows through an expansive, interconnected distribution system that begins in Texas and ends in your home, hopefully it helps paint a picture of how weather systems in other areas of the country can impact us in the north.