

2.1 No public utility shall, as to rates or service, make or grant any unreasonable
2.2 preference or advantage to any person or class of consumers or subject any person or class
2.3 of consumers to any unreasonable prejudice or disadvantage.

2.4 **EFFECTIVE DATE.** This section is effective the day following final enactment.

2.5 Sec. 3. Minnesota Statutes 2010, section 216B.16, is amended by adding a subdivision
2.6 to read:

2.7 **Subd. 6e. Revenue allocation among consumer classes.** Cost of service shall
2.8 be the primary consideration in the commission's determination of revenue allocation
2.9 among consumer classes. Factors other than cost of service, including impact on business
2.10 development and job growth, may also be considered and evaluated by the commission
2.11 in determining revenue allocations. Revenue allocation among consumer classes that
2.12 deviates from the cost of service must be supported by clear and convincing record
2.13 evidence.

2.14 **EFFECTIVE DATE.** This section is effective the day following final enactment
2.15 and applies to filings for rate changes filed on and after that date.

2.16 Sec. 4. Minnesota Statutes 2010, section 216B.16, is amended by adding a subdivision
2.17 to read:

2.18 **Subd. 15a. Electric utility low-income affordability program improvements.**
2.19 (a) This subdivision applies only to investor-owned electric public utilities with more than
2.20 100,000 residential service customers as of the effective date of this section.

2.21 (b) The Department of Commerce, in consultation with other interested parties, is
2.22 authorized to review and make recommendations to improve low-income affordability
2.23 programs under subdivision 15.

2.24 (c) In addition to the requirements under subdivision 15, any affordability program
2.25 implemented by a public utility subject to this subdivision must also:

2.26 (1) be designed to increase the percentage of low-income residential ratepayers
2.27 enrolled in the program;

2.28 (2) have an adequate and stable source of funding; and

2.29 (3) operate efficiently and with minimal administrative expenses.

2.30 (d) The allocation and recovery of costs for affordability programs approved under
2.31 this subdivision must be determined on the basis of each public utility's number of
2.32 customers. Cost cannot be allocated to rate classes on the basis of revenue or volume of
2.33 consumption, and cannot be recovered from ratepayers through a volumetric charge.

S.F. No. 2315, as introduced - 87th Legislative Session (2011-2012) [12-4641]

3.1 (e) Any proposed improvements under paragraph (c) are subject to review and
3.2 approval by the commission. The Department of Commerce is authorized to administer
3.3 or assist in the administration of low-income affordability programs approved by the
3.4 commission under this subdivision.

3.5 **EFFECTIVE DATE.** This section is effective the day following final enactment.