S.F. No. 2315, 1st Engrossment - 87th Legislative Session (2011-2012) [S2315-1]

SENATE STATE OF MINNESOTA EIGHTY-SEVENTH LEGISLATURE

S.F. No. 2315

(SENATE AUTHORS: BENSON, Brown and Tomassoni)

DATE	D-PG	OFFICIAL STATUS
03/08/2012	4240	Introduction and first reading Referred to Energy, Utilities and Telecommunications
03/19/2012 03/20/2012		Comm report: To pass as amended and re-refer to Finance Author added Tomassoni

1.1	A bill for an act
1.2	relating to utilities; requiring utility rates be based primarily on cost of service
1.3	between and among consumer classes; proposing a study of low-income
1.4 1.5	affordability programs; amending Minnesota Statutes 2010, sections 216B.03; 216B.07; 216B.16, by adding a subdivision.
1.6	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:
1.7	Section 1. Minnesota Statutes 2010, section 216B.03, is amended to read:
1.8	216B.03 REASONABLE RATE.
1.9	Every rate made, demanded, or received by any public utility, or by any two or
1.10	more public utilities jointly, shall be just and reasonable. Rates shall not be unreasonably
1.11	preferential, unreasonably prejudicial, or discriminatory, but shall be sufficient, equitable,
1.12	and consistent in application to a class of consumers and among classes of consumers.
1.13	To the maximum reasonable extent, the commission shall set rates to encourage energy
1.14	conservation and renewable energy use and to further the goals of sections 216B.164,
1.15	216B.241, and 216C.05. Any doubt as to reasonableness should be resolved in favor of the
1.16	consumer. For rate-making purposes a public utility may treat two or more municipalities
1.17	served by it as a single class wherever the populations are comparable in size or the
1.18	conditions of service are similar.

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

- 1.20 Sec. 2. Minnesota Statutes 2010, section 216B.07, is amended to read:
- 1.21 **216B.07 RATE PREFERENCE PROHIBITED.**

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- 2.1 No public utility shall, as to rates or service, make or grant any unreasonable
- 2.2 preference or advantage to any person <u>or class of consumers</u> or subject any person <u>or class</u>
- 2.3 <u>of consumers to any unreasonable prejudice or disadvantage.</u>
- 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 a preponderance of the evidence.
- 2.13 EFFECTIVE DATE. This section is effective the day following final enactment
 2.14 and applies to filings for rate changes filed on and after that date.

2.15 Sec. 4. <u>LOW-INCOME AFFORDABILITY PROGRAMS FOR UTILITY</u> 2.16 <u>SERVICE; STUDY.</u>

The Department of Commerce shall, by February 1, 2013, make recommendations, 2.17 including any proposed legislation, to the committees of the legislature with primary 2.18 jurisdiction over energy policy to increase the number of eligible individuals receiving 2.19 benefits from low-income affordability programs established under Minnesota Statutes, 2.20 section 216B.16, subdivision 15. In developing its recommendations the department must, 2.21 among other things, study low-income utility affordability programs in other states and 2.22 2.23 consult with representatives of interested parties, including utilities and the low-income community. 2.24

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