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State of Minnesota

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HOUSE OF REPRESENTATIVES

NINETY-FOURTH SESSION

H. F. No. 252

- 02/10/2025 Authored by Igo
The bill was read for the first time and referred to the Committee on Energy Finance and Policy
- 03/13/2025 Adoption of Report: Placed on the General Register
Read for the Second Time
- 05/19/2025 Pursuant to Rule 4.20, returned to the Committee on Energy Finance and Policy

1.1 A bill for an act

1.2 relating to energy; amending the eligibility of small natural gas utilities to be

1.3 exempt from regulation by the Minnesota Public Utilities Commission; amending

1.4 Minnesota Statutes 2024, section 216B.16, subdivision 12.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. Minnesota Statutes 2024, section 216B.16, subdivision 12, is amended to read:

1.7 Subd. 12. **Exemption for small gas utility franchise.** (a) A municipality may file with

1.8 the commission a resolution of ~~its~~ the municipality's governing body requesting exemption

1.9 from the provisions of this section for a public utility that is under a franchise with the

1.10 municipality to supply natural, manufactured, or mixed gas and that serves ~~650~~ 2,500 or

1.11 fewer customers in the municipality ~~as long as~~ if the public utility serves no more than a

1.12 total of 5,000 customers: (1) from the system serving the municipality; and (2) located

1.13 outside the municipality's corporate limits, as provided under paragraph (b), if applicable.

1.14 (b) The commission shall grant an exemption from this section for that portion of a

1.15 public utility's business that is requested by each municipality it serves. ~~Furthermore,~~ The

1.16 commission shall also grant the public utility an exemption from this section for any service

1.17 provided by a system to customers located outside of a municipality's ~~border that is~~

1.18 ~~considered by the commission to be incidental. The public utility shall file with the~~

1.19 ~~commission and the department all initial and subsequent changes in rates, tariffs, and~~

1.20 ~~contracts for service outside the municipality at least 30 days in advance of implementation~~

1.21 corporate limits, provided that the same applicable tariff rates apply to customers located

1.22 outside the municipality's corporate limits as apply to customers located within the

1.23 municipality's corporate limits.

2.1 (c) ~~However,~~ The commission shall require the public utility to adopt the commission's
2.2 policies and procedures governing disconnection during cold weather. The utility shall
2.3 annually submit a copy of its municipally approved rates to the commission.

2.4 (d) In all cases covered by this subdivision in which an exemption for service outside
2.5 of a municipality is granted, the commission may initiate an investigation under section
2.6 216B.17, on its own motion or upon complaint from a customer.

2.7 (e) If a municipality files with the commission a resolution of its governing body
2.8 rescinding the request for exemption, the commission shall regulate the public utility's
2.9 business in that municipality under this section.

2.10 (f) For the purposes of this subdivision, "system" means physically connected
2.11 infrastructure that:

2.12 (1) is owned and operated by a public utility that is subject to this subdivision and receives
2.13 wholesale natural, manufactured, or mixed gas from a supplier and delivers the gas to the
2.14 public utility's customers; and

2.15 (2) is not physically connected to another system owned and operated by the same public
2.16 utility.

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