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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-EIGHTH SESSION

H. F. No. 945

02/25/2013 Authored by Hornstein; Dehn, R.; Clark; Davnie and Kahn
The bill was read for the first time and referred to the Committee on Energy Policy

1.1 A bill for an act
1.2 relating to energy; amending factors used by the Public Utilities Commission to
1.3 determine just compensation for a utility purchased by a municipality; amending
1.4 Minnesota Statutes 2012, section 216B.45.

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

1.6 Section 1. Minnesota Statutes 2012, section 216B.45, is amended to read:

1.7 **216B.45 MUNICIPAL PURCHASE OF PUBLIC UTILITY.**

1.8 Any public utility operating in a municipality under a license, permit, right, or
1.9 franchise shall be deemed to have consented to the purchase by the municipality, for just
1.10 compensation, of its property operated in the municipality under such license, permit,
1.11 right, or franchise. The municipality, subject to the provisions of Laws 1974, chapter
1.12 429, may purchase the property upon notice to the public utility as herein provided.

1.13 Whenever the commission is notified by the municipality or the public utility affected that
1.14 the municipality has, pursuant to law, determined to purchase the property of the public
1.15 utility, and that the parties to the purchase and sale have been unable to agree on the
1.16 amount to be paid and received therefor, the commission shall set a time and place for a
1.17 public hearing, after not less than 30 days' notice to the parties, upon the matter of just
1.18 compensation or the matter of the property to be purchased. Within a reasonable time
1.19 the commission shall, by order, determine the just compensation for the property to be
1.20 purchased by the municipality. In determining just compensation, the commission shall
1.21 consider the original cost of the property less depreciation, ~~loss of revenue to the utility,~~
1.22 expenses resulting from integration of facilities, and other appropriate factors, except the
1.23 commission shall not consider loss of revenue to the utility. The order of the commission
1.24 may be reviewed as provided in section 216B.52. Commission expenses arising out of the

- 2.1 exercise of its jurisdiction under this section shall be assessed to the municipality. For
- 2.2 purposes of this section, a public utility shall include a cooperative electric association.
- 2.3 **EFFECTIVE DATE.** This section is effective the day following final enactment.