

SENATE  
STATE OF MINNESOTA  
EIGHTY-SEVENTH LEGISLATURE

S.F. No. 548

(SENATE AUTHORS: BENSON, Rosen, Anderson, Dibble and Howe)

| DATE       | D-PG        | OFFICIAL STATUS  |
|------------|-------------|--|
| 03/03/2011 | 326         | Introduction and first reading<br>Referred to Energy, Utilities and Telecommunications |
| 03/14/2011 | 494a<br>496 | Comm report: To pass as amended<br>Second reading                                      |
| 04/11/2011 | 1269        | General Orders: To pass  |
| 04/14/2011 | 1366        | Calendar: Third reading Passed<br>See SF1197, Sec. 9, 12                               |

1.1

A bill for an act

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relating to energy; authorizing the Public Utilities Commission to approve a

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multiyear rate plan for certain utilities; providing for cost recovery for certain

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pollution control products; amending Minnesota Statutes 2010, section 216B.16,

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subdivision 7, by adding a subdivision.

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

1.7

Section 1. Minnesota Statutes 2010, section 216B.16, subdivision 7, is amended to read:

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Subd. 7. **Energy and emission control products cost adjustment.** Notwithstanding

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any other provision of this chapter, the commission may permit a public utility to file

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rate schedules containing provisions for the automatic adjustment of charges for public

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utility service in direct relation to changes in:

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(1) federally regulated wholesale rates for energy delivered through interstate

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facilities;

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(2) direct costs for natural gas delivered; ~~or~~

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(3) costs for fuel used in generation of electricity or the manufacture of gas; or

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(4) prudent costs incurred by a public utility for sorbents, reagents, or chemicals

1.17

used to control emissions from an electric generation facility, provided that these costs are

1.18

not recovered elsewhere in rates. The utility must track and report annually the volumes

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and costs of sorbents, reagents, or chemicals using separate accounts by generating plant.

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Sec. 2. Minnesota Statutes 2010, section 216B.16, is amended by adding a subdivision

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to read:

1.22

Subd. 19. **Multiyear rate plan.** (a) A public utility may propose, and the

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commission may approve, approve as modified, or reject a multiyear rate plan as provided

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in this subdivision. The term "multiyear rate plan" refers to a plan establishing the rates the

2.1 utility may charge for each year of the specified period of years to be covered by the plan.  
2.2 The commission may approve a multiyear rate plan only if it finds that the plan establishes  
2.3 just and reasonable rates for the utility, applying the factors described in subdivision 6.

2.4 (b) Rates charged under a multiyear rate plan must be based only upon the utility's  
2.5 reasonable and prudent costs of service over the term of the plan, as determined by the  
2.6 commission, provided that the costs are not being recovered elsewhere in rates. Rate  
2.7 adjustments authorized under subdivisions 6b and 7 may continue outside of a plan  
2.8 authorized under this subdivision.

2.9 (c) The commission may, by order, establish terms, conditions, and procedures  
2.10 necessary to implement this subdivision, including a mechanism to periodically examine  
2.11 a multiyear rate plan to ensure rates charged under the plan remain just and reasonable.  
2.12 In reviewing a multiyear rate plan proposed in a general rate case under this section,  
2.13 the commission may extend the time requirements for issuance of a final determination  
2.14 prescribed in this section by an additional 90 days beyond its existing authority under  
2.15 subdivision 2, paragraph (f).