

CHAPTER 216A

PUBLIC UTILITIES; COMMISSION, DEPARTMENT

216A 01	Establishment of department and commission	216A 05	Commission functions and powers
216A 02	Definitions	216A 06	Commissioner of public service
216A 03	Public utilities commission	216A 07	Commissioner powers and duties
216A 035	Conflict of interest	216A 08	Continuation of rules of public service department
216A 036	Employment restrictions	216A 085	Energy issues intervention office
216A 037	Rules, ex parte communications, code of conduct	216A 09	Actions
216A 04	Executive secretary, commission employees	216A 095	Cooperation between department and commission

216A.01 ESTABLISHMENT OF DEPARTMENT AND COMMISSION.

There are hereby created and established the department of public service, and the public utilities commission. The department of public service shall have and possess all of the rights and powers and perform all of the duties vested in it by this chapter. The public utilities commission shall have and possess all of the rights and powers and perform all of the duties vested in it by this chapter, and those formerly vested by law in the railroad and warehouse commission.

History: 1967 c 864 s 1; 1969 c 1031 s 1, 1980 c 614 s 103

216A.02 DEFINITIONS.

Subdivision 1. **Scope.** For the purposes of this chapter, the terms defined in this section have the meanings given them.

Subd. 2. **Legislative function.** "Legislative function" means the establishment and promulgation of all rules, orders and directives of general or particular applicability, governing the conduct of the regulated persons or businesses, together with such investigative procedures as are incident thereto and all other valid acts and procedures which are historically or functionally legislative in character.

Subd. 3. **Administrative function.** "Administrative function" means all duties and procedures concerning the execution and enforcement of the laws, rules, orders, directives, duties and obligations imposed for the control and government of the persons or businesses regulated, together with investigative activities incident thereto and procedures inherently administrative or executive in character.

Subd. 4. **Quasi-judicial function.** "Quasi-judicial function" means the promulgation of all orders and directives of particular applicability governing the conduct of the regulated persons or businesses, together with procedures inherently judicial.

History: 1967 c 864 s 2; 1977 c 364 s 1

216A.03 PUBLIC UTILITIES COMMISSION.

Subdivision 1. **Members.** The public utilities commission shall consist of five members. The terms of members shall be six years and until their successors have been appointed and qualified. Each commissioner shall be appointed by the governor by and with the advice and consent of the senate. Not more than three commissioners shall belong to the same political party. At least one commissioner must have been domiciled at the time of appointment outside the seven-county metropolitan area. If the membership of the commission after July 31, 1986, does not consist of at least one member domiciled at the time of appointment outside the seven-county metropolitan area, the membership shall conform to this requirement following normal attrition of the present commissioners. The governor when selecting commissioners shall give consideration to persons learned in the law or persons who have engaged in the profession of engineering, public accounting, property and utility valuation, finance, physical or natural sciences, production agriculture, or natural resources as well as being representative of the general public.

For purposes of this subdivision, "seven-county metropolitan area" means Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington counties.

Subd. 1a. **Removal; vacancy.** The removal of members, and filling of vacancies on the commission shall be as provided in section 15.0575.

Subd. 2. [Repealed, 1976 c 134 s 79]

Subd. 3. **Chair.** The governor shall select one of the commissioners to serve as the chair for a term concurrent with that of the governor.

If a vacancy occurs in the position of chair, the governor shall select a new chair to complete the unexpired term.

Subd. 3a. **Powers and duties of chair.** The chair shall be the principal executive officer of the commission and shall preside at meetings of the commission. The chair shall organize the work of the commission and may make assignments to commission members, appoint committees and give direction to the commission staff through the executive secretary subject to the approval of the commission.

Subd. 4. **Oath.** Before entering upon the duties of office, each commissioner shall take and file with the secretary of state the following oath:

"I do solemnly swear that I will support the constitution of the United States, the constitution of this state; that I will faithfully discharge my duties as commissioner of the public utilities commission according to the best of my ability; and that I am not in the employ of or holding any official relation to or pecuniarily interested in any individual proprietorship, firm, copartnership, corporation or association, the activities of which are wholly or partially subject to regulation by the public utilities commission; nor do I serve on or under any committee of any political party"

Subd. 5. **Quorum.** A majority of the commission shall constitute a quorum, and the act or decision of a majority of commissioners present, if at least a quorum is present, shall be the act or decision of the commission. If a vacancy exists on the commission a majority of the remaining commissioners constitutes a quorum.

Subd. 6. **Record of proceedings.** An audio magnetic recording device shall be used to keep a record of all proceedings before the commission unless the commission provides a hearing reporter to record the proceeding.

History: 1967 c 864 s 3; 1974 c 429 s 65; 1976 c 134 s 50,51; 1977 c 364 s 2; 1980 c 614 s 104,105,123; 1986 c 409 s 1,2; 1986 c 444; 1994 c 641 art 4 s 1

216A.035 CONFLICT OF INTEREST.

(a) No person, while a member of the public utilities commission, while acting as executive secretary of the commission, or while employed in a professional capacity by the commission, shall receive any income, other than dividends or other earnings from a mutual fund or trust if these earnings do not constitute a significant portion of the person's income, directly or indirectly from any public utility or other organization subject to regulation by the commission.

(b) No person is eligible to be appointed as a member of the commission if the person has been employed with an entity, or an affiliated company of an entity, that is subject to rate regulation by the commission within one year from the date when the person's term on the commission will begin.

(c) No person who is an employee of the public service department shall participate in any manner in any decision or action of the commission where that person has a direct or indirect financial interest. Each commissioner or employee of the public service department who is in the general professional, supervisory, or technical units established in section 179A.10 or who is a professional, supervisory, or technical employee defined as confidential in section 179A.03, subdivision 4, or who is a management classification employee and whose duties are related to public utilities or transportation regulation shall report to the campaign finance and public disclosure board annually before April 15 any interest in an industry or business regulated by the commission. Each commissioner shall file a statement of economic interest as required by section 10A.09 with the campaign finance and public disclosure board and the public utilities commission before taking office. The statement of economic interest must state any interest that the commissioner has in an industry or business regulated by the commission.

(d) A professional employee of the commission or department must immediately disclose to the commission or to the commissioner of the department, respectively, any communication, direct or indirect, with a person who is a party to a pending proceeding before the commission regarding future benefits, compensation, or employment to be received from that person.

History: 1974 c 429 s 66; 1979 c 206 s 1; 1980 c 614 s 123; 1981 c 210 s 51; 1984 c 462 s 27, 1986 c 409 s 3; 1986 c 444; 1987 c 186 s 15; 1997 c 202 art 2 s 63

216A.036 EMPLOYMENT RESTRICTIONS.

(a) A person who serves as (1) a commissioner of the public utilities commission, (2) commissioner of the department of public service, or (3) deputy commissioner of the department, shall not, while employed with or within one year after leaving the commission, or department, accept employment with, receive compensation directly or indirectly from, or enter into a contractual relationship with an entity, or an affiliated company of an entity, that is subject to rate regulation by the commission.

(b) An entity or an affiliated company of an entity that is subject to rate regulation by the commission, or a person acting on behalf of the entity, shall not negotiate or offer to employ or compensate a commissioner of the public utilities commission, the commissioner of public service, or the deputy commissioner, while the person is so employed or within one year after the person leaves that employment.

(c) For the purposes of this section, "affiliated company" means a company that controls, is controlled by, or is under common control with an entity subject to rate regulation by the commission.

(d) A person who violates this section is subject to a civil penalty not to exceed \$10,000 for each violation. The attorney general may bring an action in district court to collect the penalties provided in this section.

History: 1986 c 409 s 4; 1987 c 186 s 15

216A.037 RULES; EX PARTE COMMUNICATIONS; CODE OF CONDUCT.

Subdivision 1. **Ex parte communications.** The commission shall adopt rules under chapter 14 prescribing permissible and impermissible ex parte communications.

The ex parte rules may prohibit only ex parte communications by commission members with a party relating to:

- (1) a material issue during a pending contested case proceeding;
- (2) a material issue in a rulemaking proceeding after the beginning of commission deliberations;
- (3) a material issue in a disputed formal petition; and
- (4) any other communication impermissible by law.

A contested case is pending from the time the commission refers the matter to the office of administrative hearings until the commission has issued its final order, and the time to petition for reconsideration has expired or the commission has issued an order finally disposing an application for reconsideration, whichever is later.

Subd. 2. **Communications prohibited.** A commissioner shall not communicate, directly or indirectly, with a person or entity who is a party to a pending proceeding before the commission regarding past or future benefits or compensation to be received from that person or entity. The commission may dismiss a proceeding if an applicant, petitioner, or complainant violates this subdivision.

Subd. 3. **Code of conduct.** Except as limited by subdivision 1, the commission shall adopt rules prescribing a code of conduct for commissioners and employees of the commission. The code of conduct must include standards to preserve the quasi-judicial function of the commission.

History: 1986 c 409 s 5, 1996 c 305 art 2 s 37

216A.04 EXECUTIVE SECRETARY; COMMISSION EMPLOYEES.

Subdivision 1. **Selection of executive secretary.** The commission shall appoint an executive secretary, not a member, who shall be in the unclassified service of the state and

shall serve at the pleasure of the commission. The executive secretary shall take, subscribe and file an oath similar to that required of the commissioners, and shall be subject to the same disqualifications as commissioners.

Subd. 1a. **Powers and duties of executive secretary.** The executive secretary shall:

- (1) cause to be kept full and correct records of all transactions and proceedings of the commission;
- (2) appoint, subject to chapter 43A and the approval of the commission, all other classified employees of the commission and supervise and direct their activities;
- (3) have custody of the seal of the commission;
- (4) serve as the administrative officer of the commission with responsibility for personnel, budget and other administrative details related to the work of the commission or as required by state law;
- (5) prepare orders, reports, and other materials as assigned by the commission and recommend to the commission such measures as may be appropriate to achieve the objectives of the commission;
- (6) advise the commission of its financial position and recommend a budget for its approval; and
- (7) perform other duties as the commission directs.

Subd. 2. **Acting secretary.** The commission may designate any responsible employee to serve as acting secretary in the absence of the secretary.

Subd. 3. **Officers and employees.** The commission may establish other positions in the unclassified service if the positions meet the criteria of section 43A.08, subdivision 1a, clauses (a) to (g). The commission may employ other persons as may be necessary to carry out its functions

Hearing reporters may provide transcripts of proceedings before the commission to persons requesting transcripts who pay a reasonable charge therefor to the reporter. The amount of the charge shall be fixed by the commission and retained by the reporter, any other law to the contrary notwithstanding

History: 1967 c 864 s 4, 1971 c 74 s 1; 1971 c 646 s 1, 1973 c 35 s 44, 1980 c 614 s 106-108; 1981 c 210 s 54; 1982 c 560 s 51

216A.05 COMMISSION FUNCTIONS AND POWERS.

Subdivision 1. **Legislative and quasi-judicial functions.** The functions of the commission shall be legislative and quasi-judicial in nature. It may make such investigations and determinations, hold such hearings, prescribe such rules and issue such orders with respect to the control and conduct of the businesses coming within its jurisdiction as the legislature itself might make but only as it shall from time to time authorize. It may adjudicate all proceedings brought before it in which the violation of any law or rule administered by the department is alleged.

Subd. 2. **Powers generally.** The commission shall, to the extent prescribed by law.

(1) Investigate the management of all warehouse operators and telegraph companies, the manner in which their businesses are conducted and the adequacies of the services which they are affording to the public, and make all appropriate orders relating to the continuation, termination or modification of all services and facilities with a view to properly promoting the security and convenience of the public

(2) Review and ascertain the reasonableness of tariffs of rates, fares and charges, or any part or classification thereof, and prescribe the form and manner of filing, posting and publication thereof.

(3) Prescribe uniform systems of keeping and rendering accounts and the time within which such systems shall be adopted.

(4) Order the issuance of franchises, permits or certificates of convenience and necessity.

Subd. 3. **Manner of fact finding.** The commission may

(1) Subpoena, in the same manner a district court summons is served, at such time and place as it may designate, any books, papers or accounts kept by any regulated business within or without the state, or compel production of verified copies in lieu thereof.

(2) Prepare all forms or blanks for the purpose of obtaining information which it may deem necessary or useful in the proper exercise of its authority and duties in connection with regulated businesses, and prescribe the time and manner within which such blanks and forms shall be completed and filed with it.

(3) Inspect, at all reasonable times, and copy the books, records, memoranda, correspondence or other documents and records of any business under its jurisdiction.

(4) Examine, under oath, any officer, agent or employee thereof in relation to its business and affairs.

Subd. 4. Performance of commission functions. The commission shall exercise each and every legislative function imposed by law on it.

Subd. 5. Hearing upon petition. With respect to those matters within its jurisdiction the commission shall receive, hear and determine all petitions filed with it in accordance with the rules of practice and procedure promulgated by the commission, and may investigate, hold hearings and make determinations upon its own motion to the same extent, and in every instance, in which it may do so upon petition.

Subd. 6. Operation with regard to federal law. The commission is authorized:

(1) To cooperate with all federal agencies for the purpose of harmonizing state and federal regulations within the state to the extent and in the manner deemed advisable.

(2) To conduct joint hearings with any federal agency or commission within or without the state and participate in any proceedings before any federal agency or commission when it considers such participation advisable and in the interest of the people of this state.

(3) To nominate members to any joint board as provided by federal acts.

History: 1967 c 864 s 5; 1969 c 1031 s 2; 1971 c 25 s 67; 1976 c 166 s 10; 1977 c 346 s 11; 1977 c 364 s 3; 1980 c 614 s 109,110; 1986 c 444; 1986 c 468 s 2

216A.06 COMMISSIONER OF PUBLIC SERVICE.

Subdivision 1. Establishment of office, appointment. The office of commissioner of the department of public service is hereby established. The commissioner shall be appointed by the governor under the provisions of section 15 06.

Subd. 2. [Repealed, 1977 c 305 s 46]

History: 1967 c 864 s 6; 1976 c 166 s 11, 1977 c 305 s 27; 1986 c 444; 1987 c 186 s 15

216A.07 COMMISSIONER POWERS AND DUTIES.

Subdivision 1. Administrative duties. The commissioner shall be the executive and administrative head of the public service department and shall have and possess all the rights and powers and perform all the duties relating to the administrative function of the department as set forth in this chapter. The commissioner may:

(1) prepare all forms or blanks for the purpose of obtaining information which the commissioner may deem necessary or useful in the proper exercise of the authority and duties of the commissioner in connection with regulated businesses;

(2) prescribe the time and manner within which forms or blanks shall be filed with the department;

(3) inspect at all reasonable times, and copy the books, records, memoranda and correspondence or other documents and records of any person relating to any regulated business; and

(4) cause the deposition to be taken of any person concerning the business and affairs of any business regulated by the department. Information sought through said deposition shall be for a lawfully authorized purpose and shall be relevant and material to the investigation or hearing before the commission. Information obtained from said deposition shall be used by the department only for a lawfully authorized purpose and pursuant to powers and responsi-

bilities conferred upon the department. Said deposition is to be taken in the manner prescribed by law for taking depositions in civil actions in the district court.

Subd. 2. **Enforcement.** The commissioner is responsible for the enforcement of chapters 216A, 216B and 237 and the orders of the commission issued pursuant to those chapters.

Subd. 3. **Intervention in commission proceeding.** The commissioner may intervene as a party in all proceedings before the commission. When intervening in gas or electric hearings, the commissioner shall prepare and defend testimony designed to encourage energy conservation improvements as defined in section 216B.241. The attorney general shall act as counsel in the proceedings.

Subd. 4. **Investigation.** The commissioner may, on the commissioner's own initiative, investigate any matter subject to the jurisdiction of the department or commission.

Subd. 5. **Rulemaking.** The commissioner shall make substantive and procedural rules to implement the provisions of this chapter and chapters 216B and 237. Rules adopted under this authority shall be promulgated pursuant to the Administrative Procedure Act and shall have the force and effect of law.

Subd. 6. **Mission; efficiency; legislative report, recommendations.** It is part of the department's mission that within the department's resources the commissioner shall endeavor to:

- (1) prevent the waste or unnecessary spending of public money;
- (2) use innovative fiscal and human resource practices to manage the state's resources and operate the department as efficiently as possible;
- (3) coordinate the department's activities wherever appropriate with the activities of other governmental agencies;
- (4) use technology where appropriate to increase agency productivity, improve customer service, increase public access to information about government, and increase public participation in the business of government;
- (5) utilize constructive and cooperative labor-management practices to the extent otherwise required by chapters 43A and 179A;
- (6) report to the legislature on the performance of agency operations and the accomplishment of agency goals in the agency's biennial budget according to section 16A.10, subdivision 1; and
- (7) recommend to the legislature appropriate changes in law necessary to carry out the mission and improve the performance of the department.

History: 1967 c 864 s 7; 1969 c 1031 s 3; 1976 c 166 s 12; 1977 c 364 s 4; 1980 c 614 s 111; 1983 c 179 s 3; 1986 c 444; 1987 c 186 s 15; 1995 c 248 art 11 s 16; 1998 c 366 s 62

216A.08 CONTINUATION OF RULES OF PUBLIC SERVICE DEPARTMENT.

All valid rules, orders and directives heretofore enforced, issued or promulgated by the public service department under authority of chapter 218, 219, 221, or 222 shall remain and continue in force and effect until repealed, modified or superseded by duly authorized rules, orders or directives of the public utilities commission or the commissioner of transportation

History: 1967 c 864 s 8; 1976 c 166 s 13; 1980 c 614 s 123; 1985 c 248 s 70

216A.085 ENERGY ISSUES INTERVENTION OFFICE.

Subdivision 1. **Creation.** There is created within the department of public service an intervention office to represent the interests of Minnesota residents, businesses, and governments before bodies and agencies outside the state that make, interpret, or implement national and international energy policy.

Subd. 2. **Duties.** The intervention office shall determine those areas in which state intervention is most needed, most likely to have a positive impact, and most effective for the broad public interest of the state. The office shall seek recommendations from appropriate public and private sources before deciding which cases merit intervention.

Subd. 3. **Staffing.** The intervention office shall be under the control and supervision of the commissioner of the department of public service. The commissioner may hire staff or

contract for outside services as needed to carry out the purposes of this section. The attorney general shall act as counsel in all intervention proceedings.

History: 1983 c 289 s 103; 1987 c 186 s 15

216A.09 ACTIONS.

The commission may sue or be sued in its own name.

History: 1967 c 864 s 9

216A.095 COOPERATION BETWEEN DEPARTMENT AND COMMISSION.

Nothing in this chapter prevents the department or the commission from entering into agreements with each other or with other agencies to coordinate and share services, to conduct joint projects or investigations on matters within the authority and jurisdiction of the parties thereto, or to temporarily assign staff to projects requested by each other or by other agencies. The cooperative agreements may provide for the sharing of costs between the parties thereto or the reimbursement of the department or commission operating budget for expenditures made on behalf of the department or commission or agency. No cooperative effort shall interfere with the independence and integrity of either the commission or the department or any other agency that is a party.

History: 1980 c 614 s 112

216A.10 [Renumbered 174.60]

216A.11 [Renumbered 174.61]

216A.12 [Renumbered 174.62]

216A.13 [Renumbered 174.63]