

Subject Energy

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Summary

House File 3830 addresses two issues:

Section 1: In a general rate case held when a public utility is seeking a rate increase, the Minnesota Public Utilities Commission reviews a public utility's expenses to determine whether they are reasonable and necessary for the provision of utility service. This review includes expenses for utility employee travel, lodging, and entertainment. Utilities must provide information on these itemized expenses to enable the commission to make their determination of reasonableness and necessity. Current law requires that the name of the vendor where the expense was incurred be included in the information reviewed and evaluated by the commission. This bill deletes the requirement that the vendor be named.

Section 2 of the bill would make permanent a statute enacted in 2005 that was originally set to sunset in 2015. That sunset date has been extended twice; the current sunset is scheduled for 2028. This bill would strike the sunset date, leaving the statute intact with no sunset provision.

The statute, [section 216B.1635](#), allows a public utility providing natural gas service to recover the costs of certain infrastructure projects without entering the general rate case process at the Public Utilities Commission. Projects eligible for this treatment are existing natural gas facilities located in the public right-of-way whose replacement or modification is made necessary by the construction of a public road, building, or other public work. The natural gas infrastructure cannot increase the utility's revenues by being connected to new customers.

The commission reviews each petition seeking to utilize this provision. Commission approval allows the utility to make automatic annual adjustments in its rates for the project costs, net of any revenues that accrue as a result of the project, including a rate of return and adjustments for taxes, depreciation, and operation and maintenance costs.