

# Revised

**Consolidated Fiscal Note**

**2023-2024 Legislative Session**

**HF393 - 0 - Dispute Resolution Procedure; Public Utilities**

Chief Author: **Zack Stephenson**  
 Committee: **Climate And Energy Finance And Policy**  
 Date Completed: **2/10/2023 3:15:15 PM**  
 Lead Agency: **Public Utilities Commission**  
 Other Agencies:  
     Administrative Hearings      Attorney General  
     Commerce Dept                 Supreme Court

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings	X	
Tax Revenue		X
Information Technology	X	
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027
<b>Administrative Hearings</b>	-	-	-	-	-	-
<b>Administrative Hearings</b>	-	-	-	-	-	-
<b>Attorney General</b>	-	-	-	-	-	-
<b>General Fund</b>	-	-	-	-	-	-
<b>Commerce Dept</b>	-	-	-	-	-	-
<b>General Fund</b>	-	-	-	-	-	-
<b>Public Utilities Commission</b>	-	-	-	-	-	-
<b>General Fund</b>	-	-	-	-	-	-
<b>Restrict Misc. Special Revenue</b>	-	-	-	-	-	-
<b>State Total</b>						
<b>Administrative Hearings</b>	-	-	-	-	-	-
<b>General Fund</b>	-	-	-	-	-	-
<b>Restrict Misc. Special Revenue</b>	-	-	-	-	-	-
	<b>Total</b>	-	-	-	-	-
	<b>Biennial Total</b>			-		-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
<b>Administrative Hearings</b>	-	-	-	-	-
<b>Administrative Hearings</b>	-	-	-	-	-
<b>Attorney General</b>	-	-	-	-	-
<b>General Fund</b>	-	-	-	-	-
<b>Commerce Dept</b>	-	-	-	-	-
<b>General Fund</b>	-	.5	.5	.5	.5
<b>Public Utilities Commission</b>	-	-	-	-	-
<b>General Fund</b>	-	2	2	2	2

# Revised

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
Restrict Misc. Special Revenue	-	-	-	-	-
<b>Total</b>	-	<b>2.5</b>	<b>2.5</b>	<b>2.5</b>	<b>2.5</b>

### Lead LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

Signoff was removed to allow the PUC to align the Special Revenue account with the OAH.

**LBO Signature:** Karl Palm      **Date:** 2/10/2023 3:15:15 PM  
**Phone:** 651-296-6055      **Email:** karl.palm@lbo.mn.gov

# Revised

## State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

\*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2 Dollars in Thousands	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
Administrative Hearings	-	-	-	-	-
Administrative Hearings	-	-	-	-	-
Attorney General	-	-	-	-	-
General Fund	-	-	-	-	-
Commerce Dept	-	-	-	-	-
General Fund	-	-	-	-	-
Public Utilities Commission	-	-	-	-	-
General Fund	-	-	-	-	-
Restrict Misc. Special Revenue	-	-	-	-	-
<b>Total</b>	-	-	-	-	-
<b>Biennial Total</b>			-		-
<b>1 - Expenditures, Absorbed Costs*, Transfers Out*</b>					
Administrative Hearings	-	-	-	-	-
Administrative Hearings	-	4	4	4	4
Attorney General	-	-	-	-	-
General Fund					
Expenditures	-	13	13	13	13
Absorbed Costs	-	(13)	(13)	(13)	(13)
Commerce Dept	-	-	-	-	-
General Fund	-	77	77	77	77
Public Utilities Commission	-	-	-	-	-
General Fund	-	236	229	229	229
Restrict Misc. Special Revenue	-	4	4	4	4
<b>Total</b>	-	<b>321</b>	<b>314</b>	<b>314</b>	<b>314</b>
<b>Biennial Total</b>			<b>635</b>		<b>628</b>
<b>2 - Revenues, Transfers In*</b>					
Administrative Hearings	-	-	-	-	-
Administrative Hearings	-	4	4	4	4
Attorney General	-	-	-	-	-
General Fund	-	-	-	-	-
Commerce Dept	-	-	-	-	-
General Fund	-	77	77	77	77
Public Utilities Commission	-	-	-	-	-
General Fund	-	236	229	229	229
Restrict Misc. Special Revenue	-	4	4	4	4
<b>Total</b>	-	<b>321</b>	<b>314</b>	<b>314</b>	<b>314</b>
<b>Biennial Total</b>			<b>635</b>		<b>628</b>

# Revised

**Fiscal Note**

**2023-2024 Legislative Session**

**HF393 - 0 - Dispute Resolution Procedure; Public Utilities**

Chief Author: **Zack Stephenson**  
 Committee: **Climate And Energy Finance And Policy**  
 Date Completed: **2/10/2023 3:15:15 PM**  
 Agency: **Public Utilities Commission**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings	X	
Tax Revenue		X
Information Technology	X	
<b>Local Fiscal Impact</b>		
		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027
General Fund	-	-	-	-	-	-
Restrict Misc. Special Revenue	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-
<b>Biennial Total</b>			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
General Fund	-	2	2	2	2
Restrict Misc. Special Revenue	-	-	-	-	-
<b>Total</b>	-	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>

**LBO Analyst's Comment**

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

Signoff was removed for the PUC to add the Special Revenue items to align with the OAH.

**LBO Signature:** Karl Palm      **Date:** 2/10/2023 3:14:14 PM  
**Phone:** 651-296-6055      **Email:** karl.palm@lbo.mn.gov

# Revised

## State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

\*Transfers In/Out and Absorbed Costs are only displayed when reported.

<b>State Cost (Savings) = 1-2</b>		<b>Biennium</b>			<b>Biennium</b>	
<b>Dollars in Thousands</b>	<b>FY2023</b>	<b>FY2024</b>	<b>FY2025</b>	<b>FY2026</b>	<b>FY2027</b>	
General Fund	-	-	-	-	-	-
Restrict Misc. Special Revenue	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Biennial Total</b>			<b>-</b>			<b>-</b>
<b>1 - Expenditures, Absorbed Costs*, Transfers Out*</b>						
General Fund	-	236	229	229	229	229
Restrict Misc. Special Revenue	-	4	4	4	4	4
<b>Total</b>	<b>-</b>	<b>240</b>	<b>233</b>	<b>233</b>	<b>233</b>	<b>233</b>
<b>Biennial Total</b>			<b>473</b>			<b>466</b>
<b>2 - Revenues, Transfers In*</b>						
General Fund	-	236	229	229	229	229
Restrict Misc. Special Revenue	-	4	4	4	4	4
<b>Total</b>	<b>-</b>	<b>240</b>	<b>233</b>	<b>233</b>	<b>233</b>	<b>233</b>
<b>Biennial Total</b>			<b>473</b>			<b>466</b>

## Bill Description

HF393-0 establishes a specific process under which an individual residential utility customer may file a complaint against an electric or natural gas public utility with the Public Utilities Commission (PUC). It establishes an appeals process within the PUC and allows a customer to appeal an adverse decision to district court if the customer disagrees with the PUC's final resolution of the complaint.

Section 1 modifies section 216B.17 to authorize the PUC to investigate complaints made under section 216B.172, which is created in section 2.

Section 2 adds a new provision, 216B.172, which creates a specific path for consideration of an individual residential customer complaint.

Section 2, subd. 1, adds definitions of "complainant," "complaint," and other relevant terms.

Section 2, subd. 2, establishes a complaint resolution procedure that requires a complainant to first file a complaint with the PUC's Consumer Affairs Office (CAO), and requires CAO to provide written information to each complainant.

Section 2, subd. 3, authorizes a complainant to appeal to the PUC if they are not satisfied with the resolution of their complaint. The PUC may dismiss the complaint, resolve it informally based on written filings, or refer it to the Office of Administrative Hearings (OAH) for a contested case proceeding.

Section 2, subd. 4, allows for judicial review of a PUC decision regarding a residential complaint if the complainant disagrees with the PUC's resolution.

Section 2, subd. 5, requires a utility to continue or restore utility service while a complaint progresses through the administrative and judicial process, provided that the complainant agrees to enter a payment agreement with the utility, places the full disputed payment in escrow, or provides evidence of low-income status.

Section 2, subd. 6 authorizes the PUC to adopt rules to implement this section.

## Assumptions

# Revised

The PUC currently has 3.5 consumer mediators and a supervisor dedicated to informally resolving consumer issues. These staff do a variety of tasks including resolving consumer complaints, which include appeals of utility decisions on Cold Weather shut-offs under 216B.096; preparing and reviewing materials prepared internally or by utilities for customer contact; outreach to other state agencies and stakeholder groups; and answering consumer questions.

The PUC's CAO staff receives inquiries and complaints by telephone, e-mail, and regular mail. Many of these are inquiries about general issues and PUC actions that are not classified as complaints. In 2022, there were approximately 1,900 matters classified as complaints. The vast majority of complaints were resolved to the customer's satisfaction.

A number of the inquiries, even if they otherwise would be considered complaints or disputes, were about issues outside of the PUC's jurisdiction, and the consumers were referred to other state, federal, or local entities as appropriate.

The specific appeals process in this bill is limited to complaints about public utilities as defined in section 216B.02, i.e., investor-owned electric and natural gas utilities. CAO helps resolve complaints related to telecommunications carriers, but these would not be covered under the appeal provisions of this bill. CAO also may attempt to mediate disputes between customers and municipal or cooperative utilities when asked, but these also would not be covered by the specific complaint appeal process in this bill. Also, the bill provides a process for individual residential customers, which would therefore not include business or governmental customers in the appeal process.

There is no clear data upon which to make an estimate of how many complaints may be appealed. The CAO currently resolves almost all complaints without escalation. It is reasonable to assume that establishing a formal appeals process and notifying all complainants about that process will lead to some customers making use of the new process.

The PUC assumes that based on 2022 figures, we will have approximately 1,900 customer complaints per year, with approximately 500 of those fitting the criteria to be potentially appealed (individual consumer of a natural gas or electric public utility).

Of those, 5-10% may be appealed to the PUC, or 25-50 complaints. The Commission assumes at least 2/3 of those complaints would be dismissed, 1/3 would go to an informal process, and an average of one case would go a contested case to the OAH annually. Given the time, expense, and subject matter, PUC believes that contested case will not be the best procedure for most appeals. We estimate 0-2 of the appeals to the PUC would then be appealed to court.

The PUC does not expect to conduct a rulemaking to implement the complaint process in the bill at this time. Under the bill, the residential customer complaint process is effective immediately, so it would not be possible to have rules in place before having to implement the process. Furthermore, we assume we can integrate the new appeal process into our current internal procedures without rulemaking.

PUC will need additional staff to implement the bill. First, we need at least one new FTE consumer mediator position to implement the additional assignments to CAO, which include additional recording keeping, informational, and other requirements of this bill. While some steps can likely be automated, providing the notices required in the bill to all complainants will require additional staff time. Further, a number of complaints are received by phone rather than e-mail or regular mail, and not all customers want to leave an address, so it will take extra effort to try to get addresses, and it may not be possible in all cases to have an address to mail notice of appeal rights. More information will need to be kept in the consumer complaint database, and there are likely to be more specific contacts with customers who wish to appeal.

The PUC will also need at least one other FTE to process the appeals to the PUC. In order to provide due process, this FTE will need to be separate from CAO, and there are currently no staff who have capacity to do the work. This person will need to review the complaint records and prepare materials for PUC decision on whether to dismiss an appeal or send it to an informal or formal process. Those complaints that do go to an informal (or formal) process will need staff to advise the PUC and follow the process. There also needs to be final decisions issued on the matters that are appealed. We will need the equivalent of one FTE at the Rates Analyst 3 level.

The PUC will need enhancements to its current database software to add new fields for categorizing complaints into those that are subject to appeal and those that are not, and for information on the status of the complaints that are appealed. The system will also need to be enhanced to send out letters and/or e-mails about appeal rights. We estimate we will need at least 50 hours of MN.IT time to design and implement these enhancements. This will be a one-time expenditure. Future smaller enhancements if needed after experience with the system should be able to fit within our existing standard MN.IT service agreement.

# Revised

Current bill language does not appropriate funds to the Commission. If additional funds are appropriated, they would be recovered from the rate-regulated utilities and credited back to the general fund. It is general fund neutral.

## **Expenditure and/or Revenue Formula**

Ongoing annual, starting FY24:

	FY24	FY25	FY26	FY27
Salary-Rates Analyst 3	82,977	82,977	82,977	82,977
Salary-Consumer Mediator 2	62,473	62,473	62,473	62,473
Fringe	43,635	43,635	43,635	43,635
Other Personnel Related Costs	40,412	40,412	40,412	40,412
Est. 15 hrs. ALJ time (\$275/hr.) - Fund 2000	4	4	4	4
<b>TOTAL Cost</b>	<b>229,501</b>	<b>229,501</b>	<b>229,501</b>	<b>229,501</b>

One-time cost, FY24:

	FY24
Enhancements to consumer complaint database (50 hours x \$125/hr.)	6,250

## **Long-Term Fiscal Considerations**

### **Local Fiscal Impact**

### **References/Sources**

**Agency Contact:**

**Agency Fiscal Note Coordinator Signature:** Kay Urquhart

**Phone:** 651-201-2222

**Date:** 2/10/2023 9:03:05 AM

**Email:** kay.urquhart@state.mn.us

# Revised

**Fiscal Note**

**2023-2024 Legislative Session**

**HF393 - 0 - Dispute Resolution Procedure; Public Utilities**

Chief Author: **Zack Stephenson**  
 Committee: **Climate And Energy Finance And Policy**  
 Date Completed: **2/10/2023 3:15:15 PM**  
 Agency: **Administrative Hearings**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings	X	
Tax Revenue		X
Information Technology		X
<b>Local Fiscal Impact</b>		
		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027
Administrative Hearings	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-
<b>Biennial Total</b>			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
Administrative Hearings	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

**LBO Analyst's Comment**

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

**LBO Signature:** Chloe Burns      **Date:** 1/20/2023 9:33:48 AM  
**Phone:** 651-297-1423      **Email:** chloe.burns@lbo.mn.gov



# Revised

## State Cost (Savings) Calculation Details

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\*Transfers In/Out and Absorbed Costs are only displayed when reported.

<b>State Cost (Savings) = 1-2</b>		Biennium			Biennium	
Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027	
Administrative Hearings	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-
<b>Biennial Total</b>			-			-
<b>1 - Expenditures, Absorbed Costs*, Transfers Out*</b>						
Administrative Hearings	-	4	4	4	4	4
<b>Total</b>	-	4	4	4	4	4
<b>Biennial Total</b>			8			8
<b>2 - Revenues, Transfers In*</b>						
Administrative Hearings	-	4	4	4	4	4
<b>Total</b>	-	4	4	4	4	4
<b>Biennial Total</b>			8			8

## Bill Description

HF393 provides for a resolution process for disputes between residential customers and public utilities. As part of the resolution process, appeals may be referred by the Public Utilities Commission (PUC) to the Office of Administrative Hearings (OAH) for a contested case proceeding under Minn. Stat. ch. 14.

## Assumptions

Section 2 of the bill sets out the procedure for resolving disputes between customers and a public utility wherein the complaint must first be filed with PUC's consumer affairs office for resolution. It grants PUC the option of referring any appeal of that resolution to OAH.

OAH has used PUC's projection that it will refer one appeal annually to OAH. OAH assumes that each hearing will require an estimated 15 hours of administrative law judge (ALJ) time at the currently approved billable rate of \$245 per hour (see Minn. Stat. § 16A.126, subd. 1 (2022)).

## Expenditure and/or Revenue Formula

Estimated 15 hours of ALJ time at \$245/hr = \$3,675 per year

## Long-Term Fiscal Considerations

The estimated costs would continue in future years.

## Local Fiscal Impact

## References/Sources

**Agency Contact:** Denise Collins

**Agency Fiscal Note Coordinator Signature:** Denise Collins

**Phone:** 651-3617875

**Date:** 1/20/2023 8:32:26 AM

**Email:** denise.collins@state.mn.us

# Revised

**Fiscal Note**

**2023-2024 Legislative Session**

**HF393 - 0 - Dispute Resolution Procedure; Public Utilities**

Chief Author: **Zack Stephenson**  
 Committee: **Climate And Energy Finance And Policy**  
 Date Completed: **2/10/2023 3:15:15 PM**  
 Agency: **Attorney General**

State Fiscal Impact	Yes	No
Expenditures		X
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
<b>Local Fiscal Impact</b>		
		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027
General Fund	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-
<b>Biennial Total</b>			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
General Fund	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

**LBO Analyst's Comment**

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

This FN was revised to include the impact to the Attorney General's Office.

**LBO Signature:** Susan Nelson **Date:** 2/7/2023 1:24:04 PM  
**Phone:** 651-296-6054 **Email:** susan.nelson@lbo.mn.gov

# Revised

## State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

\*Transfers In/Out and Absorbed Costs are only displayed when reported.

<b>State Cost (Savings) = 1-2</b>		Biennium			Biennium	
Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027	
General Fund	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-
<b>Biennial Total</b>			-			-
<b>1 - Expenditures, Absorbed Costs*, Transfers Out*</b>						
General Fund						
Expenditures	-	13	13	13	13	13
Absorbed Costs	-	(13)	(13)	(13)	(13)	(13)
<b>Total</b>	-	-	-	-	-	-
<b>Biennial Total</b>			-			-
<b>2 - Revenues, Transfers In*</b>						
General Fund						
<b>Total</b>	-	-	-	-	-	-
<b>Biennial Total</b>			-			-

## Bill Description

The bill creates a new complaint procedure, whereby a complainant may file a complaint with the consumer affairs office of the Minnesota Public Utilities Commission. The basis of a complaint may include that the public utility's action or practice regarding billing or terms or conditions of service violate the law, is unreasonable, or has harmed the complainant. The complainant may appeal to the chair of the commission. The complaint may be referred to a contested case proceeding. Judicial review may follow.

## Assumptions

The Attorney General's Office estimates that it will expend 75-80 hours of attorney time per fiscal year.

Assistant attorneys general may be asked to advise the commission as to whether the complaint is correct that the public utility is violating the law. And they would represent the commission if the complaint resulted in judicial review.

The Attorney General's Office can absorb the cost noted in our calculations.

## Expenditure and/or Revenue Formula

When accounting for the full cost of legal services that will be required by the legislation, the Office uses the billing rate it charges to partner agencies, as it is reflective of the cost of providing the legal services. The Office calculates 1 FTE as 1500 billable hours per year. Effective July 1, 2024, the attorney billing rate is \$163/hour, and the Legal Assistant rate is \$103/hour. The Legal Assistant category includes investigators, paralegals, mediators, financial analysts, and support staff.

# Revised

1 FTE Attorney averages 1,500 billable hours in one year at a rate of \$163.00/hour.

1 FTE Legal Assistant (including investigators, paralegals, mediators, financial analysts and support staff) averages 1,500 billable hours in one year at a rate of \$103.00/hour.

For this legislation, the AGO anticipates 75-80 hours of work per year, the cost of which can be absorbed.

	Hourly Billing Rate	Hours	Total Cost to AGO
Attorney, [division]	\$163	75-80	\$12,225 to \$13,040
Legal assistant, [Investigator/other non-attorney staff]	\$103		[hours x billing rate]
<i>Other</i>			
<b>Total</b>	<b>N/A</b>		

## Long-Term Fiscal Considerations

n/a

## Local Fiscal Impact

n/a

## References/Sources

n/a

**Agency Contact:** Laura Sayles

**Agency Fiscal Note Coordinator Signature:** Laura Capuana

**Phone:** 651-402-2213

**Date:** 2/7/2023 9:45:21 AM

**Email:** laura.capuana@ag.state.mn.us

# Revised

**Fiscal Note**

**2023-2024 Legislative Session**

**HF393 - 0 - Dispute Resolution Procedure; Public Utilities**

Chief Author: **Zack Stephenson**  
 Committee: **Climate And Energy Finance And Policy**  
 Date Completed: **2/10/2023 3:15:15 PM**  
 Agency: **Commerce Dept**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings	X	
Tax Revenue		X
Information Technology		X
<b>Local Fiscal Impact</b>		
		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

<b>State Cost (Savings)</b>	Biennium			Biennium	
Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027
<b>General Fund</b>	-	-	-	-	-
<b>Total</b>	-	-	-	-	-
<b>Biennial Total</b>			-		-

<b>Full Time Equivalent Positions (FTE)</b>	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
General Fund	-	.5	.5	.5	.5
<b>Total</b>	-	.5	.5	.5	.5

**LBO Analyst's Comment**

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

**LBO Signature:** Karl Palm      **Date:** 1/24/2023 1:10:18 PM  
**Phone:** 651-296-6055      **Email:** karl.palm@lbo.mn.gov

# Revised

## State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

\*Transfers In/Out and Absorbed Costs are only displayed when reported.

<b>State Cost (Savings) = 1-2</b>		Biennium			Biennium	
Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027	
General Fund	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-
<b>Biennial Total</b>			-			-
<b>1 - Expenditures, Absorbed Costs*, Transfers Out*</b>						
General Fund	-	77	77	77	77	77
<b>Total</b>	-	77	77	77	77	77
<b>Biennial Total</b>			154			154
<b>2 - Revenues, Transfers In*</b>						
General Fund	-	77	77	77	77	77
<b>Total</b>	-	77	77	77	77	77
<b>Biennial Total</b>			154			154

## Bill Description

House File 393 creates a new mechanism for resolving consumer complaints filed with the Public Utilities Commission (PUC) consumer affairs office. It establishes an ability for a consumer who has filed a complaint to appeal an adverse determination of the consumer affairs office to the PUC itself. The PUC can resolve the appeal, either formally or informally, or referred it to the Office of Administrative Hearings (OAH) for a contested case proceeding under Chapter 14.

## Assumptions

For purposes of this note, Commerce adopts the PUC assumptions regarding the volume of appeals that would come before the Commission if this bill were to become law: Commerce assumes 25-50 total complaints would result in appeals, 2/3 of those complaints would be dismissed, 1/3 would go to an informal process, and one case would be referred to for a contested case proceeding each year.

Because the PUC assumes in its note that it will establish a formal appeals process, and due to the Department's existing responsibilities established under Minnesota Statutes Chapters 216A and 216B, Commerce assumes that will participate in the Commission process once it is established.

Like PUC's assumptions, Commerce assumes it will need additional resources to participate in the appeals process. The Department regularly participates in all PUC processes; Commerce assumes that agency staff will continue to perform its normal duties such as reviewing the appeal, performing necessary discovery, performing analysis, developing and submitting comments for the record and participating any agency meetings as scheduled by the PUC. Commerce further assumes that, for any matter referred to OAH for a contested case proceeding, the Department will also participate in that proceeding as it would any other contested case.

As a result, Commerce assumes .5 FTE will be needed to handle the additional caseload created by this bill. Commerce assumes that costs associated with appeals will be assessed back to the utility who is the subject of the appeal.

## Expenditure and/or Revenue Formula

# Revised

Below is the cost for .5 FTE at a PURA 3 level.

	FY24	FY24	FY26	FY27
Salary	\$46,333	\$46,333	\$46,333	\$46,333
Fringe	\$13,900	\$13,900	\$13,900	\$13,900
Other Personnel Costs	\$16,720	\$16,720	\$16,720	\$16,720
Total	\$76,952	\$76,952	\$76,952	\$76,952

### **Long-Term Fiscal Considerations**

The costs are on-going.

### **Local Fiscal Impact**

### **References/Sources**

#### **Agency Contact:**

**Agency Fiscal Note Coordinator Signature:** Amy Trumper

**Phone:** 651-539-1517

**Date:** 1/23/2023 8:56:32 AM

**Email:** amy.trumper@state.mn.us

# Revised

**Fiscal Note**

**2023-2024 Legislative Session**

**HF393 - 0 - Dispute Resolution Procedure; Public Utilities**

Chief Author: **Zack Stephenson**  
 Committee: **Climate And Energy Finance And Policy**  
 Date Completed: **2/10/2023 3:15:15 PM**  
 Agency: **Supreme Court**

State Fiscal Impact	Yes	No
Expenditures		X
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027
<b>Total</b>	-	-	-	-	-	-
<b>Biennial Total</b>			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium		
		FY2023	FY2024	FY2025	FY2026	FY2027
<b>Total</b>	-	-	-	-	-	-

**LBO Analyst's Comment**

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

This fiscal note was revised to add the Supreme Court and the Attorney General.

**LBO Signature:** Karen McKey    **Date:** 1/31/2023 10:34:44 AM  
**Phone:** 651-284-6429    **Email:** karen.mckey@lbo.mn.gov



# Revised

## State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

\*Transfers In/Out and Absorbed Costs are only displayed when reported.

<b>State Cost (Savings) = 1-2</b>		Biennium			Biennium	
Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027	
<b>Total</b>	-	-	-	-	-	-
<b>Biennial Total</b>			-			-
<b>1 - Expenditures, Absorbed Costs*, Transfers Out*</b>						
<b>Total</b>	-	-	-	-	-	-
<b>Biennial Total</b>			-			-
<b>2 - Revenues, Transfers In*</b>						
<b>Total</b>	-	-	-	-	-	-
<b>Biennial Total</b>			-			-

## Bill Description

HF393-0 provides a procedure for the resolution of disputes between public utilities and residential customers. This bill creates a complaint resolution procedure; the right to appeal to the commissioner; and the right to judicial review in district court in limited circumstances. Upon receipt of an appeal, this bill provides the chair of the commission or a delegated subcommittee with authority to determine if the appeal should be dismissed, resolved through an informal commission proceeding, or referred to the Office of Administrative Hearings for a contested case proceeding. This bill provides a complainant with the right to seek judicial review of the commissioner's decision to dismiss the appeal or an adverse decision issued through an informal commission proceeding. Appeals referred to the Office of Administrative Hearings are not subject to judicial review under this bill.

## Assumptions

This bill provides a complaint resolution procedure for resolving disputes with a public utility. It is assumed some complaints may be resolved at the agency level. It is assumed some complainants may appeal a commissioner's decision. This bill requires the chair of the commission or a subcommittee as delegated, to review an appeal of the commissioner's decision and to decide whether the appeal should be dismissed; resolved through an informal commission proceeding; or referred to the Office of Administrative Hearings for a contested case proceeding. It is assumed that some appeals may be referred to the Office of Administrative Hearings.

This bill provides the right of a complainant to seek judicial review of a commissioner's dismissal of an appeal request or decision rendered after conducting an informal proceeding. It is assumed some complainants may seek judicial review. The Public Utilities Commission noted in its Fiscal Note that, based on 2022 figures, it assumes 0-2 of the appeals to the PUC would then be appealed to the district court.

## Expenditure and/or Revenue Formula

It is unknown if this bill will impact court filings. It is assumed any impact will be minimal and absorbed by the Minnesota Judicial Branch.

## Long-Term Fiscal Considerations

None

## Local Fiscal Impact

# Revised

None

## References/Sources

### **Agency Contact:**

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