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mn.gov/commerce

AT A GLANCE

- **\$50.3B** – Bank, credit union and finance company assets regulated by Commerce Department
- **\$5.3B** – Securities assets under management regulated by Commerce Department
- **350,000** – Individuals and entities licensed by the department
- **\$384M** – Recommended savings for Minnesota rate payers in 2013 due to recommendations made to keep energy rates low
- **147,621** – Low-income households served by the Low-Income Heating Energy Assistance Program during federal FY13
- **1,905** – Low-income households served by the Weatherization program during federal FY13
- **1,038,000** – MWh of electricity saved through Conservation Improvement Plans in 2012
- **10,000+** - Investigation matters annually
- **\$32,820,387** – Returned to 13,051 claimants by the Unclaimed Property Program in FY14
- **\$10.8M** - Petrofund claims approved during FY13-14
- **892** – Total Petrofund claims paid in FY13-14
- **604,326** – Total Minnesota Relay service calls in FY14

PURPOSE

The Department of Commerce regulates over 20 different industries and licenses approximately 350,000 individuals and entities to do business in Minnesota. The agency's mission is to protect the public interest, advocate for Minnesota consumers, ensure a strong, competitive and fair marketplace, strengthen the state's economic future and serve as a trusted public resource for consumers and businesses.

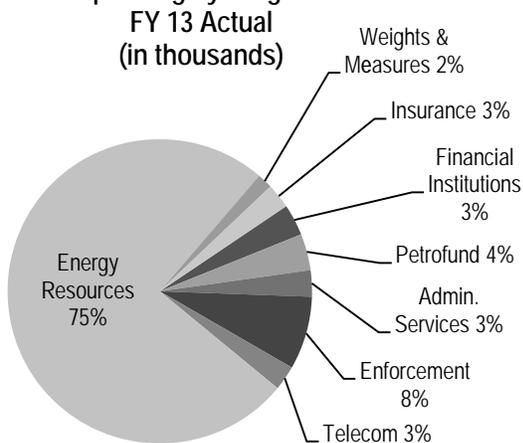
The Commerce Department supports the following statewide outcomes by:

- Licensing and regulating individuals and entities to **ensure a thriving economy that encourages business growth and employment opportunities;**
- Reviewing health insurance products and filings to ensure that **all Minnesotans have optimal health;**
- Pursuing civil and criminal enforcement activities to **protect Minnesotans from fraudulent activities and ensure strong and stable families and communities;** Advocating on behalf of the public interest in energy-related matters to ensure **a clean, healthy environment with sustainable uses of natural resources;**

- Promoting strong, competitive and fair marketplaces to ensure **sustainable options to safely move people, goods, services & information;**
- Effectively responding to the needs of consumers, licensees and applicants to ensure delivery of **efficient and accountable government services.**

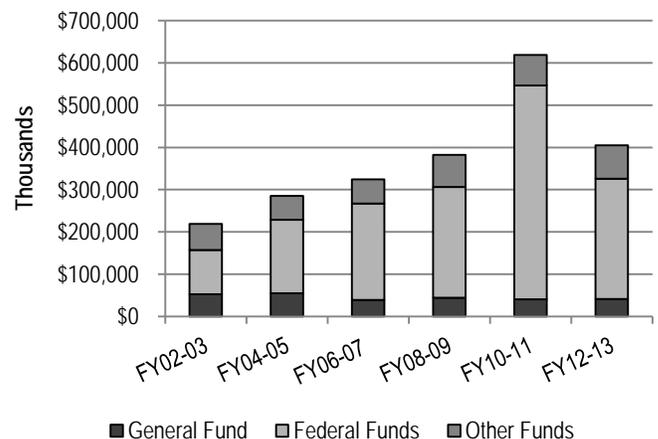
BUDGET

Spending by Program



Source: SWIFT

Historical Spending



Source: Consolidated Fund Statement

The Commerce Department's budget is comprised of General Fund appropriations, federal funding sources and Special Revenue funds. The largest component of the Commerce Department's budget is federal funding received for administering the Low-Income

Heating Energy Assistance and Weatherization Programs. Financial Institutions, Insurance, Telecommunications and Energy Resources assess and recover costs from regulated entities for the General Fund. The Petrofund and Weights & Measures are funded exclusively from Special Fund accounts. General Fund appropriations for the Commerce Department have remained relatively consistent over the last decade; the agency's spending levels reflect the impact of federal stimulus funding that passed through the Commerce Department during the economic downturn.

STRATEGIES

The Commerce Department employs numerous strategies to achieve success throughout its various divisions and business units. Strategies include:

Financial Institutions

- Licensing, examining and regulating state-chartered banks and credit unions to ensure that they remain safe and financially solvent, as well as non-depository institutions

Insurance

- Regulating insurance companies operating in Minnesota to ensure they remain safe and financially solvent
- Reviewing insurance product filings to ensure that insurance products sold to Minnesotans meet state and federal requirements

Administrative Services

- Serving as the primary contact and assistance point for Minnesota consumers within the agency
- Licensing individuals and entities to do business in Minnesota
- Providing unclaimed property services to Minnesotans
- Integrating information management services and technical support for the agency
- Managing day-to-day operations, financial and human resources operations for the agency

Enforcement

- Enforcing compliance and responsible business conduct across the agency's entire regulatory portfolio
- Registering securities sold in Minnesota as well as individuals and entities who provide investment services to Minnesotans
- Investigating civil and criminal insurance fraud

Energy Resources

- Advocating on behalf of consumers and ratepayers in electric and gas utility rate proceedings
- Promoting energy-efficient building, conservation, alternative transportation fuels and modern energy technologies
- Overseeing conservation improvement programs operated by public, municipal and cooperative utilities
- Administering low-income heating and weatherization assistance programs

Telecommunications

- Advocating on behalf of consumers and ratepayers in proceedings relating to telecommunications and utilities
- Promoting competition among telecommunications companies in Minnesota

Weights & Measures

- Ensuring accuracy in all commercial transactions based on weight or measure and consistent quality of petroleum products in Minnesota
- Providing precision mass, temperature, density and volume measurement services to businesses

Petrofund

- Reimburses petroleum storage tank owners and operators for the cost of investigating and cleaning up petroleum tank releases
- Contracting to remove abandoned underground petroleum storage tanks across Minnesota

The primary legal authority for the Commerce Department is located in Minn. Stat. §45; the agency's authority, however, extends to numerous additional chapters including: 46, 47, 48, 48A, 49, 50, 51A, 52, 53, 53A, 53B, 53C, 54, 55, 56, 58, 58A, 59A, 59B, 59C, 60A, 60B, 60C, 60D, 60E, 60F, 60G, 60H, 60J, 60K, 60L, 61A, 61B, 62A, 62B, 62C, 62D, 62E, 62F, 62H, 62I, 62J, 62L, 62M, 62Q, 62R, 62S, 62U, 64B, 65A, 65B, 66A, 67A, 69, 70A, 71A, 72A, 72B, 72C, 79, 79A, 80A, 80B, 80C, 81A, 82, 82B, 82C, 83, 115C, 116J, 123B, 169, 174, 176, 214, 216A, 216B, 216C, 216E, 216F, 222, 237, 239, 272, 299F, 301, 318, 325D, 325E, 325F, 325N, 332, 332A, 332B, 334, 345, 359, 386, 462A, 465, 471, 475, 507, 510, 514, 550 and 609B.

Program: Financial Institutions Divisionmn.gov/commerce/banking-and-finance**AT A GLANCE**

- The Financial Institutions Division regulates financial institutions in Minnesota
- Minnesota has 265 state-chartered banks
- Minnesota has 80 state-charted credit unions
- Minnesota has 357 licensed non-depository institutions
- The division works with other state-based and federal regulators to ensure the safety and solvency of Minnesota financial intuitions

PURPOSE & CONTEXT

The Financial Institutions Division licenses and regulates state-chartered institutions and other entities that provide financial products and services including banks, trust companies, credit unions, certificate investment companies, thrift companies, consumer credit companies, debt management companies, debt settlement companies, mortgage companies, currency exchanges, payday lenders and money transmitters. The Division serves all Minnesota consumers and businesses that rely on regulated business for financial products and services.

The Division performs on-site examinations that focus on various financial factors including loan portfolios and overall asset quality. The Division's mission is to ensure a competitive market for a broad range of financial services, mitigating and resolving institution failures with minimal financial losses to citizens.

SERVICES PROVIDED

The Financial Institutions Division employs the following strategies to achieve success:

- Licensing and conducting on-site examination at all state-chartered banks, trust companies, credit unions and certificate investment companies on a 12- to 18-month cycle
- Licensing and examining consumer credit companies with a focus on consumer compliance issues
- Licensing currency exchanges, payday lenders, money transmitters and debt management service providers
- Participating in the National Mortgage Licensing System (NMLS), which screens and licenses natural persons who engage in mortgage origination. Additionally, Financial Institutions conducts on-site mortgage company examinations
- Conducting examinations jointly and shares findings with the Federal Deposit Insurance Corporation (FDIC), the Federal Reserve Bank, and the National Credit Union Administration (NCUA)
- Engaging in outreach activities to promote financial literacy amongst all Minnesotans and collaborates with state-chartered financial institutions to protect seniors and vulnerable adults from fraud

The Financial Institutions Division measures success by:

- Monitoring the financial health of Minnesota's state banks, credit unions, trust companies, mortgage companies, and the nation's only certificate investment company
- Initiating timely corrective actions where appropriate
- Conducting timely examinations of banks, credit unions, finance and mortgage companies
- Acting on various licensing and activities applications for the supervised enterprises in a timely manner and according to statutory requirements
- Maintaining accreditation (peer review quality control) with the Conference of State Bank Supervisors (CSBS);
- Minimizing the impact on Minnesotans in the event of a financial institution failure through timely and adequate intervention procedures
- Assist the Legislature in updating state statute and regulations as needed

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous (2012)</i>	<i>Current (2013)</i>	<i>Dates</i>
Results	Complete financial examinations for state-chartered banks and credit unions within the 12-18 month time frame	100%	100%	2012 and 2013
Quality	Act on company licensing applications and corporate amendment applications on a timely basis	60 days	60 days	2012 and 2013
Quantity	Limit troubled company market disruptions(1)	3	0	2012 and 2013
Quantity	Number of banks on the troubled bank monitoring list(2)	82	58	2012 and 2013
Results	Increase number of licensed programs types utilizing NMLS(3)	1	2	2012 and 2013

Performance Measures Notes:

1. The state experienced 21 bank failures from 2008 through year-to-date 6/30/2014 (14 state chartered). In 2013 the number of financial institution failures declined to 1 (one state-chartered). In 2014, Minnesota has not experienced any closures. Seventeen of the failures were resolved by merger with no financial loss to depositors and minimal inconvenience. A thrift institution failure in 2012 was resolved via payout of insured deposits. No apparent losses were incurred by Minnesota consumers in all cases.
2. As of 8/22/14, the number of banks on the problem bank monitoring list is 44. The year-end watch list for troubled banks in Minnesota was 51 for 2008, 91 for 2009, 111 for 2010 and 104 for 2011. Seventy-one Minnesota banks reported negative net income at year end 2010 and the number dropped to 46 at year end 2011.
3. This performance measure tracks the division's progress towards achievement of a long-term goal to move all non-depository institutions to the same electronic licensing platform.

Statutory Authority: The Department's authority is located in Chapters: 46, 47, 48, 48A, 49, 50, 51A, 52, 53, 53A, 53B, 53C, 54, 55, 56, 58, 332, 332A, 332B, 334.

Program: Petroleum Tank Release Cleanup Fund (Petrofund)

<http://mn.gov/commerce/topics/Petrofund/>

AT A GLANCE

- Approximately \$430 million in reimbursements paid out to eligible applicants since 1987.
- Funding provided for corrective actions performed at approximately 13,000 leak sites since 1987.
- Almost 400 abandoned underground petroleum storage tanks removed from approximately 250 properties since 2004.

PURPOSE & CONTEXT

The Petroleum Tank Release Cleanup Fund (Petrofund) contributes toward a cleaner environment and helps to prevent the pollution of Minnesota's soil and water by providing eligible applicants reimbursement for a portion of their costs to investigate and clean up contamination from leaking petroleum storage tanks.

SERVICES PROVIDED

The Petrofund:

- Provides reimbursement to eligible applicants for a portion of their costs to investigate and clean up contamination from leaking petroleum storage tanks in the most cost-effective manner possible;
- Contracts for the removal of abandoned underground petroleum storage tanks;
- Recovers costs from responsible persons for investigation and cleanup work performed by the Minnesota Pollution Control Agency (MPCA) when the responsible persons are unwilling or unable to complete statutorily-required corrective actions;
- Passes through funds to the MPCA for administration of the Petroleum Remediation, Tank Compliance and Assistance, and Emergency Response programs, mainly to pay for state-financed investigation and cleanup projects where no viable responsible person is available; and
- Annually approves the use of funds by the Department of Employment and Economic Development for the administration of the Contamination Cleanup and Investigation Grant Program.

RESULTS

The Petrofund program's goal is to provide timely financial assistance to those who are cleaning up contaminated soil and water from leaking petroleum storage tanks, ultimately helping protect public health and welfare and the environment. The principal measure requires initial applications be reviewed within 60 days of receipt and supplemental applications be reviewed within 120 days of receipt. The Petrofund staff is currently reviewing applications within the 60-day and 120-day deadlines, as noted in the table below.

Another measure of the Petrofund's efforts to protect the health of safety of Minnesotans is the number of abandoned underground petroleum storage tanks that have been removed by the program, thereby eliminating existing and potential sources of contamination that would otherwise go unaddressed. The Petrofund tracks a wide array of tank removal data, including the number of tanks removed, the amount of petroleum product/sludge/contaminated water removed from the tanks, the number of petroleum releases reported to the MPCA, and project cost information. The program removed all eligible tanks identified in the past fiscal year.

To help ensure a level playing field for the state's petroleum storage tank owners, the Petrofund recovers costs from responsible persons for investigation and cleanup work performed by the MPCA when the responsible persons are unwilling or unable to complete statutorily-required corrective actions. The Petrofund's typical recovery amounts to 10 percent of the total corrective action costs, which is the responsible person's share under MINN. STAT. §115C. If necessary, costs are referred to Minnesota Collection Enterprises at the Minnesota Department of Revenue. Petrofund staff reviewed 119 cost recovery cases in the past fiscal year.

Commerce successfully helped the Petrofund pursue and settle claims against oil companies, recovering \$7,525,000.

<i>Type of Measure</i>	<i>Performance Measures</i>	<i>Previous (2012)</i>	<i>Current (2014)</i>	<i>Dates</i>
Quality	Review of reimbursement applications within 60- and 120-day statutory deadlines.	Initial: 24 days Supplemental: 20 days	Initial 17 days Supplemental: 17 days	2012 and 2014
Quantity	Removal of abandoned underground petroleum storage tanks.	42 tanks 28 sites	46 tanks 31 sites	2012 and 2014
Quantity	Recovery of corrective action costs from uncooperative or incapable responsible persons for work performed by the MPCA.	\$28,938.52	\$104,152.34	2012 and 2014

Performance Measure Notes:

1. When a Petrofund applicant incurs costs, they can either submit all costs in one application or request reimbursement in multiple applications. Initial applications must be reviewed within 60 days. All subsequent applications must be reviewed within 120 days.
2. The application review data compares the application queue as of July 2012 (previous) and July 2014 (current). The 'application queue is mainly driven by the number of reimbursement applications received.
3. The abandoned tank removal data compares the number of tanks removed in Fiscal Year 2012 (previous) to the number removed in Fiscal Year 2014 (current). The number of tanks removed is contingent on the number of applications received and the staff resources available to manage the tank removal projects.
4. The cost recovery data compares the amount of money recovered in Fiscal Year 2012 (previous) to the amount recovered in Fiscal Year 2014 (current).

The Petrofund program's legal authority is found in MINN. STAT. §115C.

Program: Administrative Servicesmn.gov/commerce**AT A GLANCE**

- Licensed over 203,000 professionals in 2013, including new bullion coin registrations, providing consumers information regarding individuals and entities who meet the requirements to do business in Minnesota and protections from bad actors
- Consumer Services Center handles nearly 300 calls weekly answering questions and handling complaints related to Commerce's regulated industries
- The Unclaimed Property Unit has incorporated a compliance and audit functions and expanded efforts to reunite consumers with missing money

PURPOSE & CONTEXT

Administrative Services seeks to provide a licensing and complaint resolution process that is citizen-focused and easy to navigate. As part of Administrative Services, the Unclaimed Property Unit strives to ensure holder compliance of Minnesota law on behalf of consumers, while reuniting citizens with their abandoned property. Lastly, the division provides consistent support services across all department work units.

Administrative Services has a large customer base inside and outside Commerce. The licensing, consumer protection, unclaimed property, and central management functions interface with a large number of citizens on a daily basis. Many of the Administrative Services functions are focused on programs in other work units within Commerce.

These activities are funded through general fund appropriations and special revenue funds.

- Licensing, Consumer Protection & Education, and Unclaimed Property work together with other areas of the Department for a robust regulatory team that protects citizens while promoting economic growth.
- Many of the functions of Administrative Services are support services for other areas of Commerce. The success of the divisions/units of Commerce is an indicator of the success of the Central Services function of Administrative Services.

SERVICES PROVIDED**Licensing:**

- Coordinates the issuance and renewal of licenses of professionals primarily in insurance, real estate, collection agencies, and bullion coin dealers

Consumer Services Center:

- Responds to consumer complaints to resolve problems with regulated businesses or individuals or to determine whether such businesses or individuals have violated laws
- Engages in outreach activities to promote financial literacy amongst all Minnesotans and collaborates with state-chartered financial institutions to protect seniors and vulnerable adults from fraud

Unclaimed Property:

- Ensures holder compliance of Minnesota's unclaimed property laws on behalf of consumers and serves the owners of abandoned property collected by the state from holders – financial institutions, former employers, retailers, and other businesses
- Conducts outreach to Minnesotans to reconnect state residents with lost property

Central Services:

- This function coordinates support activities to facilitate the operations of the department's main programs. These functions include day-to-day financial management, data processing, budget development and implementation, payroll, human resources, and facilities management

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Results	Process invoices within 30 days	92.81% (2013)	97.31% (2014)	2013 and 2014
Results	Process time for applications for pre-license and Continuing Education courses	4+ weeks (2012)	3 weeks (2013)	2012 and 2013
Quantity	Licenses administered	186,501 (2012)	203,591 (2013)	Increasing 2012 and 2013
Results	Unclaimed Property claims paid (per biennium)	13,574	33,892	Increasing
Results	Unclaimed Property funds collected (per biennium)	\$118M	\$135M	Increasing

While many of the categories of licensure administered by the division have their own statutory citations, the broad authority to license is granted to the Commerce Department under MINN. STAT. §45. Unclaimed Property authority is found in MINN. STAT. §345.

Program: Enforcement Divisionmn.gov/commerce/topics/enforcement**AT A GLANCE**

- The Enforcement Division investigates complaints and engages in proactive investigations to enforce state laws pertaining to industries, products and services regulated by the Commerce Department
- The Enforcement Division staff includes civil investigators and sworn peace officers who conduct criminal investigations
- The Division registers securities agents, broker-dealers, franchises, timeshares, investment advisors and investment advisor representatives to do business in Minnesota
- In calendar year 2013, the Enforcement Division:
 - Took 451 enforcement actions
 - Assessed \$5,965,559 in civil penalties
 - Recovered \$3.5 million through enforcement actions
 - Issued 29 Auto Theft Prevention grants to local law enforcement partners totaling \$3,661,881
 - Received 1,735 reports of suspected insurance fraud (an 88% increase since 2008)

PURPOSE & CONTEXT

The mission of the Commerce Department, Enforcement Division is to protect consumers against unfair, deceptive or fraudulent practices; ensure successful businesses, job creation and economic opportunities; and maintain fair and consistent regulation in the marketplace.

The Enforcement Division is structured into three businesses units: Civil Investigations and Market Conduct, the Commerce Fraud Bureau (which conducts criminal investigations with licensed peace officers), and Securities.

The Enforcement Division engages in consumer protection and assists consumers to resolve issues with regulated entities. Enforcement staff also performs audits and examinations of insurance and securities businesses operating in Minnesota and coordinates with local law enforcement, county prosecutors and the US Attorney's Office to take civil and/or criminal actions against individuals or entities violating Minnesota laws. The Division also provides public education and outreach to facilitate financial literacy and capability amongst all Minnesotans, particularly seniors.

SERVICES PROVIDED**Civil Investigations & Market Conduct**

- Conduct investigations, audits and market conduct examinations to determine whether any law under the department's jurisdiction has been violated, while providing due process during the resolution of any violations
- Safeguard consumer's rights and investments
- Regulate business activity to ensure compliance, responsible business conduct and a fair and consistent regulatory environment for both businesses and consumers

Commerce Fraud Bureau

- Undertake criminal investigations related to insurance fraud and all activities related to it
- Review notices and reports of insurance fraud submitted by authorized insurers, their employees, and agents or producers or notifications or complaints of suspected insurance fraud generated by other law enforcement agencies, state or federal government units or any other person
- In 2013, the Fraud Bureau received 1,735 referrals, an increase from 1,424 in 2012.
- Administers the Auto Theft Prevention Account and grant program which partners with local law enforcement to reduce the incidence of auto theft across Minnesota
- The Auto Theft Prevention grant program has helped to reduce the number of reported auto thefts in Minnesota which declined in 2013 to 7,873 from 8,251 in 2012.

Securities

- Safeguard investors' and consumers' rights with respect to securities products, investments, franchises, and subdivided land

- Regulate and register business activity to ensure compliance, responsible business conduct and practices, and ensuring a fair and consistent regulatory environment
- Advocate for, and provide assistance to, investors and consumers through consumer complaint resolution and public education and outreach
- Work with other state, federal and self-regulatory bodies that share regulatory authority over the securities area

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quantity	Investigations Conducted	1,312	1,630	2012 and 2013
Quantity	Market Conduct Examinations	26	26	2012 and 2013
Results	Administrative Actions Taken*	451	424	CY 2012 and FY 2013
Quantity	Investment Advisor Representative Registrations**	0	9,700	2012 and 2013

* Actions for this measure are for Calendar Year 2013 and Fiscal Year 2014.

** Minnesota began registered investment advisor representatives for the first time in 2013. The Enforcement Division also continues to register broker dealers, agents, investment advisors, franchises and timeshares.

MINN. STAT. §45.027 and 60A.03 provide the legal authority for the Enforcement Division's civil investigations and market conduct examinations. MINN. STAT. §45.0135 provides the legal authority for the Commerce Fraud Bureau and 65B.84 provides the legal authority for the Auto Theft Prevention Program. MINN. STAT. §80A provides the legal authority for the Securities unit.

Program: Telecommunicationsmn.gov/commerce**AT A GLANCE**

- The Telecommunications Unit ensures Minnesota citizens have access to high-quality affordable telecommunications services. The scope of the unit's activities is reflected in the fact that 99.9% of all residents in the state have telecommunications services available, including reliable and vital 911 services. This includes those Minnesotans with hearing, speech and physical disabilities.
- Number of opened cases in 2013: 803
Number of new Telephone Equipment Distribution Program participants in 2013: 935

PURPOSE & CONTEXT

The Telecommunications Unit serves the public as a state regulator of the telecommunications industry. The Unit conducts thorough and detailed review of filings made with the PUC by telecommunications companies in compliance with state statutes, PUC orders and state and federal regulation and makes recommendations for PUC action. It investigates complaints from the public, local governments and telecommunications companies about illegal unfair or anti-competitive practices and takes action to enforce state and federal statutes and regulations. The Unit also administers the

Telecommunications Access Minnesota (TAM) program, which operates the Minnesota Relay, providing free telecommunications service allowing persons with hearing or speech disabilities to place and receive phone calls; and funds the Telephone Equipment Distribution (TED) programs. Most of the functions of the Unit are fully assessed to and paid by the telecommunications providers based on their gross Minnesota jurisdictional revenues. TAM programs are funded by a surcharge on all wired and wireless telephone access lines in Minnesota that are paid into an interest-bearing, dedicated special revenue account.

SERVICES PROVIDED

The Telecommunications Unit implements statewide telecommunications policies and provides a broad range of regulatory and other services:

- Advocate on behalf of the public interest statewide telecommunications policies that promote an orderly development of the telecommunications network in the state
- Enforce Minnesota Statutes and orders and rules of the Minnesota Public Utilities Commission as well as certain orders of the Federal Communications Commission
- Investigate company filings and telecommunications matters for compliance with Minnesota requirements
- Administrative review of licensing requests, service quality, pricing of services, and the competitive practices of incumbent and competitive telecommunications companies that interact with each other in the joint provision of services to citizens

RESULTS

The Telecommunications Unit measures success by the extent to which all Minnesota citizens have access to high-quality affordable telecommunications services, and by the ability of the Unit to carry out its statutory duties to the PUC and the legislature. The impact of the Unit's activities is reflected in the fact that 99.9% of all residents in the state have telecommunications services available, including reliable and vital 911 services. This includes those Minnesotans with hearing, speech and physical disabilities. The Division has implemented and enforced state and federal statutes and rules in a consistent and thorough manner and has done so in a way that is efficient and fair to all parties.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quality	Telecommunications Penetration	99.9%	99.9%	2012 and 2013
Quantity	Number of tariff filings, investigations and contested case hearings on the State and Federal Level *	962	803	2012 and 2013
Quantity	Number of new Telephone Equipment Distribution Program participants	1,055	935	2012 and 2013
Quantity	Number of Minnesota Relay minutes used**	678,918	624,286	2012 and 2013

*Cases vary in length, complexity and the amount of staff time required.

**Minnesota Relay is administered by the Telecommunications Access Minnesota (TAM) program within the Minnesota Department of Commerce, and is funded through a monthly surcharge on each wired and wireless telephone access line in the state.

Telecommunications providers are regulated pursuant to MINN. STAT. §237.

Program: Division of Energy Resources (DER)mn.gov/commerce**AT A GLANCE**

- Advocated before the Public Utilities Commission (PUC) for over a \$200 million reduction in annual utility rates
- Administered over \$110 million in Low Income Home Energy Assistance (LIHEAP) funds serving over 410,000 individuals.
- Provided energy-related information and outreach to over 500,000 Minnesotans through phone, email, web visits, brochures and the *Energy Home* State Fair exhibit
- Fostered sound routing of 7 high voltage transmission lines (HVTL) and siting of more than 400 megawatts of wind farms, and ensured adherence to permit conditions for construction of more than 500 miles of HVTLs

PURPOSE & CONTEXT

The Division of Energy Resources (DER) provides energy-related services to Minnesotans by advocating on behalf of the public interest in regulated utility matters, administering Minnesota's Low Income Home Energy Assistance Programs (LIHEAP) and Weatherization Assistance Programs (WAP), assisting viable new energy technologies to enter the commercial market, overseeing utilities' Conservation Improvement Programs, providing technical support for Public Utilities Commission siting and permitting of large energy facilities, analyzing the human and environmental impacts of energy development, and distributing information to individual energy users on actions they can take to reduce energy usage.

SERVICES PROVIDED

DER provides the following services to help Minnesota's energy consumers and environment thrive:

- Ensure energy service is reliable and regulated energy services are reasonably priced through continued investigation of utility rate and resource proposals, collaboration with utilities, the Public Utilities Commission, and federal and regional transmission participants while updating means to increase deployment of new energy platforms to assist with energy conservation
- Pursue public-private partnerships with capital markets participants to deploy new clean energy technologies and bring new venture capital opportunities for Minnesota's businesses
- Continue to work with utilities to meet or surpass Conservation Improvement Program (CIP) goals while expanding work to make all public buildings more energy efficient
- Develop additional programs to encourage increased biofuel use, solar installations and support the extension of the wind production tax incentive while ensuring that utilities continue to meet or surpass Renewable Energy Standard (RES) and Solar Energy Standard (SER) targets
- Administer Low Income Home Energy Assistance Programs and the Weatherization Assistance Programs effectively and efficiently
- Monitor fuel supplier end prices to ensure adequate and affordable energy
- Review environmental impacts for large energy facility permits and analyze issues of human and environmental interest pertaining to energy development

RESULTS

DER's work encompasses many facets of energy, but there are performance measures that can be tracked that will reflect the success of the various services provided:

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quantity	Advocacy for public interest in PUC energy filings	332	345	2012 and 2014
Results	Meet or surpass energy savings goals in CIP(Natural Gas/Electric percentages)	Electric Utility Savings: 1.6% Natural Gas Utility Savings: 1.0%	Electric Utility Savings: 1.7% Natural Gas Utility Savings: .9%	2011 and 2012
Results	Meet or surpass Renewable Energy Standard goal of 25% of energy come from renewable sources by 2025**	Xcel Energy: 18% All other electric utilities: 12%	Xcel Energy: 18% All other electric utilities: 12%	2012 and 2013
Results	100% of wind projects in compliance with permit conditions	19%	60%	2012 and 2013
Quantity	Number of households served by low-income heating and weatherization programs	156,157	140,000	federal FY2013 and federal FY2014

* (Energy savings goal is outlined in MINN. STAT. §216B. 241 sub. 1c.)

** (MINN. STAT. §216B.1691 requires Xcel to meet the higher goal; the lower is for all other utilities)

Statutory authority for activities:

- Reasonable energy rates: Minn. Stat. §216B.03
- Reliable energy service: Minn. Stat. §216B.04
- Conservation Improvement Program: Minn. Stat. §216B. 241
- Renewable Energy Standard: Minn. Stat. §216B.1691
- Low Income Weatherization Assistance Program: Minn. Stat. §216C.264
- Minnesota Business First Stop: Minn. Stat. §116J.035, subd. 8
- Large energy facility permitting: Minn. Stat. §216E (Electric Power Facility Permitting), Minn. Stat. §216F (Wind Energy Conversion Systems), Minn. Stat. §216G (Pipelines)

Program: Weights & Measures Divisionmn.gov/commerce/weights-and-measures**AT A GLANCE**

- Weights and Measures affects more than \$32 billion in Minnesota commerce each year
- In FY 2014, the Division's petroleum and scale investigators tested and inspected:
 - 34,130 gas pumps
 - 2,130 light capacity scales
 - 122 vehicle tank meters
 - 1,669 package inspections
 - 275 high volume meters
- In FY 2014, the division's heavy capacity scale investigators tested and inspected:
 - 1,122 vehicle scales
 - 303 grain and fertilizer scales
 - 812 other heavy capacity scales
- In FY 2014 the Petroleum Lab processed:
 - 1,053 distillate tests
 - 5,903 other fuel tests
- In FY 2014, the metrology lab calibrated 12,533 objects

PURPOSE & CONTEXT

The Weights and Measures Division protects Minnesota's markets by promoting and ensuring equity, accuracy, and quality, and by providing precision physical measurement services. Weights and Measures serves businesses and individuals in need of International Organization for Standardization (ISO) accredited calibration services to enable them to provide materials or services to other businesses in the United States, and throughout the world, and to enable them to compete in European Union nations. Weights and Measures serves Minnesota citizens and businesses that buy or sell goods or services based on a measured quantity, like gasoline or food. Weights and Measures ensures the integrity and quality of fuel that Minnesota citizens and businesses use, and enforces biofuel mandates throughout the state.

The Department of Revenue collects \$0.89 petroleum inspection fee for every 1,000 gallons of petroleum products received in Minnesota and transfers it to the Weights & Measures Division to fund program operations. Cost to the taxpayers is reduced by returning fees from scale inspections, package checking, metrology and petroleum lab services to the General Fund.

SERVICES PROVIDED

The Weights & Measures Division provides four distinct services:

- Accuracy in basic physical measurement by maintaining the state standards for mass, length, volume, temperature, and density; and by offering precision calibration services to businesses and individuals
- Enforce Minnesota's weights and measures statutes to ensure the accuracy of gas pumps, meters used at the terminals, refineries and airports, grocery scales, prepackaged commodities, livestock scales, railway track scales, grain and fertilizer scales, precious metals scales, and a broad range of other commercial weighing and measuring devices
- Ensure fuel quality and enforce statutory biofuel mandates through records audits, routine sampling, complaint investigation, and testing for licensed distributors
- Test the competency and performance of registered service technicians and private liquefied petroleum gas inspectors who install and repair commercial weighing and measuring devices in Minnesota

The Weights & Measures Division encourages business growth and employment opportunities by:

- Providing ISO accredited calibration services to Minnesota manufacturers and other businesses which require those services to participate in international trade or to meet precision manufacturing standards
- Promoting an equitable marketplace where both consumers and vendors can be assured of getting a full measure in their commercial transactions
- Ensuring quality fuel to keep Minnesotans' homes and businesses powered and heated and their vehicles on the road while helping the state to meet its petroleum replacement and energy independence goals
- Facilitating the registration and certification of competent service agents to install, and repair weighing and measuring devices throughout the state

- The Division partners with other state agencies including the Pollution Control Agency Tank Enforcement Division, the Department of Revenue Petroleum Division, and the Department of Agriculture (in a consulting role on the Biodiesel Task Force, and the advisory group to the NextGen Energy Board, and also with the food inspection program). In addition, the Division participates in national and international standard setting organizations such as the National Conference on Weights & Measures (NCWM), ASTM International (fuel subcommittees), and the National Conference of Standards Laboratories International (NCSLI).

RESULTS

<i>Type of Measure</i>	<i>Performance Measures</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quantity	Number of devices, audits and package lots checked	45,444	53,770	FY 2013 and FY 2014
Quantity	Percent of devices, audits and package lots approved as found without need for any change	85.3%	83.1%	FY 2013 and FY 2014
Quantity	Percent of devices, audits and package lots rejected and removed from marketplace	0.2%	0.7%	FY 2013 and FY 2014
Quantity	Percent of devices, audits and package lots corrected because of W&M Inspections	14.5%	16.2%	FY 2013 and FY 2014

MINN. STAT. §239 provides the legal authority for the Weights & Measures Division's enforcement activity and funding.

M.R. 7601 regulates the installation of vehicle, hopper, livestock and railroad scales, and outlines privileges, responsibilities, and consequences for registered service agents and private LPG inspectors.

Program: Insurance Divisionmn.gov/commerce/insurance**AT A GLANCE**

- The Insurance Division regulates over \$258 Billion in insurance company assets in Minnesota
- The Division performs examination, desk audits, licensing and registration application reviews and verifies that insurance filings made in Minnesota comply with state law
- The Division received NAIC reaccreditation in 2012, allowing other regulatory entities to rely on the Commerce Department's review and examination of domestic insurers to fulfill a baseline level of effective financial regulatory oversight which reduce cost and administrative burden for Minnesota insurers
- In 2013, the Insurance Division:
 - Reviewed over 3,374 policy rate and form filings
 - Issued formal examination reports on 6 domestic insurance companies and continued to safely monitor through analysis 75 insurance risk entities
 - Issued 36 certificates of authorities increasing competition and providing additional capacity in the insurance marketplace

PURPOSE & CONTEXT

The mission of the Department of Commerce's Insurance Division is to ensure that insurance companies licensed to do business in Minnesota are financially sound, offer insurance products that are fair and at reasonable rates, and to inform and respond to the insurance needs of the residents and businesses of Minnesota, all contributing to a strong and vibrant economy.

SERVICES PROVIDED

- The Insurance Division evaluates insurance policies and rates to ensure fairness in rates and compliance with Minnesota statutes and licenses, examines and regulates insurance companies to ensure they are safe and financially solvent now and in the future.
- The Insurance Division serves Minnesota consumers and businesses that rely on insurance companies for financial products and services, the Minnesota insurance industry, other state insurance regulators, the legislature, and other state agencies.

- This activity is partially funded through the general fund and partially through the insurance examination revolving fund. Revenues generated from the activity consist of examination fees, desk analysis fees, registration and filing fees, and transaction fees.

The work of the Insurance Division can be divided into the following broad categories:

- Actuarial -verify the adequacy of insurance company reserves, manage insurance programs within the state, oversee public companies, and ensure compliance with state statutes;
- Financial Analysis - evaluate information and develop a financial profile of both domestic and foreign insurance companies doing business in Minnesota, based on statutorily required financial reports submitted by the companies and authorize requests for reportable transactions by domestic insurers;
- Examinations - on-site examinations of Minnesota domiciled insurers are conducted once every five years, examiners review insurance company books and records at the company headquarters, conduct a risk focused examination, make recommendations, and draft and file examination reports;
- Licensing - reviews insurance company applications for insurers wishing to be admitted to the state and/or wishing to write additional lines of business and approves or denies those applications;
- Insurance Product Form and Rate Filings - reviews insurance form and rate submissions to ensure compliance with Minnesota statutes, ensure fair, non-discriminatory, equitable, and adequate rates; also reviews the financial condition of companies that self-insure.

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous(FY2012)</i>	<i>Current (FY2013)</i>	<i>Dates</i>
Quantity	Policy Form and Rate Review	3,536	3,374	FY 2012 and FY2013
Quality	Speed-to-Market Form and Rate Review – Property & Casualty	29 days	25 days	FY 2012 and FY2013
Quality	Speed-to-Market Form and Rate Review – Life & Health	43 days	39 days	FY 2012 and FY2013
Quality	Speed-to-Market Form and Rate Review – Workers Compensation	13 days	13 days	FY 2012 and FY2013
Quantity	Financial Examinations*	13	6	FY 2012 and FY2013
Quantity	Financial Analysis*	77	75	FY 2012 and FY2013

* Resulted in passing accreditation in 2012. Financial examinations are undertaken on a regular schedule.

Statutory Authority: The Department's authority is located in Chapters: 59A, 59B, 59C, 60A, 60B, 60C, 60D, 60E, 60F, 60G, 60H, 60J, 60K, 60L, 61A, 61B, 62A, 62B, 62C, 62D, 62E, 62F, 62H, 62I, 62J, 62L, 62M, 62Q, 62R, 62S, 62U, 64B, 65A, 65B, 66A, 67A, 69, 70A, 71A, 72A, 72B, 72C, 79, 79A.