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2016-17 Biennial Budget – Public Utilities Commission

Agency Profile – Public Utilities Commission 1

<http://mn.gov/puc/>

AT A GLANCE

The Public Utilities Commission:

- Regulates cornerstone industries of electric, natural gas and local telephone services, with annual revenues in Minnesota exceeding \$7.5 billion
- Determines need for and location of large energy facilities
- Manages an average of 1,400 utility filings annually
- Closes over 4,000 consumer complaint cases per year.
- The PUC’s staff size and budget per capita among the lowest nationally

PURPOSE

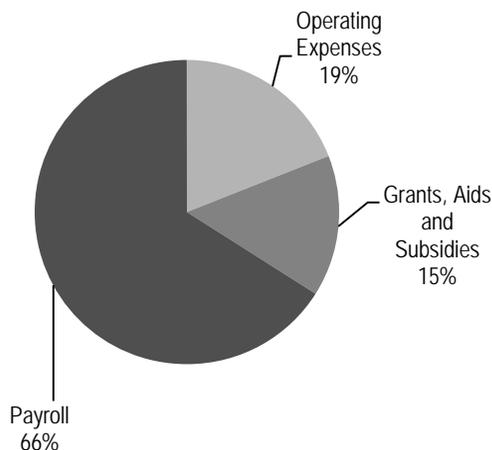
The Minnesota Public Utilities Commission's mission is to create and maintain a regulatory environment that ensures safe, reliable and efficient utility services at fair and reasonable rates (Minnesota Statutes, Chapters 216A, 216B, 216E, 216F, 216G and 237).

The Commission contributes to the statewide outcomes of:

- A thriving economy that encourages business growth and employment opportunities;
- A clean, healthy environment with sustainable uses of natural resources; and
- Efficient and accountable government services.

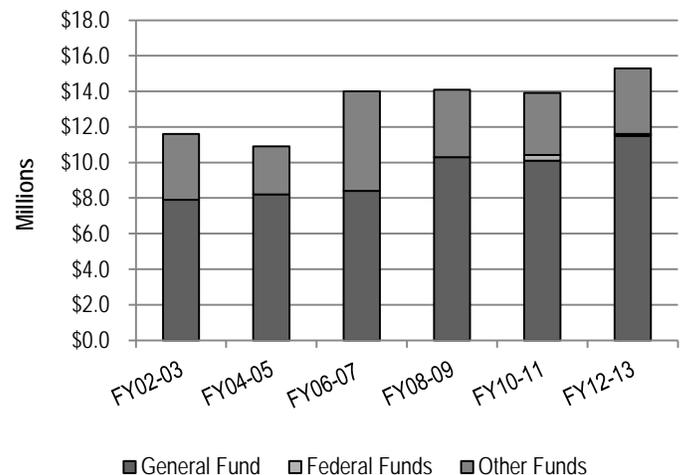
BUDGET

**Spending by Category
FY 13 Actual**



Source: SWIFT

Historical Spending



Source: Consolidated Fund Statement

The Commission has a total annual budget of \$6.2 Million. Nearly 100% of the agency's expenditures are recovered through special assessment authority. (Minnesota Statutes, Sections 216B.62 and 237.295).

STRATEGIES

The Commission emphasizes several strategies to fulfill its mission. These include:

- Court-like decision-making process according to formal rules of evidence which relies on active engagement by other state agencies and regulated companies, as well as a very diverse stakeholder base
- Active engagement with all stakeholders to anticipate conditions affecting the provision of world-class services
- Public outreach to support orderly and informed decision-making, as well as provide consumer assistance and understanding
- Extensive use of technology to increase transparency; e.g., all record documents publically accessible through web site; web-cast all Commission meetings; public comments submitted via blog-like facility
- Active engagement in regional and national forums affecting Minnesota's interests

RESULTS

The Commission's strategies, combined with state policies, Minnesota's natural advantages, and active engagement by industry and a diverse group of stakeholders, have produced important results. These include:

- Minnesota remains among the low cost states in terms of energy utility rates. It ranks 35th for residential natural gas rates and 23rd for residential electricity rates [ranking from highest to lowest]. 1. 2.
- Minnesota is a leader in generation from renewable energy. It ranks 1st for per capita generation from non-hydro renewable fuels for states with populations over 4 million. 3.
- Minnesota continues to lead in energy efficiency. Despite its winters, it ranks 25th nationally in residential per capita energy use; surpassing 13 other Northern Tier States [ranking from highest to lowest] 4.
- Minnesota's telephone market has a higher share of competitive providers than national averages. Minnesota ranks among the top 10 most competitive states in this regard. 5.
- Minnesota ranks 3rd in terms of accessibility to telephone service. 6.
- Minnesota's state regulatory staff size remains well below states of comparable size, while its work-load is equal to other states of comparable population size.
- Minnesota regulators' leadership in regional and national forums have enhanced Minnesota's stature among the states and protected its vital interests.

| <i>Type of Measure</i> | <i>Name of Measure</i> | <i>Previous</i> | <i>Current</i> | <i>Dates</i> |
|------------------------|--|--|--|--|
| Quantity | Commission workload | 828 orders issued | 830 orders issued | 2012-13 Biennium; 2014-2015 Biennium (estimated on data to-date) |
| Quality | Challenges to Commission decisions | 9 appeals to courts | 4 appeals to courts | 2012-13 Biennium; 2014-2015 Biennium (estimated on data to-date) |
| Quantity | Efficiency in processing filings | 76% final orders issued within minimum time required by due process (60-90 days) | 75% final orders issued within minimum time required by due process (60-90 days) | 2012-13 Biennium; 2014-2015 Biennium (estimated on data to-date) |
| Quality | High percentage of consumer complaints timely resolved (cases closed/cases opened) | 3,904/3,904 = 100% | 3,440/3,680 = 93% | 2012-13 Biennium; 2014-2015 Biennium (estimated on data to-date) |
| Quality | Recovery of utility overcharges | \$40,416 in credits issued | \$47,248 in credits issued | 2012-13 Biennium; 2014-2015 Biennium (estimated on data to-date) |

Performance Measure Notes:

1. *Rankings: Natural Gas Residential Prices, April 2014*, U.S. Energy Information Administration
2. *Rankings: Average Retail Price of Electricity to Residential Sectors, April 2014*, U.S. Energy Information Administration
3. *Net Renewable Energy Generation by State, 2011*, U.S. Energy Information Administration
4. *Energy Consumption per capita by End-Use Sector, Ranked by State, 2012*, U.S. Energy Information Administration. [Northern Tier states with higher per capita energy consumption are: Alaska; Idaho; Illinois, Indiana; Iowa; Ohio; Michigan; Montana; Nebraska; North Dakota; South Dakota; Washington; & Wyoming.] See also *2011 State Energy Efficiency Scoreboard*, Americans Concerned for an Energy Efficient Economy.
5. Percent market share of telephone companies competing with former regulated monopoly companies – Minnesota compared to U.S., *Local Telephone Competition*; December, 2011; Federal Communications Commission
6. *Telephone Penetration by Income by State*; June, 2011; Federal Communications Commission.

Legal Authority: Minnesota Statutes, Chapters 216A, 216B, 216E, 216F, 216G and 237