

Table of Contents
2014-15 Governors Budget - Public Utilities Commission

Agency Profile - Public Utilities Commission	1
 Current, Base and Governor's Recommended Expenditures	3
 Sources and Uses	4
 All Funds FTE by Program	5
 Revenues Summary	6

Mission:

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

Statewide Outcome(s):

Public Utilities Commission supports the following statewide outcome(s).

A thriving economy that encourages business growth and employment opportunities.

A clean, healthy environment with sustainable uses of natural resources.

Efficient and accountable government services.

Context:

- Ensure Minnesota citizens have access to safe, reliable and efficiently delivered utility services at just and reasonable rates
- Regulate industries with gross operating revenues of \$7.5 billion and employment exceeding 22,500.
- Provide disciplined and transparent decision-making that allows for broad stakeholder input
- Protect Minnesota interests in regional and national utility forums

Strategies:

The PUC emphasizes several strategies to deliver its mission and supports 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. These include:

- Decision-making process based on a formal record of evidence, the development of which relies on active engagement by other state agencies (e.g., Department of Commerce, Office of Administrative Hearings), regulated companies, as well as a very diverse stakeholder base.
- Active engagement with all stakeholders to anticipate changing conditions and needs relating to the provision of world-class utility and telephone services
- Public outreach to support orderly and informed decision-making, as well as provide consumer assistance and general understanding
- Extensive use of technology to increase transparency
- Active engagement in regional and national forums affecting Minnesota's interests.

Results:

The PUC'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. Minnesota is 44th (out of 50) for residential natural gas rates and 32nd for electricity rates generally (ranking states from highest cost to lowest) ^{1, 2}
- Minnesota's telephone market has higher share of competitive providers than national averages. Minnesota ranks among the top ten most competitive states in this regard. ³
- Minnesota ranks first in terms of accessibility to telephone service. ⁴
- Minnesota is among the top five states for renewable energy generation and top ten for energy efficiency. ^{5, 6}
- Minnesota ranks among the lowest 20 percent in terms of PUC staff size per capita, 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.

Performance Measures	Previous	Current	Trend
Total orders issued	1,315	1,400	Increasing
Number of appeals filed with courts	7 (<1%)	1 (<0.1%)	Decreasing
Percentage of filings for which final orders were issued within 60-90 days	72%	79%	Increasing
Percentage of filings for which final orders were issued with statutory deadlines met ⁷	100%	100%	Stable
Percent of open consumer complaint cases requiring mediation	59%	59%	Stable
Consumer complaint cases closed/Cases opened	4,648/4,696 = 99%	4,156/4,158 = 99%	Stable
Credits issued to consumers	\$153,622	\$155,600	Stable

Performance Measures Notes:

The 'Previous' column indicates measurement from the 2010-2011 Biennium. The 'Current' column indicates measurement from the 2012-2013 Biennium (estimated on data to-date).

1. Average Residential Price of Natural Gas – State Rankings (highest price to lowest) – Minnesota Ranking; *Annual Energy Report*, U.S. Energy Information Administration.
2. Average Retail Price of Electricity – State Rankings (highest price to lowest) – Minnesota ranking; *State Electricity Profiles*, U.S. Energy Information Administration.
3. Percent market share of telephone companies competing with former regulated monopoly companies – Minnesota compared to U.S., *Local Telephone Competition*; March, 2011; Federal Communications Commission.
4. Percentage of Households with Telephone Service, *Telephone Subscribership in the U.S.*; May, 2011; Federal Communications Commission.
5. Total Renewable Net Generation (excluding hydroelectric) – State Rankings; *Renewable Energy Annual Report, 2009*; U.S. Energy Information Administration.
6. *2011 State Energy Efficiency Scoreboard*, Americans Concerned for an Energy Efficient Economy.
7. There were cases in which the deadlines were extended in compliance with statutory authority.

Public Utilities Commission**Current, Base and Governor's Recommended Expenditures**

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$11,785	\$4,384	\$91	\$16,260
Current Law Expenditures (FY 2014-15)	\$12,356	\$3,729		\$16,085
Governor's Recommended Expenditures (FY2014-15)	\$12,356	\$3,729		\$16,085
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$0	\$0		\$0
% Change from FY 2014-15 Current Law to Governor's Rec	0%	0%		0%

Public Utilities Commission**Sources and Uses**

(Dollars in Thousands)

Biennium FY14-FY15				
	General Funds	Other State Funds	Federal Funds	Total Funds
BALANCE FORWARD IN		\$1,140		\$1,140
REVENUE	\$0	\$3,729		\$3,729
APPROPRIATION	\$12,356	\$0	\$0	\$12,356
SOURCES OF FUNDS	\$12,356	\$4,869	\$0	\$17,225
BALANCE FORWARD OUT		\$1,140		\$1,140
EXPENDITURES	\$12,356	\$3,729		\$16,085
PAYROLL EXPENSE	\$9,684	\$129		\$9,813
OPERATING EXPENSES	\$2,672	\$750		\$3,422
GRANTS, AIDS AND SUBSIDIES		\$2,850		\$2,850
USES OF FUNDS	\$12,356	\$4,869		\$17,225

Public Utilities Commission
All Funds FTE by Program

	Current	Forecast Base	Governor's Recommendation
Program	FY 2013	FY 2015	FY 2015
Program: Public Utilities Comm	49.1	54.1	54.1
Public Utilities Commission	49.1	54.1	54.1

Public Utilities Commission
Revenue Summary
(Dollars in Thousands)

		Biennium FY14-15			
		General Fund	Other State Funds	Federal Funds	All Funds
Non Dedicated	DEPARTMENTAL EARNINGS	11,990			11,990
	Subtotal	11,990			11,990
Dedicated	DEPARTMENTAL EARNINGS	0	3,720		3,720
	INVESTMENT INCOME		9		9
	Subtotal	0	3,729		3,729
	Total	11,990	3,729		15,719