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Public Utilities Commission

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<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 regulated utility filings annually, which are utilities' proposed new rates
- Closes over 3,500 consumer complaint cases per year
- The PUC's staff size and budget per capita among the lowest nationally

PURPOSE

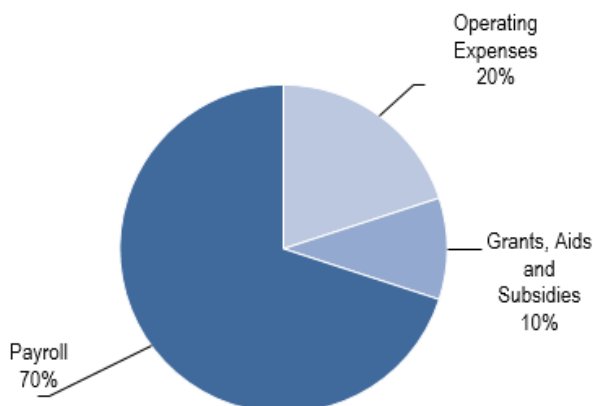
The Minnesota Public Utilities Commission's mission is to create and maintain a regulatory environment that ensures safe, reliable and efficient utility services at fair and reasonable rates (Minnesota Statutes, Chapters 216A, 216B, 216E, 216F, 216G and 237).

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.

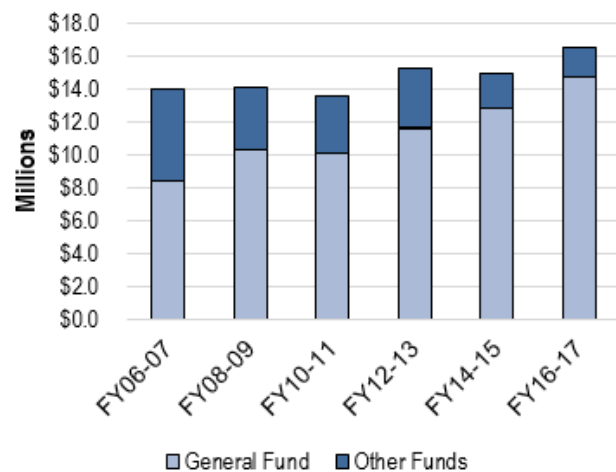
BUDGET

**Spending by Category
FY 15 Actual**



Source: SWIFT

Historical Spending



Source: Consolidated Fund Statement

The Commission has a total annual general fund budget of approximately \$7.4 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 publicly 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 34th for residential natural gas rates and 31st for overall electricity rates [ranking from highest to lowest]. 1. 2.
- Minnesota is a leader in generation from renewable energy. It ranks 7th in the nation in net electricity generation from wind energy in 2015. 3.
- Minnesota continues to lead in energy efficiency. Despite its winters, it ranks 18th nationally in residential per capita energy use; surpassing 10 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 5 most competitive states in this regard. 5.
- Minnesota ranks 11th 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	830 orders issued	850 orders issued	FY 14-15, FY 16-17 est.
Quality	Efficiency in processing filings – percent of final orders issued within minimum time required by due process (60-90 days)	75%	73%	FY 14-15, FY 16-17 est.
Quantity	Percentage of consumer complaints timely resolved (cases closed/cases opened)	3,440/ 3,680 = 93%	3,460/ 3,520 = 98%	FY 14-15, FY 16-17 est.
Quantity	Recovery of utility overcharges to consumers	\$47,248 in customer credits issued	\$126,000 in customer credits issued	FY 14-15, FY 16-17 est.
Quality	Commission Orders Overturned on Appeal	0%	0.1%	FY 14-15, FY 16-17 est.

Performance Measure Notes:

1. *Rankings: Natural Gas Residential Prices, May 2016, U.S. Energy Information Administration*
2. *Rankings: Average Retail Price of Electricity to Residential Sectors, May 2016, U.S. Energy Information Administration*
3. *Minnesota State Energy Profile, March 2016, U.S. Energy Information Administration*

4. *Energy Consumption per capita by End-Use Sector, Ranked by State, 2014, U.S. Energy Information Administration. [Northern Tier states with higher per capita energy consumption are: Illinois, Indiana; Iowa; Ohio; Michigan; Montana; Nebraska; North Dakota; South Dakota; & Wyoming.]*
5. *Local Telephone Competition: Status as of December 31, 2013; Table 9; Total End-User Switched Access Lines and VoIP Subscriptions by State as of December 31, 2013; Federal Communications Commission*
6. *Universal Service Monitoring Report; September 2015; Table 6.6, Voice Penetration by State, 2010 – 2014; (Percentage of Occupied Housing Units with Voice Service); Federal Communications Commission.*

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

(Dollars in Thousands)

Expenditures By Fund

	Actual FY14	Actual FY15	Actual FY16	Estimate FY17	Forecasted Base	
					FY18	FY19
1000 - General	6,194	6,431	6,341	8,437	7,465	7,465
2000 - Restrict Misc Special Revenue	1,844	1,802	1,266	1,253	1,303	1,253
Total	8,038	8,233	7,606	9,690	8,768	8,718
<i>Biennial Change</i>				1,025		189
<i>Biennial % Change</i>				6		1

Expenditures by Program

Program: Public Utilities Comm	8,038	8,233	7,606	9,690	8,768	8,718
Total	8,038	8,233	7,606	9,690	8,768	8,718

Expenditures by Category

Compensation	5,170	5,077	5,253	6,402	6,125	6,125
Operating Expenses	1,439	1,837	1,554	2,538	1,873	1,873
Other Financial Transactions	15	68	25	50	20	20
Grants, Aids and Subsidies	1,415	1,252	774	700	750	700
Total	8,038	8,233	7,606	9,690	8,768	8,718

Full-Time Equivalents

	53.6	50.2	47.5	54.0	55.5	55.5
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1000 - General

	Actual		Actual	Estimate	Forecast Base	
	FY14	FY 15	FY 16	FY17	FY18	FY19
Balance Forward In	0	248	0	850	0	0
Direct Appropriation	6,457	6,441	7,191	7,587	7,465	7,465
Receipts	0	0	0	0	0	0
Net Transfers	(22)	(150)	0	0	0	0
Cancellations	0	108	0	0	0	0
Expenditures	6,194	6,431	6,341	8,437	7,465	7,465
Balance Forward Out	241	0	850	0	0	0
<i>Biennial Change in Expenditures</i>				2,153		152
<i>Biennial % Change in Expenditures</i>				17		1
Full-Time Equivalents	52.9	49.5	47.1	53.5	55.0	55.0

2000 - Restrict Misc Special Revenue

	Actual		Actual	Estimate	Forecast Base	
	FY14	FY 15	FY 16	FY17	FY18	FY19
Balance Forward In	2,237	1,582	1,295	1,180	1,130	980
Receipts	1,154	1,107	1,150	1,203	1,153	1,153
Expenditures	1,844	1,802	1,266	1,253	1,303	1,253
Balance Forward Out	1,548	887	1,180	1,130	980	880
<i>Biennial Change in Expenditures</i>				(1,128)		37
<i>Biennial % Change in Expenditures</i>				(31)		1
Full-Time Equivalents	0.7	0.6	0.5	0.5	0.5	0.5