

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 1052
Version: As introduced

DATE: April 12, 2011

Authors: Beard

Subject: Energy conservation

Analyst: Bob Eleff

This publication can be made available in alternative formats upon request. Please call 651-296-6753 (voice); or the Minnesota State Relay Service at 1-800-627-3529 (TTY) for assistance. Summaries are also available on our website at: www.house.mn/hrd.

Overview

House File 1052 allows certain natural gas customers to petition the Minnesota Public Utilities Commission to allow its gas utility to subtract the customer's gas purchases from the utility's total gas revenues, in order to reduce the utility's required spending under the Conservation Improvement Program (CIP), which requires a gas utility to spend 0.5 percent of its gross annual retail sales on CIP. The benefit to the customer that receives the commission's approval is that its gas rates are lowered by the amount it would otherwise contribute to the CIP program.

Such a deduction is permitted, with the commission's approval, to large electric customers under current law, provided the customer continues to identify and implement conservation improvements and the commission determines that the deduction is not contrary to the public interest.

Two categories of natural gas customers are authorized to petition the commission to allow this deduction: (1) those that consume more than 500 million cubic feet annually ("large gas customer facility"), provide evidence of competitive pressures on the customer, and continue to implement conservation measures at the facility; and (2) smaller commercial gas customers who demonstrate that they have or can reasonably acquire the ability to bypass the gas utility and purchase gas directly from a pipeline not regulated by the commission.