

1.1 ..... moves to amend H.F. No. 956, the first engrossment, as follows:

1.2 Page 4, delete section 6 and insert:

1.3 "Sec. 6. Minnesota Statutes 2012, section 216B.16, subdivision 7b, is amended to read:

1.4 Subd. 7b. **Transmission cost adjustment.** (a) Notwithstanding any other provision  
1.5 of this chapter, the commission may approve a tariff mechanism for the automatic annual  
1.6 adjustment of charges for the Minnesota jurisdictional costs net of associated revenues of:

1.7 (i) new transmission facilities that have been separately filed and reviewed and  
1.8 approved by the commission under section 216B.243 or are certified as a priority project  
1.9 or deemed to be a priority transmission project under section 216B.2425; ~~and~~

1.10 (ii) new transmission facilities approved by the regulatory commission of the state  
1.11 in which the new transmission facilities are to be constructed, to the extent approval  
1.12 is required by the laws of that state, and determined by the Midwest Independent  
1.13 Transmission System Operator to benefit the utility or integrated transmission system; and

1.14 (iii) charges incurred by a utility under a federally approved tariff that accrue  
1.15 from other transmission owners' regionally planned transmission projects that have been  
1.16 determined by the Midwest Independent Transmission System Operator to benefit the  
1.17 utility, ~~as provided for under a federally approved tariff~~ or integrated transmission system.

1.18 (b) Upon filing by a public utility or utilities providing transmission service, the  
1.19 commission may approve, reject, or modify, after notice and comment, a tariff that:

1.20 (1) allows the utility to recover on a timely basis the costs net of revenues of  
1.21 facilities approved under section 216B.243 or certified or deemed to be certified under  
1.22 section 216B.2425 or exempt from the requirements of section 216B.243;

1.23 (2) allows the utility to recover charges incurred ~~by a utility~~ under a federally  
1.24 approved tariff that accrue from other transmission owners' regionally planned  
1.25 transmission projects that have been determined by the Midwest Independent Transmission  
1.26 System Operator to benefit the utility, ~~as provided for under a federally approved tariff~~  
1.27 or integrated transmission system. These charges must be reduced or offset by revenues

2.1 received by the utility and by amounts the utility charges to other regional transmission  
2.2 owners, to the extent those revenues and charges have not been otherwise offset;

2.3 (3) allows the utility to recover on a timely basis the costs net of revenues of facilities  
2.4 approved by the regulatory commission of the state in which the new transmission  
2.5 facilities are to be constructed and determined by the Midwest Independent Transmission  
2.6 System Operator to benefit the utility or integrated transmission system;

2.7 (4) allows a return on investment at the level approved in the utility's last general  
2.8 rate case, unless a different return is found to be consistent with the public interest;

2.9 (4) (5) provides a current return on construction work in progress, provided that  
2.10 recovery from Minnesota retail customers for the allowance for funds used during  
2.11 construction is not sought through any other mechanism;

2.12 (5) (6) allows for recovery of other expenses if shown to promote a least-cost project  
2.13 option or is otherwise in the public interest;

2.14 (6) (7) allocates project costs appropriately between wholesale and retail customers;

2.15 (7) (8) provides a mechanism for recovery above cost, if necessary to improve the  
2.16 overall economics of the project or projects or is otherwise in the public interest; and

2.17 (8) (9) terminates recovery once costs have been fully recovered or have otherwise  
2.18 been reflected in the utility's general rates.

2.19 (c) A public utility may file annual rate adjustments to be applied to customer bills  
2.20 paid under the tariff approved in paragraph (b). In its filing, the public utility shall provide:

2.21 (1) a description of and context for the facilities included for recovery;

2.22 (2) a schedule for implementation of applicable projects;

2.23 (3) the utility's costs for these projects;

2.24 (4) a description of the utility's efforts to ensure the lowest costs to ratepayers for  
2.25 the project; and

2.26 (5) calculations to establish that the rate adjustment is consistent with the terms  
2.27 of the tariff established in paragraph (b).

2.28 (d) Upon receiving a filing for a rate adjustment pursuant to the tariff established in  
2.29 paragraph (b), the commission shall approve the annual rate adjustments provided that,  
2.30 after notice and comment, the costs included for recovery through the tariff were or are  
2.31 expected to be prudently incurred and achieve transmission system improvements at the  
2.32 lowest feasible and prudent cost to ratepayers."

2.33 Amend the title accordingly