

Minnesota's Utility Regulatory Agencies

Three state agencies are involved in utility regulation

There are three state agencies involved with the regulation of utility services (electricity, natural gas, and telecommunications) in Minnesota. Those agencies are:

- the Minnesota Public Utilities Commission (PUC)
- the Telecommunications and Energy Divisions of the Minnesota Department of Commerce (Commerce) and
- the Residential and Small Business Utility Division (RUD) of the Office of the Minnesota Attorney General.

PUC: Agency snapshot

Description:

Independent regulatory agency with authority over telecommunication and energy utilities

Budget:

\$3.99 million for fiscal year 2002; \$4.16 million for fiscal year 2003 (funded through utility assessments)

Personnel:

Five commissioners, 42 staff (21 analysts – 11 energy, 10 telecommunications)

Primary functions:

- Sets rates for those utility service providers that are comprehensively regulated;
- Establishes service standards for utility service providers;
- Resolves consumer and provider complaints; and
- At the direction of the legislature, establishes utility policy for the state.

PUC commissioners:

Each PUC commissioner is appointed by the governor for a six-year term with the advice and consent of the state Senate, and is removable only for cause.

Commissioner terms are staggered, so that only one commissioner is scheduled to leave and be replaced at any one time, which minimizes the impact of the loss and replacement of commissioners on PUC decision making. Minnesota law requires that the commission be geographically and politically balanced.

In addition to these structural safeguards, commissioners are also protected procedurally from undue influence, through:

- restrictions on communications with parties appearing before the commission
- judicial-type proceedings in most instances
- open meeting law requirements
- temporary bans on employment with regulated entities

**Commerce: Agency
snapshot**

Description:

One of two government entities with the statutory authority to intervene in PUC proceedings; advocates for the general public interest

Budget for regulatory affairs:

Approximately \$3.5 million per fiscal year; (funded through utility assessments)

Personnel:

Two deputy commissioners (one for energy, one for telecommunications); 50 staff (32 analysts for commission advocacy – 22 energy, 10 telecommunication)

Primary functions:

Analysis, advocacy, and investigation

**RUD: Agency
snapshot**

Description:

One of two government entities with the statutory authority to intervene in PUC proceedings; advocates for residential and small business utility consumers

Budget:

Approximately \$750,000 per fiscal year (funded from appropriations from the general fund)

Personnel:

One division manager; eight and one-half staff (three attorneys, one analyst, one investigator, two consumer complaint mediators, and one-and-one-half support staff)

Primary function:

Advocacy

For more information: Contact legislative analyst Mike Bull at 651-296-8961. Also see the House Research publication *The Minnesota Public Utilities Commission and Related Agencies: Structure and Function*, September 2002.

The Research Department of the Minnesota House of Representatives is a nonpartisan office providing legislative, legal, and information services to the entire House.