

Staff Briefing Papers

Meeting Date July 1, 2025 Agenda Item 5A*

Company Minnesota Transmission Owners

Docket No. E999/M-25-99

In the Matter of the 2025 Biennial Transmission Projects Report

Issues Should the Commission approve the Department's request for additional Funding

under Minn. Stat. § 216B.62, Subd. 8?

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✓ Relevant Documents

Date

Department of Commerce Request for Additional Funding Jui

June 6, 2025

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The attached materials are work papers of the Commission Staff. They are intended for use by the Public Utilities Commission and are based upon information already in the record unless noted otherwise.

BACKGROUND

On June 6, 2025, the Department of Commerce (Department) filed a letter with the Commission requesting authorization to seek additional funding for specialized technical professional services from the Minnesota Department of Management and Budget under Minn. Stat. § 216B.62, subd. 8. The Department indicated that it requires engineering expertise and staff time that it does not possess for assistance in the review of the upcoming November 3, 2025 Biennial Transmission Plan and for its evaluation of the studies of grid enhancing technologies (GETs) to be submitted by a subset of the Minnesota Transmission Owners (MTO) at the same time.

The Department indicated that it has discussed the issue of additional funding with the MTO and other stakeholders and none of those entities objected.

STATUTES AND RULES

Minn. Stat. § 216B.62 establishes the authority of the Commission and Department to assess utilities and companies for the expenses incurred in carrying out its statutory duties. Specifically, the Department has petitioned the Commission under Minn. Stat. § 216B.62, Subd. 8 for the authorization to seek additional funding from the Commissioner of Management and Budget for technical professional services with regard to its evaluation of the 2025 Biennial Transmission Projects Report and the associated GETs studies to be submitted by Monday, November 3, 2025. Minn. Stat. 216B.62, Subd. 8 reads as follows:

216B.62 REGULATORY EXPENSES.

Subd. 8. Audit investigation costs; account, appropriation. The audit investigation account is created as a separate account in the special revenue fund in the state treasury. If the commission, in a proceeding upon its own motion, on complaint, or upon an application to it, determines that it is necessary, in order to carry out its duties imposed under this chapter or chapter 216, 216A, 216E, 216F, or 216G, to conduct an investigation or audit of any public utility operations, practices, or policies requiring specialized technical professional investigative services for the inquiry, the commission may request the commissioner of commerce to seek authority from the commissioner of management and budget to incur costs reasonably attributable to the specialized services. If the investigation or audit is approved by the commissioner of management and budget, the commissioner of commerce shall carry out the investigation in the manner directed by the commission and shall render separate bills to the public utility for the costs incurred for such technical professional investigative services. The bill constitutes notice of the assessment and demand for payment. The amount assessed must be paid by the public utility to the commissioner of commerce within 30 days after the date of assessment. Money received under this subdivision must be deposited in the state treasury and credited to the audit investigation account, and is appropriated to the commissioner of commerce for the purposes of this subdivision.

DISCUSSION

Staff advises that the Commission may want to further discuss the request for authorization with the Department and the Minnesota Transmission Owners to further understand the scope of the request for additional professional technical services and determine limitations or provide additional guidance, if any, to be placed on the request.

In addition, under Minn. Stat. § 216B.62, Subd. 8 provides that the Commissioner of Management and Budget shall render separate bills to the "public utility" for the costs incurred for such technical services. Some of the members of the MTO are not public utilities¹. Staff recommends the Commission clarify with the Department and the members of MTO regarding the billing and cost recovery of the costs of associated with this request.

DECISION OPTIONS

- 1. Approve the authorization to seek additional funding as requested by the Department.
- 2. Approve the authorization to seek additional funding with certain direction or limitations.
- 3. Approve the authorization to seek additional funding under a separate subdivision.
- 4. Deny the request for authorization

¹ MTO Members include American Transmission Company, LLC Central Minnesota Municipal Power Agency, Dairyland Power Cooperative, East River Electric Power Cooperative, Great River Energy, ITC Midwest LLC, L&O Power Cooperative, Minnesota Power, Minnkota Power Cooperative, Missouri River Energy Services, Northern States Power Company, Otter Tail Power Company, Rochester Public Utilities, and Southern Minnesota Municipal Power Agency.