



Public Utilities Commission's Public Engagement Processes

Topic Selection Background Information

March 2019

Program Overview	The Public Utilities Commission (PUC) regulates the rates and services of electric, natural gas, and telephone companies. It also makes decisions about the need for and location of large energy facilities. PUC performs these functions by resolving informal complaints and holding a variety of hearings in which it makes decisions based on a set of guidelines or statutory criteria. PUC is a quasi-judicial body with authority and powers similar to those of a court or judge, and its orders are enforceable under the law.
Possible Evaluation Issues	What are the commission's rules for public participation? To what extent does the commission enforce those rules appropriately and consistently? How do the commission's rules affect the extent to which the public can participate in the commission's decision-making processes?
State Resources <i>Low</i>	PUC expenditures in Fiscal Year 2018 totaled about \$8.5 million, most of which came from the General Fund. However, PUC has statutory authority to charge utility companies for certain commission activities. Nearly all of PUC's expenses are recovered from the utility companies it regulates.
State Control <i>High</i>	PUC is established in state law. In addition, the commission consists of five members who are appointed by the governor with the advice and consent of the Senate.
Impact <i>High</i>	A large portion of the population in Minnesota is served by utility firms regulated by PUC. For example, according to its website, Xcel Energy alone has more than 1.2 million electricity customers and more than 400,000 natural gas customers in the state.
Timeliness <i>High</i>	PUC activities related to recent large and controversial utility projects—such as Enbridge Energy's oil pipeline and a natural gas plant proposal by Xcel Energy—have been of significant interest to legislators, the governor, and the broader public.
Feasibility <i>Medium</i>	This is a large and potentially technical topic. Due to PUC's many areas of responsibility, OLA would either need to conduct a "broad," high-level evaluation or focus on a subset of issues or services. Due to their technical nature, OLA likely would be unable to determine whether PUC's regulatory decisions were appropriate.
Balance <i>High</i>	This is the only proposed topic pertaining to energy. OLA has not conducted an energy-related evaluation since its <i>Renewable Energy Development Fund</i> report in 2010.
Discussion <i>Important evaluation</i>	The role of PUC in energy matters is likely to grow as Minnesota's energy portfolio continues to diversify. Legislators have expressed recurring concerns about PUC, and public engagement in recent PUC decisions has been significant. A review by OLA could prove useful.