

(c) A majority of the judges of municipal court may appoint one or more suitable persons to act as referees in conciliation court. A majority of the judges of municipal court shall establish qualifications for the office, specify the duties and length of service of referees, and fix their compensation not to exceed \$75 an amount per day determined by the board of county commissioners. ~~This compensation shall be payable by the county treasurer at the same time and in the same manner as salaries of the judges of conciliation court.~~

Approved May 19, 1981

CHAPTER 236 — H.F.No. 161

An act relating to the city of Cloquet; permitting the city to contract, pay, and tax for certain public transportation services.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. **CLOQUET; PUBLIC TRANSPORTATION.**

Upon conditions mutually agreed, the city of Cloquet may contract with a privately owned public transportation system to provide transportation services to the people of the city. The city may disburse money to discharge the terms of the contract. The city may annually levy a property tax of up to one mill for the purpose of discharging the contract obligations. The tax shall be in addition to all others permitted by law and shall be disregarded in the calculation of statutory or other limitations on property tax levies.

Sec. 2. **EFFECTIVE DATE.**

This act is effective upon the day after the filing of its approval by the governing body of the city of Cloquet in accordance with Minnesota Statutes, Section 645.021, Subdivision 3.

Approved May 19, 1981

CHAPTER 237 — H.F.No. 473

An act relating to energy; establishing rates and conditions of service for cogenerators and small power producers; proposing new law coded in Minnesota Statutes, Chapter 216B.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. [216B.164] COGENERATION AND SMALL POWER PRODUCTION.

Subdivision 1. SCOPE AND PURPOSE. This section shall at all times be construed in accordance with its intent to give the maximum possible encouragement to cogeneration and small power production consistent with protection of the ratepayers and the public.

Subd. 2. APPLICABILITY. This section as well as any rules promulgated by the commission pursuant to the public utility regulatory policies act of 1978, Pub.L. 95-617, 92 Stat. 3117, and the federal energy regulatory commission regulations thereunder, 18 C.F.R. Part 292, shall apply to all Minnesota electric utilities, including cooperative electric associations and municipal electric utilities, that become interconnected with any qualifying facility as defined in 18 C.F.R. Section 292.101(b)(1).

Subd. 3. PURCHASES; SMALL FACILITIES. For qualifying facilities having less than 40 kilowatt capacity, the customer shall be billed for the net energy supplied by the utility according to the applicable rate schedule for sales to that class of customer. In the case of net input into the utility system by the qualifying facility, compensation to the customer shall be at a per kilowatt hour rate set by the commission. In setting these rates, the commission shall consider the fixed distribution costs to the utility not otherwise accounted for in the basic monthly charge and shall ensure that the costs charged to the qualifying facility are not discriminatory in relation to the costs charged to other customers of the utility. Notwithstanding any other language to the contrary in this section, the commission shall set the rates for net input into the utility system based on avoided costs as defined in 18 C.F.R. Section 292.101(b)(6), the factors listed in 18 C.F.R. Section 292.304, and all other relevant factors. If the qualifying facility is interconnected with a non-generating utility which has a sole source contract with a municipal power agency or a generation and transmission utility, the non-generating utility may elect to treat its purchase of any net input under this subdivision as being made on behalf of its supplier and shall be reimbursed by its supplier for any additional costs incurred in making the purchase. Qualifying facilities having less than 40 kilowatt capacity may, at the customer's option, elect to be governed by the provisions of subdivision 4.

Subd. 4. PURCHASES; WHEELING. (a) Except as otherwise provided in paragraph (c), this subdivision shall apply to all qualifying facilities having 40 kilowatt capacity or more as well as qualifying facilities as defined in subdivision 3 which elect to be governed by its provisions.

(b) The utility to which the qualifying facility is interconnected shall purchase all energy and capacity made available by the qualifying facility. The

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qualifying facility shall be paid the utility's full avoided capacity and energy costs as negotiated by the parties or set by the commission.

(c) For all qualifying facilities having 30 kilowatt capacity or more, the utility shall, at the qualifying facility's or the utility's request, provide wheeling or exchange agreements wherever practicable to sell the qualifying facility's output to any other Minnesota utility having generation expansion anticipated or planned for the ensuing ten years. The commission shall establish the methods and procedures to insure that except for reasonable wheeling charges and line losses, the qualifying facility receives the full avoided energy and capacity costs of the utility ultimately receiving the output.

Subd. 5. DISPUTES. In the event of disputes between an electric utility and a qualifying facility, either party may request a determination of the issue by the commission. In any such determination, the burden of proof shall be on the utility.

Subd. 6. RULES. The commission shall promulgate rules to implement the provisions of this section.

Subd. 7. REPORTS. On January 1, 1983, the commission shall submit a report to the legislature. The report shall describe:

(a) The location, type and output of cogenerators and small power producers in the state;

(b) Whether cogeneration and small power production has resulted in any major impacts on the utility system; and

(c) The effectiveness of the provisions of this section and the commission's rules in encouraging cogeneration and small power production.

Subd. 8. CUSTOMER, INTERCONNECTION AND WHEELING CHARGES. Nothing contained in this section shall be construed to excuse the qualifying facility from any obligation for costs of interconnection and wheeling in excess of those normally incurred by the utility for customers with similar load characteristics who are not cogenerators or small power producers, or from any fixed charges normally assessed such non-generating customers.

Sec. 2. EFFECTIVE DATE.

This act is effective the day following final enactment.

Approved May 19, 1981

CHAPTER 238 — H.F.No. 615

An act relating to corrections; providing for the transfer of convicted offenders under certain circumstances; proposing new law coded in Minnesota Statutes, Chapter 243.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.