A bill for an act

relating to utilities; creating mass transit zone for utility reinvestment and cost recovery; amending Minnesota Statutes 2008, section 216B.16, by adding a subdivision.

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

Section 1. Minnesota Statutes 2008, section 216B.16, is amended by adding a subdivision to read:

Subd. 7d. **Mass transit utility zones cost adjustment.** (a) A "mass transit utility zone" is an area along an existing or planned mass transit system, including a light rail transit, heavy rail transit, high-speed rail, dedicated bus lane and similar mass transit routes, and an area extending no more than one mile on either side of the route.

(b) A public utility that provides retail electric service within the mass transit utility zone, and which is required to replace, relocate, construct, or install facilities because of the mass transit system, may apply to the commission for approval of new facilities in the mass transit utility zone. Facilities proposed under this subdivision are not limited to those facilities that actually replace dislocated facilities and may include any transmission facilities, distribution facilities, generation facilities, advanced technology-assisted efficiency devices, and energy storage facilities within the mass transit utility zone. Upon approval under paragraph (c), the utility may construct and install the facilities.

(c) The commission may approve the construction and installation of facilities in a mass transit utility zone proposed by a utility under paragraph (b) upon a finding:

(1) that the facilities:

(i) are necessary to provide electric service;

(ii) assist future development of renewable energy, conservation, electric vehicles, advanced technology-assisted efficiency programs and devices, and other energy innovations; or

(iii) are exploratory, experimental, or research facilities to advance the use of renewable energy, conservation, electric vehicles, advanced technology-assisted efficiency programs and devices, and other energy innovations;

(2) that the utility has engaged in a cooperative process with affected local and state government agencies in the design, planning, or construction of the mass transit utility zone project and changes to utility facilities;

(3) that the utility and local units of government have made reasonable efforts to seek federal, state, or private funds that may be available to mass transit and energy projects; and

(4) that the utility has made reasonable efforts to minimize the costs and maximize the value to customers of the facilities.

(d) Notwithstanding any other provision of this chapter, the commission may approve a tariff mechanism for automatic adjustment of charges for new, replaced, or relocated facilities installed under this subdivision in a manner consistent with this subdivision and the standards and procedures contained in subdivision 7b, except that no approval under section 216B.243 or certification under section 216B.2425 is required.