

SF999 - 3CE - Sale of Extraordinary Event Bonds Authorized

Chief Author: **Tou Xiong**  
 Committee: **Energy, Utilities, Environment and Climate**  
 Date Completed: **3/5/2025 8:37:36 AM**  
 Lead Agency: **Public Utilities Commission**  
 Other Agencies:  
     Commerce Dept                      Supreme Court

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings	X	
Tax Revenue		X
Information Technology		X
<b>Local Fiscal Impact</b>		
		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2025	FY2026	FY2027	FY2028	FY2029
<b>Commerce Dept</b>	-	-	-	-	-	-
<b>General Fund</b>	-	-	-	-	-	-
<b>Public Utilities Commission</b>	-	-	-	-	-	-
<b>General Fund</b>	-	-	-	-	-	-
<b>State Total</b>						
<b>General Fund</b>	-	-	-	-	-	-
	<b>Total</b>	-	-	-	-	-
	<b>Biennial Total</b>			-		-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2025	FY2026	FY2027	FY2028	FY2029
<b>Commerce Dept</b>	-	-	-	-	-
<b>General Fund</b>	-	1.5	1.5	1.5	1.5
<b>Public Utilities Commission</b>	-	-	-	-	-
<b>General Fund</b>	1.25	1.25	1.25	1.25	1.25
	<b>Total</b>	<b>1.25</b>	<b>2.75</b>	<b>2.75</b>	<b>2.75</b>

**Lead LBO Analyst's Comment**

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

**LBO Signature:** Karl Palm                      **Date:** 3/5/2025 8:37:36 AM  
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**State Cost (Savings) Calculation Details**

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

\*Transfers In/Out and Absorbed Costs are only displayed when reported.

<b>State Cost (Savings) = 1-2</b>	<b>Biennium</b>			<b>Biennium</b>	
Dollars in Thousands	FY2025	FY2026	FY2027	FY2028	FY2029
Commerce Dept	-	-	-	-	-
General Fund	-	-	-	-	-
Public Utilities Commission	-	-	-	-	-
General Fund	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Biennial Total</b>			<b>-</b>		<b>-</b>
<b>1 - Expenditures, Absorbed Costs*, Transfers Out*</b>					
Commerce Dept	-	-	-	-	-
General Fund	-	304	304	304	304
Public Utilities Commission	-	-	-	-	-
General Fund	214	214	214	214	214
<b>Total</b>	<b>214</b>	<b>518</b>	<b>518</b>	<b>518</b>	<b>518</b>
<b>Biennial Total</b>			<b>1,036</b>		<b>1,036</b>
<b>2 - Revenues, Transfers In*</b>					
Commerce Dept	-	-	-	-	-
General Fund	-	304	304	304	304
Public Utilities Commission	-	-	-	-	-
General Fund	214	214	214	214	214
<b>Total</b>	<b>214</b>	<b>518</b>	<b>518</b>	<b>518</b>	<b>518</b>
<b>Biennial Total</b>			<b>1,036</b>		<b>1,036</b>

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Chief Author: **Tou Xiong**  
 Committee: **Energy, Utilities, Environment and Climate**  
 Date Completed: **3/5/2025 8:37:36 AM**  
 Agency: **Public Utilities Commission**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings	X	
Tax Revenue		X
Information Technology		X
<b>Local Fiscal Impact</b>		
		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2025	FY2026	FY2027	FY2028	FY2029
General Fund	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-
<b>Biennial Total</b>			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2025	FY2026	FY2027	FY2028	FY2029
General Fund	1.25	1.25	1.25	1.25	1.25
<b>Total</b>	<b>1.25</b>	<b>1.25</b>	<b>1.25</b>	<b>1.25</b>	<b>1.25</b>

**LBO Analyst's Comment**

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

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**State Cost (Savings) Calculation Details**

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

\*Transfers In/Out and Absorbed Costs are only displayed when reported.

<b>State Cost (Savings) = 1-2</b>		<b>Biennium</b>			<b>Biennium</b>	
<b>Dollars in Thousands</b>	<b>FY2025</b>	<b>FY2026</b>	<b>FY2027</b>	<b>FY2028</b>	<b>FY2029</b>	
General Fund	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Biennial Total</b>			<b>-</b>			<b>-</b>
<b>1 - Expenditures, Absorbed Costs*, Transfers Out*</b>						
General Fund	214	214	214	214	214	214
<b>Total</b>	<b>214</b>	<b>214</b>	<b>214</b>	<b>214</b>	<b>214</b>	<b>214</b>
<b>Biennial Total</b>			<b>428</b>			<b>428</b>
<b>2 - Revenues, Transfers In*</b>						
General Fund	214	214	214	214	214	214
<b>Total</b>	<b>214</b>	<b>214</b>	<b>214</b>	<b>214</b>	<b>214</b>	<b>214</b>
<b>Biennial Total</b>			<b>428</b>			<b>428</b>

**Bill Description**

Bill Description

This bill adds all new language to Minnesota Statutes, Chapter 216B. It creates a process overseen by the Public Utilities Commission (PUC) allowing natural gas utilities to sell bonds to reduce economic impacts on customers when extraordinary events damage utility infrastructure or impose significant costs. The process involving the sale of bonds is generally known in the industry as “securitization.”

In essence: a) the asset is removed from the utility’s books, such that ratepayers are no longer paying a return on the unused plant balance, and b) a special purpose financing entity issues bonds that are funded and guaranteed by a nonbypassable charge to ratepayers collected on utility bills, but that goes to the financing entity. The interest rate on the bonds may be less than the rate of return that the utility would have earned on the asset, which could create potential savings overall to ratepayers, and/or which could provide a source of funds to the utility to be used to replace the asset or other approved purposes. This bill also allows securitization to be used for extraordinary events that are not related to asset damage, but could impose significant costs on customers, such as Winter Storm Uri.

Section 1 establishes definitions of a large number of new concepts, including “extraordinary event” which are wide ranging, but primarily address the financial tools available in the proposal, the types of events within the scope of the proposal, and other concepts.

Section 2, subdivision 1 allows a utility to file an application with the PUC for the issuance of a financing order to enable the utility to recover extraordinary event costs through the issuance of extraordinary event bonds. It includes a list of 16 types of information that must be included with the application.

Section 2, subdivision 2 requires the PUC to provide public notice and hold a hearing on the utility’s application and provides criteria the PUC must consider when making a finding.

Section 2, subdivision 3 outlines the required contents of a financing order issued under this section.

Section 2, subdivisions 4 and 5 state that financing orders are irrevocable and place conditions on PUC jurisdiction and authority in the future.

Section 3 directs the PUC to monitor utility compliance after the issuance of extraordinary event bonds and sets out enforcement mechanisms.

Section 4 allows the PUC to use outside experts to advise on securitization issues to aid in any proceedings under the proposed legislation. Utilities must pay the Commission’s expenses under this section within 30 days of receiving a written

request. Costs related to outside experts are to be considered part of the financing costs to be paid for by the extraordinary event revenue, or if the transaction does not go forward, the costs are the responsibility of the utility which can be recovered from ratepayers.

Section 5 requires a utility subject to a financing order which results in the issuance of bonds to include specific information on a utility customer bill. It also requires the utility make annual compliance filings with the PUC that discuss the impacts on customer rates by customer class and provide evidence that revenues are only used for repayment of bonds and financing costs for the extraordinary event. If a utility does not comply with this section, they may be penalized under any applicable PUC rules, subject to limitations in this section.

Section 6 provides detail and criteria related to extraordinary event property, including how the property can be used and transferred by parties associated with the financing order or that hold the extraordinary event bonds, the security interests in the property, how the interests are created and enforced, the repayment structures, governance of other financing terms and how the lien on the property is used and enforced, and requirements and limitations for the sale of property.

Section 7 establishes extraordinary event bonds and enables legal investment from various entities in these types of bonds. This section also places parameters on how the bonds are considered as part of a financing order, how taxes are levied, and obligations of the state or local government.

Section 8 provides that the PUC does not have jurisdiction over an assignee or financing party of the extraordinary event bonds.

Section 9 addresses potential conflicts with other laws or with other proceedings under this section.

## **Assumptions**

### Assumptions

It is difficult to make assumptions as to the quantity of filings the PUC is likely to receive under this bill, given that extraordinary events are by their nature unpredictable. Because extraordinary events under this bill could include nonasset-related events, such as a temporary increase in wholesale natural gas prices, a utility could potentially make a claim after any temporary increase for any amount of time without a set baseline.

Even if the PUC does not ultimately approve the issuance of extraordinary event bonds, the PUC would still undertake thorough analysis and extensive public process for each application before making a decision. If the issuance of bonds is approved, the PUC has annual oversight responsibilities for the life of the bonds, which could be more than 20 years, creating intergenerational equity concerns.

All provisions of this bill are new language and involve new regulatory concepts for the PUC and most stakeholders in PUC matters. The bill involves detailed and complex financing arrangements, evaluation and decision-making criteria, specialized requirements, and enforcement mechanisms. There will be a need for high-level staff to work on these issues, including time for training and research on securitization issues. The PUC does not currently have the knowledge base and resources needed for the complexity, new areas of knowledge, and ongoing nature of this work.

The bill provides that the PUC may contract with outside consultants and counsel experienced in securitized utility customer-backed bond financing similar to extraordinary event bonds; and (2) hire and compensate additional temporary staff as needed. Expenses incurred by the commission under this paragraph must be treated as financing costs and included in the extraordinary event charge. It states that such costs incurred are not an obligation of the state and are assigned solely to the transaction.

Because of the complex and extensive nature of the proceedings likely to result from this bill, the PUC anticipates that it would need at least 1 FTE Rates Analyst 4 to handle the initial filings, public process, and annual oversight of the bonds, and .25 FTE Attorney 3 to consult on legal issues. Although the regulatory concepts in this bill are new, this estimate is based on the PUC's previous experience with existing financial filings. In addition, if an extreme weather event would spur filing a securitization petition for one utility, it could potentially spur that filing for multiple utilities.

## **Expenditure and/or Revenue Formula**

	FY25	FY26	FY27	FY28
Public Utilities Rates Analyst 4	109,683	109,683	109,683	109,683
Attorney 3	33,768	33,768	33,768	33,768
Fringe	43,035	43,035	43,035	43,035
Other Personnel Related Costs	27,959	27,959	27,959	27,959
<b>TOTAL</b>	<b>214,445</b>	<b>214,445</b>	<b>214,445</b>	<b>214,445</b>

**Long-Term Fiscal Considerations**

This would be an ongoing expense

**Local Fiscal Impact**

n/a

**References/Sources**

n/a

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SF999 - 3CE - Sale of Extraordinary Event Bonds Authorized

Chief Author: **Tou Xiong**  
 Committee: **Energy, Utilities, Environment and Climate**  
 Date Completed: **3/5/2025 8:37:36 AM**  
 Agency: **Commerce Dept**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings	X	
Tax Revenue		X
Information Technology		X
<b>Local Fiscal Impact</b>		
		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2025	FY2026	FY2027	FY2028	FY2029
General Fund	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-
<b>Biennial Total</b>			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2025	FY2026	FY2027	FY2028	FY2029
General Fund	-	1.5	1.5	1.5	1.5
<b>Total</b>	-	<b>1.5</b>	<b>1.5</b>	<b>1.5</b>	<b>1.5</b>

**LBO Analyst's Comment**

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

**LBO Signature:** Karl Palm      **Date:** 3/5/2025 8:37:22 AM  
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**State Cost (Savings) Calculation Details**

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

\*Transfers In/Out and Absorbed Costs are only displayed when reported.

<b>State Cost (Savings) = 1-2</b>		Biennium			Biennium	
Dollars in Thousands	FY2025	FY2026	FY2027	FY2028	FY2029	
General Fund	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-
<b>Biennial Total</b>			-			-
<b>1 - Expenditures, Absorbed Costs*, Transfers Out*</b>						
General Fund	-	304	304	304	304	304
<b>Total</b>	-	<b>304</b>	<b>304</b>	<b>304</b>	<b>304</b>	<b>304</b>
<b>Biennial Total</b>			<b>608</b>			<b>608</b>
<b>2 - Revenues, Transfers In*</b>						
General Fund	-	304	304	304	304	304
<b>Total</b>	-	<b>304</b>	<b>304</b>	<b>304</b>	<b>304</b>	<b>304</b>
<b>Biennial Total</b>			<b>608</b>			<b>608</b>

**Bill Description**

SF999-3CE adds all new language to Minnesota Statutes, Chapter 216B. It creates a process overseen by the Public Utilities Commission (PUC) allowing natural gas utilities to sell bonds to reduce economic impacts on customers when extraordinary events damage utility infrastructure or impose significant costs. The process involving the sale of bonds is generally known as “securitization.”

In essence: a) the asset is removed from the utility’s books, such that ratepayers are no longer paying a return on the unused plant balance, and b) a special purpose financing entity issues bonds that are funded and guaranteed by a non bypassable charge to ratepayers collected on utility bills, but that goes to the financing entity. The interest rate on the bonds may be less than the rate of return that the utility would have earned on the asset, which could create potential savings overall to ratepayers, and/or which could provide a source of funds to the utility to be used to replace the asset or other approved purposes. This bill also allows securitization to be used for extraordinary events that are not related to asset damage but could impose significant costs on customers (e.g. Winter Storm Uri).

Section 1 establishes definitions of many new concepts, including “extraordinary event,” which are wide ranging, but primarily address the financial tools available in the proposal, the types of events within the scope of the proposal, and other related concepts.

Section 2, subdivision 1 allows a utility to file an application with the PUC for the issuance of a financing order to enable the utility to recover extraordinary event costs through the issuance of extraordinary event bonds. It includes a list of sixteen (16) types of information that must be included with the application, including estimating various cost impacts to ratepayers.

Section 2, subdivision 2 requires the PUC to provide public notice and hold a hearing on the utility’s application and provides criteria the PUC must consider when making a finding.

Section 2, subdivision 3 outlines the required contents of a financing order issued under this section.

Section 2, subdivisions 4 and 5 state that financing orders are irrevocable and place conditions on PUC jurisdiction and authority in the future.

Section 3 directs the PUC to monitor utility compliance after the issuance of extraordinary event bonds and sets out enforcement mechanisms.

Section 4 allows the PUC to use outside experts to advise on securitization issues to aid in any proceedings under the proposed legislation.



Section 5 requires a utility subject to a financing order which results in the issuance of bonds to include specific information on a utility customer bill. It also requires the utility make annual compliance filings with the PUC that discuss the impacts on customer rates by customer class and provide evidence that revenues are only used for repayment of bonds and financing costs for the extraordinary event. If a utility does not comply with this section, they may be penalized under any applicable PUC rules, subject to limitations in this section.

Section 6 provides detail and criteria related to extraordinary event property, including how the property can be used and transferred by parties associated with the financing order or that hold the extraordinary event bonds, the security interests in the property, how the interests are created and enforced, the repayment structures, governance of other financing terms and how the lien on the property is used and enforced, and requirements and limitations for the sale of property.

Section 7 establishes extraordinary event bonds and enables legal investment from various entities in these types of bonds. This section also places parameters on how the bonds are considered as part of a financing order, how taxes are levied, and obligations of the state or local government.

Section 8 provides that the PUC does not have jurisdiction over an assignee or financing party of the extraordinary event bonds.

Section 9 addresses potential conflicts with other laws or with other proceedings under this section.

Sections 10 and 11 allow for Commerce and PUC staff to assess related costs back to the utilities covered under this bill.

### **Assumptions**

The Department of Commerce (The Department) assumes it would have a role as a result of activity in Sections 1, 2, 3, and 5. The Department assumes that any of the Department's costs associated with the resource needs would be assessed back to the utility.

The Department assumes that because the bill proposes a novel regulatory construct, specialized talent will be needed to make a comparative analysis on ratepayer impacts between using traditional cost recovery mechanisms and a new securitized interest mechanism as proposed in SF999-0. The Department assumes it would need to develop this additional expertise and expand staffing levels to review these types of applications by a utility.

It is difficult to make assumptions as to the quantity of filings the Department may review under this bill, given that extraordinary events are by their nature unpredictable. Under the proposed law, anything from a temporary increase in wholesale natural gas prices, to a cybersecurity attack, extreme weather events, sabotage or vandalism, or other events would qualify. The Department assumes that if extraordinary events include a temporary increase in wholesale natural gas prices, a utility could potentially make a claim after any temporary increase for any amount of time without a set baseline. It is feasible that once this law goes into effect, we could see five petitions from natural gas utilities in the next year to seek a financing order to securitize the temporary increase in wholesale prices we saw in 2022-23.

Given the Department's role and authority under Chapters 216A and 216B to intervene on behalf of ratepayers, any initial petitions by utilities to exercise this new mechanism would fall under the Department's purview to address. The PUC, once they receive a utility petition, will likely initiate a process (like a Commission Investigation or CI docket) to determine if it wants to move forward with the petition and, if it does decide to move forward, establish a process to evaluate the merits of a petition in pursuit of a financing order. The Department would intervene in both proceedings to ensure the public's interests are represented and to make recommendations to the PUC. Department staff would review petition(s), request any discovery required for a complete analysis, develop comments or testimony, build the record as directed by the PUC, provide oral arguments or comments during PUC Agenda meetings, and make recommendations to the PUC on behalf of the public's interest.

For example, the events surrounding Winter Storm Uri led to an investigation and contested case. Not only did the Department hire an outside technical expert using MN Statute 216B.62, subdivision 8, there were also three analysts and two attorneys assigned to the investigation, which occurred over a 24-month period. The 3 analysts and an attorney, for an equivalent of 2.5 FTE working on that extraordinary event alone.

To fully address the requirements above, the Department assumes it will need 1.0 FTE at a Public Utilities Financial Analyst 4 (PUFA 4) level and legal expertise at the Attorney 4 for another 0.5 FTE, resulting in a total of 1.5 FTEs. This would be an ongoing requirement.

As described in the bill, these costs will be assessed, therefore general fund neutral.

**Expenditure and/or Revenue Formula**

1.0 FTE PUFA 4

0.5 FTE Attorney 4

			<b>FY26</b>	<b>FY27</b>	<b>FY28</b>	<b>FY29</b>
Salary			184,799	184,799	184,799	184,799
Fringe			55,440	55,440	55,440	55,440
Other Personnel Related Costs			63,367	63,367	63,367	63,367
			303,605	303,605	303,605	303,605

**Long-Term Fiscal Considerations**

These resource requirements would be ongoing.

**Local Fiscal Impact**

**References/Sources**

**Agency Contact:**

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SF999 - 3CE - Sale of Extraordinary Event Bonds Authorized

Chief Author: **Tou Xiong**  
 Committee: **Energy, Utilities, Environment and Climate**  
 Date Completed: **3/5/2025 8:37:36 AM**  
 Agency: **Supreme Court**

State Fiscal Impact	Yes	No
Expenditures		X
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2025	FY2026	FY2027	FY2028	FY2029
<b>Total</b>	-	-	-	-	-	-
<b>Biennial Total</b>			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2025	FY2026	FY2027	FY2028	FY2029
<b>Total</b>	-	-	-	-	-

**LBO Analyst's Comment**

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

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**State Cost (Savings) Calculation Details**

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

\*Transfers In/Out and Absorbed Costs are only displayed when reported.

<b>State Cost (Savings) = 1-2</b>		Biennium			Biennium	
Dollars in Thousands	FY2025	FY2026	FY2027	FY2028	FY2029	
<b>Total</b>	-	-	-	-	-	-
<b>Biennial Total</b>			-			-
<b>1 - Expenditures, Absorbed Costs*, Transfers Out*</b>						
<b>Total</b>	-	-	-	-	-	-
<b>Biennial Total</b>			-			-
<b>2 - Revenues, Transfers In*</b>						
<b>Total</b>	-	-	-	-	-	-
<b>Biennial Total</b>			-			-

**Bill Description**

SF0999-3CE (the "bill") adds new language to Minnesota Statutes, Chapter 216B to establish a process overseen by the Public Utilities Commission (PUC) where natural gas utilities are allowed to sell bonds to reduce economic impacts on customers when extraordinary events damage utility infrastructure or impose significant costs. The bill also allows securitization to be used for extraordinary events that are not related to asset damage but could impose significant costs on customers.

Section 1 provides definitions for purposes of Minn. Stat. 216B.491 to 216B.499, including identifying what constitutes an "extraordinary event," an "extraordinary event bond," or an "extraordinary event cost."

Section 2 allows a utility to file an application with the PUC for the issuance of a financing order to enable the utility to recover extraordinary event costs through the issuance of extraordinary event bonds. The PUC is required to provide public notice and hold a hearing on the utility's application. A financing order issued under this section is irrevocable and is required to contain certain specific content.

Section 3 directs the PUC to monitor utility compliance after the issuance of extraordinary event bonds and sets out enforcement mechanisms.

Section 4 allows the PUC to use outside experts to advise on securitization issues to aid in any proceedings under the proposed legislation.

Section 5 requires a utility subject to a financing order which results in the issuance of bonds to include specific information on a utility customer bill. It also requires the utility make annual compliance filings with the PUC that discuss the impacts on customer rates by customer class and provide evidence that revenues are only used for repayment of bonds and financing costs for the extraordinary event.

Section 6 identifies criteria related to extraordinary event property, including how the property can be used and transferred by parties associated with the financing order or that hold the extraordinary event bonds, the security interests in the property, how the interests are created and enforced, the repayment structures, governance of other financing terms and how the lien on the property is used and enforced, and requirements and limitations for the sale of property.

Section 7 establishes extraordinary event bonds and enables legal investment from various entities in these types of bonds. This section places parameters on how the bonds are considered as part of a financing order, how taxes are levied, and obligations of the state or local government.

Section 8 provides that the PUC does not have jurisdiction over an assignee or financing party of the extraordinary event bonds.

Section 9 addresses potential conflicts with other laws or with other proceedings under this section.

Section 10 amends Minn. Stat. § 216B.62, subd. 3, to include Minn. Stat. § 216B.62, subd. 9 as one of the cost subdivisions for which the department and commission are excluded from reporting their expenditures on a quarterly basis.

Section 11 amends Minn. Stat. § 216B.62 to add a new subdivision regarding the process for the commission and the department to assess gas utilities for the administrative costs for extraordinary event bonds.

### **Assumptions**

It is assumed that this bill will not impact the overall number of case filings in district court relating to the issuance of extraordinary event bonds or the attachment, assignment, perfection, effect of perfection, or priority of a security interest in or transfer of extraordinary event property. Parties will still be required to exhaust administrative remedies under Chapter 216B. For example, if the commission determines that a utility's actions under this bill are not prudent or are inconsistent with a financing order, the commission may apply remedies deemed appropriate for utility actions.

The bill requires the court, without limiting any other remedies, to order the sequestration and payment of the revenues arising from an extraordinary event property to the financing parties upon petition by an interested party if a utility defaults on any required payment of charges. While the prevalence of extraordinary events in the future is unpredictable, it is assumed the number of petitions filed under this section will be nominal for purposes of this fiscal note.

It is also assumed that any increase in appeals by writ of certiorari to the Court of Appeals from commission decisions will be nominal and will be absorbed by the judicial branch.

### **Expenditure and/or Revenue Formula**

The bill is not anticipated to have a significant fiscal impact on the judicial branch.

### **Long-Term Fiscal Considerations**

None

### **Local Fiscal Impact**

### **References/Sources**

#### **Agency Contact:**

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