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State of Minnesota  
**HOUSE OF REPRESENTATIVES**

**EIGHTY-FIFTH  
SESSION**

**HOUSE FILE No. 3880**

March 6, 2008

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The bill was read for the first time and referred to the Energy Finance and Policy Division

1.1 A bill for an act  
1.2 relating to utilities; limiting utilities' use of natural gas as fuel for generating  
1.3 electricity and limiting recovery of those costs; amending Minnesota Statutes  
1.4 2006, sections 216B.16, subdivision 7; 216B.243, by adding a subdivision.

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

1.6 Section 1. Minnesota Statutes 2006, section 216B.16, subdivision 7, is amended to read:

1.7 Subd. 7. **Energy cost adjustment.** Notwithstanding any other provision of this  
1.8 chapter, the commission may permit a public utility to file rate schedules containing  
1.9 provisions for the automatic adjustment of charges for public utility service in direct  
1.10 relation to changes in: (1) federally regulated wholesale rates for energy delivered through  
1.11 interstate facilities; (2) direct costs for natural gas delivered; or (3) costs for fuel used in  
1.12 generation of electricity or the manufacture of gas; provided that this subdivision does  
1.13 not apply to any natural gas costs relating to the dispatch of any generation facility fueled  
1.14 predominantly by natural gas for any hours in any calendar year in excess of the number  
1.15 of hours per calendar year that formed the basis of the granting of the certificate of need  
1.16 for, the approval of the power purchase agreement for, or the rate recovery for the capital  
1.17 costs of, such facility, as applicable, which costs are deemed to be imprudently incurred  
1.18 and are not eligible for recovery from ratepayers.

1.19 Sec. 2. Minnesota Statutes 2006, section 216B.243, is amended by adding a  
1.20 subdivision to read:

1.21 Subd. 3c. **Moratorium on gas-fired generation.** A certificate of need may not be  
1.22 issued for new or expanded generation facilities using natural gas as the sole or primary  
1.23 source of fuel or any transmission facilities associated with those generation facilities.