

[136A.042] CREDIT TRANSFERABILITY. The higher education coordinating board shall recommend to the various post-secondary and higher education systems and to the legislature measures which will increase transferability of credits between the institutions, which will improve student awareness of the credit transfer policies of each system or institution, and which will cause student transcripts to reflect credits earned at other post-secondary and higher education institutions. The higher education coordinating board is directed to encourage communications among faculty, staff and students at the various institutions in order to accomplish the purposes of this section.

Sec. 3. Prior to January 1, 1978 and January 1, 1979, the higher education coordinating board shall make reports to the appropriate committees of the legislature on its progress in accomplishing the purposes of sections 1 and 2 of this act and on its recommendations for further accomplishing these purposes.

Sec. 4. This act shall be effective the day following final enactment.

Approved June 2, 1977.

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CHAPTER 359—H.F.No.157

[Coded in Part]

*An act relating to public utilities; providing for refund of overcharges if certain rates become effective before approval by the public service commission; regulating inclusion of construction work in progress in rate bases; prohibiting approval of rates which make allowances for certain advertising expenses; delaying implementation of certain rate schedules; restricting approval of rates which make allowances for charitable contributions; regulating telephone company rates; amending Minnesota Statutes 1976, Section 216B.16, Subdivisions 1, 2, and 6, and by adding subdivisions; and Chapter 237, by adding a section; repealing Minnesota Statutes 1976, Section 237.08.*

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

Section 1. Minnesota Statutes 1976, Section 216B.16, Subdivision 1, is amended to read:

**216B.16 PUBLIC UTILITIES; RATE CHANGES; PROCEDURE; HEARING.** Subdivision 1. Unless the commission otherwise orders, no public utility shall change any rate which has been duly established under ~~Laws 1974, Chapter 429~~ chapter 216B, except after ~~30~~ 90 days notice to the commission, which notice shall include statements of facts, expert opinions, substantiating documents, and exhibits, supporting the change requested, and further shall state the change proposed to be made in the rates then in force, and the time when the modified rates will go into effect. The ~~commission~~ filing utility shall give written notice, as approved by the commission, of the proposed change to the governing body of each municipality and county in the area affected. All proposed changes shall be shown by filing new schedules or shall be plainly indicated upon schedules on file and in force at the time.

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Sec. 2. Minnesota Statutes 1976, Section 216B.16, Subdivision 2, is amended to read:

Subd. 2. Whenever there is filed with the commission any schedule modifying or resulting in a change in any rates then in force, together with the filed statements of facts, expert opinions, substantiating documents, and exhibits, supporting the changes requested, the commission shall upon complaint or may upon its own motion, upon reasonable notice to the governing bodies of municipalities affected, conduct a hearing to determine whether the rates are unjust or unreasonable; ~~and~~ Pending the hearing and the decision thereon, the commission; ~~upon~~ may suspend the operation of the schedule by filing with the schedule of rates and delivering to the affected utility a statement in writing of its reasons ~~therefor~~ for the suspension at any time before ~~they~~ the rates become effective; ~~may suspend the operation of the schedule but.~~ The suspension shall not be for a longer period than 90 days beyond the time when the schedule of rates would otherwise go into effect unless the commission ~~shall find~~ finds that a longer time will be required; ~~in which case. If a longer time is required~~ the commission may further extend the period for not to exceed a total of nine months. If the commission does not make a final determination concerning any schedule of rates within a period of nine months beyond the time when the schedule of rates would otherwise go into effect, under subdivision 1, the schedule shall be deemed to have been approved by the commission. For the purposes of this subdivision, "final determination" means the initial decision of the commission and not any order which may be entered by the commission in response to a petition for rehearing or other further relief. The commission may further suspend rates until it determines all such petitions .

Sec. 3. Minnesota Statutes 1976, Section 216B.16, Subdivision 6, is amended to read:

Subd. 6. The commission, in the exercise of its powers under ~~Laws 1974, Chapter 429~~ this chapter to determine just and reasonable rates for public utilities, shall give due consideration to the public need for adequate, efficient, and reasonable service and to the need of the public utility for revenue sufficient to enable it to meet the cost of furnishing the service, including adequate provision for depreciation of its utility property used and useful in rendering service to the public, and to earn a fair and reasonable return upon the investment in such property. In determining the rate base upon which the utility is to be allowed to earn a fair rate of return, the commission shall give due consideration to evidence of the cost of the property when first devoted to public use, to prudent acquisition cost to the public utility less appropriate depreciation on each, to construction work in progress, to offsets in the nature of capital provided by sources other than the investors, and ~~any other factors or evidence material and relevant thereto. To the extent that construction work in progress is included in the rate base, the income used in determining the actual return on the public utility property shall include an allowance for funds used during construction to other expenses of a capital nature. For purposes of determining rate base, the commission shall consider the original cost of utility property included in the base and shall make no allowance for its estimated current replacement value.~~

Sec. 4. Minnesota Statutes 1976, Section 216B.16, is amended by adding a  
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subdivision to read:

Subd. 6a. To the extent that construction work in progress is included in the rate base, the commission shall determine in its discretion whether and to what extent the income used in determining the actual return on the public utility property shall include an allowance for funds used during construction, considering the following factors:

(a) The magnitude of the construction work in progress as a percentage of the net investment rate base;

(b) The impact on cash flow and the utility's capital costs;

(c) The effect on consumer rates;

(d) Whether it confers a present benefit upon an identifiable class or classes of customers; and

(e) Whether it is of a short term nature or will be imminently useful in the provision of utility service.

Sec. 5. Minnesota Statutes 1976, Section 216B.16, is amended by adding a subdivision to read:

Subd. 8. The commission shall disapprove the portion of any rate which makes an allowance directly or indirectly for expenses incurred by a public utility to provide a public advertisement which:

(a) Is designed to influence or has the effect of influencing public attitudes towards legislation or proposed legislation, or toward a rule, proposed rule, authorization or proposed authorization of the public service commission or other agency of government responsible for regulating a public utility;

(b) Is designed to justify or otherwise support or defend a rate, proposed rate, practice or proposed practice of a public utility;

(c) Is designed primarily to promote consumption of the services of the utility; or

(d) Is designed primarily to promote good will for the public utility or improve the utility's public image.

The commission may approve a rate which makes an allowance for expenses incurred by a public utility to disseminate information which:

(a) Is designed to encourage conservation of energy supplies;

(b) Is designed to promote safety; or

(c) Is designed to inform and educate customers as to financial services made

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available to them by the public utility.

The commission shall not withhold approval of a rate because it makes an allowance for expenses incurred by the utility to disseminate information about corporate affairs to its owners.

Sec. 6. Minnesota Statutes 1976, Section 216B.16, is amended by adding a subdivision to read:

Subd. 9. The commission shall allow as operating expenses only those charitable contributions which the commission deems prudent and which qualify under Minnesota Statutes, Section 290.21, Subdivision 3, Clause (b). Only 50 percent of the qualified contributions shall be allowed as operating expenses.

Sec. 7. Minnesota Statutes 1976, Chapter 237, is amended by adding a section to read:

[237.075] RATE CHANGES. Subdivision 1. Unless the commission otherwise orders, no telephone company shall change any rate which has been duly established under chapter 237, except after 90 days notice to the commission. The notice shall include statements of facts, expert opinions, substantiating documents, and exhibits, supporting the change requested, and state the change proposed to be made in the rates then in force, and the time when the modified rates will go into effect. The filing telephone company shall give written notice, as approved by the commission, of the proposed change to the governing body of each municipality and county in the area affected. All proposed changes shall be shown by filing new schedules or shall be plainly indicated upon schedules on file and in force at the time.

Subd. 2. When there is filed with the commission a schedule modifying or resulting in a change in any rate then in force, together with the filed statements of fact, expert opinions, substantiating documents, and exhibits, supporting the changes requested, the commission shall upon complaint or may upon its own motion, upon reasonable notice to the governing bodies of municipalities and counties affected, conduct a hearing to determine whether the rates are unjust or unreasonable. Pending the hearing and the decision thereon, the commission may suspend the operation of the schedule by filing of the schedule of rates and delivering to the affected telephone company a statement in writing of its reasons for the suspension at any time before the rates become effective. The suspension shall not be for a longer period than 90 days beyond the time when the schedule of rates would otherwise go into effect unless the commission finds that a longer time will be required. If a longer time is required the commission may further extend the period of suspension, but in no event shall the period of suspension be more than nine months from the date when the schedule of rates would otherwise go into effect. If the commission does not make a final determination on or before the expiration of 12 months from the date the rates were initially filed, the schedule of rates shall be deemed to have been approved by the commission. The overcharge resulting from implementation of the schedule prior to the final determination of the commission shall be refunded to the customers of the telephone company in a manner prescribed by rules of the commission. For the purposes of this subdivision "final determination" means the initial decision of

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the commission and not any order which may be entered by the commission in response to a petition for rehearing or other further relief. The commission may further suspend rates until it determines all such petitions.

Subd. 3. Notwithstanding any order of suspension of a proposed increase in rates, the telephone company may put the suspended schedule into effect on the date when it would have become effective if not suspended, or any date subsequent thereto within the suspension period, by filing with the commission a bond in an amount approved by the commission with sureties approved by the commission, conditioned upon the refund, in a manner to be prescribed by order of the commission, of the excess in increased rates, including interest thereon which shall be at the current rate of interest as determined by the commission, collected during the period of the suspension if the schedule so put into effect is finally disallowed by the commission. There may be substituted for the bond other arrangements satisfactory to the commission for the protection of persons affected. If the telephone company fails to make refunds within the period of time prescribed by the commission, the commission shall sue therefor and is authorized to recover on behalf of all persons entitled to a refund. In addition to the amount of the refund and interest due, the commission shall be entitled to recover reasonable attorney's fees, court costs and estimated cost of administering the distribution of the refund to persons entitled thereto. No suit under this subdivision shall be maintained unless instituted within two years after the end of the period of time prescribed by the commission for repayment of refunds. However, no telephone company shall put a suspended rate schedule into effect as provided by this subdivision until at least 90 days after the commission has made a determination concerning any previously filed change of the rate schedule or the change has otherwise become effective under subdivision 2.

Subd. 4. The burden of proof to show that the rate change is just and reasonable shall be upon the telephone company seeking the change.

Subd. 5. If, after the hearing, the commission finds the rates to be unjust or unreasonable or discriminatory, the commission shall determine the rates to be charged or applied by the telephone company for the service in question and shall fix them by order to be served upon the telephone company. The rates shall thereafter be observed until changed, as provided by chapter 237. In no event shall the rates exceed the level or rates requested by the telephone company, except that individual rates may be adjusted upward or downward.

Subd. 6. The commission, in the exercise of its powers under chapter 237 to determine just and reasonable rates for telephone companies, shall give due consideration to the public need for adequate, efficient, and reasonable service and to the need of the telephone company for revenue sufficient to enable it to meet the cost of furnishing the service, including adequate provision for depreciation of its telephone company property used and useful in rendering service to the public, and to earn a fair and reasonable return upon the investment in the property. In determining the rate base upon which the telephone company is to be allowed to earn a fair rate of return, the commission shall give due consideration to evidence of the cost of the property when first devoted to public use, to prudent acquisition cost to the telephone company, less appropriate depreciation on each cost, to construction work in progress, to offsets in the nature of capital provided by

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sources other than the investors, and to other expenses of a capital nature. To the extent that construction work in progress is included in the rate base, the income used in determining the actual return on the telephone company property shall include an allowance for funds used during construction. For purposes of determining rate base, the commission shall consider the original cost of telephone company property included in the base and shall make no allowance for its estimated current replacement value.

Subd. 7. The commission shall not make an allowance for operating expenses incurred by a telephone company for institutional advertising.

Subd. 8. The commission shall allow as operating expenses only those charitable contributions which the commission deems prudent and which qualify under Minnesota Statutes, Section 290.21, Subdivision 3, Clause (b). Only 50 percent of the qualified contributions shall be allowed as operating expenses.

Sec. 8. Minnesota Statutes 1976, Section 237.08, is repealed.

Sec. 9. This act shall be effective the day following enactment.

Approved June 2, 1977.

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CHAPTER 360—H.F.No.167

[Coded]

*An act relating to public welfare; providing liability insurance to all foster boarding homes licensed by the department of public welfare; appropriating money; amending Minnesota Statutes 1976, Chapter 245, by adding a section.*

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

Section 1. Minnesota Statutes 1976, Chapter 245, is amended by adding a section to read:

**[245.814] PUBLIC WELFARE; LIABILITY INSURANCE FOR FOSTER PARENTS.** The commissioner of public welfare shall within the appropriation provided purchase and provide insurance to foster parents to cover their liability for:

(1) injuries or property damage caused or sustained by foster children in their home; and

(2) actions arising out of alienation of affections sustained by the natural parents of a foster child.

Coverage shall apply to all foster boarding homes licensed by the department of public welfare, or established by the juvenile court and certified by the commissioner of corrections pursuant to section 260.185, subdivision 1, clause (c) (5), to the extent that the

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