

**SENATE
STATE OF MINNESOTA
NINETY-THIRD SESSION**

S.F. No. 3959

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DATE
02/19/2024

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OFFICIAL STATUS
Introduction and first reading
Referred to Energy, Utilities, Environment, and Climate

1.1 A bill for an act
1.2 relating to energy; limiting rate recovery of executive pay for certain public utilities;
1.3 amending Minnesota Statutes 2022, section 216B.16, by adding a subdivision.

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

1.5 Section 1. Minnesota Statutes 2022, section 216B.16, is amended by adding a subdivision
1.6 to read:

1.7 Subd. 17a. Executive compensation; rate recovery limitation. (a) The commission is
1.8 prohibited from allowing Minnesota ratepayers to pay for compensation to any of a public
1.9 utility's ten highest-paid officers or employees in an amount that exceeds the governor's
1.10 annual salary.

1.11 (b) For purposes of this subdivision, the term "compensation" includes salary, incentive
1.12 program payments, or any other compensation regardless of the compensation's form.
1.13 Compensation does not include expense reimbursements or benefits offered to a public
1.14 utility's ten highest-paid officers or employees on terms comparable to the terms under
1.15 which the benefits are offered to the public utility's other employees.

1.16 (c) Nothing in this subdivision limits the compensation that can be paid to a public
1.17 utility's ten highest-paid officers or employees from sources other than Minnesota ratepayers,
1.18 including from sources made available to a public utility by the public utility's investors.
1.19 The commission must ensure that compensation from sources other than Minnesota ratepayers
1.20 does not disproportionately burden the ratepayers in other states.

1.21 (d) This subdivision applies to a public utility with at least 300,000 retail customers in
1.22 Minnesota.

- 2.1 **EFFECTIVE DATE.** This section is effective the day following final enactment and
- 2.2 applies to rate filings submitted on or after that date.