



ARNE H. CARLSON
GOVERNOR

STATE OF MINNESOTA

OFFICE OF THE GOVERNOR
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April 12, 1996

The Honorable Irv Anderson
Speaker of the House of Representatives
463 State Office Building
Saint Paul, Minnesota 55155

Dear Speaker Anderson:

I have vetoed and am returning Chapter 466, House File 374.

This bill in the original form was a non-controversial housekeeping measure for the Public Utilities Commission. However, an amendment added in the final days of the legislative session significantly altered the scope of the original bill and, if signed, would mean higher consumer costs.

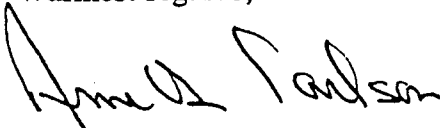
The amendment, which was never discussed in committee, changes the wind power mandate in the 1994 Prairie Island legislation by requiring that the additional 200 MW of wind power required by December 31, 2002 be generated only in Minnesota. It effectively eliminates competitive bids from areas in North Dakota and South Dakota which may have better, more cost-effective wind energy production potential. Under current law, wind generation sites in Minnesota have every opportunity to compete for contracts to supply the additional 200 MW of power. The amendment language is anti-competitive and costly.

According to the Department of Public Service, this "Minnesota only" option will carry an estimated \$43 million of additional costs, and these costs will be paid by NSP customers through higher rates. Since the higher costs are directly attributable to a state mandate, this becomes yet another tax increase hidden in consumer utility bills.

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This administration strongly supports cost-effective development of wind generated electricity, but mandating that wind energy only be produced in Minnesota works against this goal.

Warmest regards,



ARNE H. CARLSON
Governor

c: Senator Allan Spear, President of the Senate
Senator Roger Moe, Majority Leader
Senator Dean Johnson, Minority Leader
Representative Steve Sviggum, Minority Leader
Chief Senate Author(s)
Chief House Author(s)
Mr. Patrick E. Flahaven, Secretary of the Senate
Mr. Edward A. Burdick, Chief Clerk of the House
Ms. Joan Anderson Growe, Secretary of State