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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-EIGHTH SESSION

H. F. No. 893

02/25/2013 Authored by Hornstein, Kahn, Clark and Hortman
The bill was read for the first time and referred to the Committee on Energy Policy

1.1 A bill for an act
1.2 relating to energy; regulating certain residential heating propane suppliers;
1.3 proposing coding for new law in Minnesota Statutes, chapter 216B.
1.4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.5 Section 1. 216B.0991 DEFINITIONS.

1.6 Subdivision 1. Scope. For the purposes of sections 216B.0991 to 216B.0996, the
1.7 terms defined in this section have the meanings given them.

1.8 Subd. 2. Business day. "Business day" means Monday through Thursday, or
1.9 Monday through Friday if the company regularly conducts business on Saturday,
1.10 excluding legal holidays and any other time, or the day before that time, when the
1.11 company's business offices are not open to the public.

1.12 Subd. 3. Company. "Company" or "gas company" means a retail distributor,
1.13 receiving more than \$200,000 in a heating season from LIHEAP, that provides gas for
1.14 the primary source of heat for the interior of a structure used by one or more individuals
1.15 as a principal place of residence.

1.16 Subd. 4. Consumer. "Consumer" means any person who purchases or agrees to pay
1.17 consideration for gas for residential heating use and not for resale.

1.18 Subd. 5. Delinquency. "Delinquency" means failure of the consumer to make
1.19 payment in full for a valid bill or charge within 20 days of the postmark date of that bill or
1.20 charge, or by a "due date" at least 20 days after mailing or delivery, which must be written
1.21 on the bill and which controls in the absence of a postmark.

1.22 Subd. 6. Discontinuation. "Discontinuation" or "discontinue" means the refusal to
1.23 deliver gas or an interruption or discontinuation of service by a gas company of gas to a
1.24 consumer previously receiving service from the company.

2.1 Subd. 7. **Gas.** "Gas" means liquefied petroleum gas commonly referred to as propane.

2.2 Subd. 8. **Heating season.** "Heating season" means the time period from October 15
2.3 until April 15.

2.4 Subd. 9. **LIHEAP customer.** "LIHEAP customer" means a low-income customer
2.5 who qualifies for or receives assistance from the federal Low-Income Home Energy
2.6 Assistance Program.

2.7 Subd. 10. **Physician's certificate.** "Physician's certificate" means a written
2.8 statement by a duly licensed medical or osteopathic physician certifying that a consumer
2.9 or a resident in the consumer's household would suffer a specified immediate and serious
2.10 health hazard by the discontinuation of the company's service to that household during the
2.11 heating season. The certificate is valid and in force for 30 days, or the specified duration
2.12 of the hazard, whichever is later.

2.13 **Sec. 2. [216B.0992] PRICE DISCLOSURE AND FEES.**

2.14 A gas company must provide public access to its current price of gas and all
2.15 additional charges and discounts for residential heating gas service. This information shall
2.16 be displayed prominently and shall be available to the general public upon request. A gas
2.17 company must make that information available to new residential delivery customers upon
2.18 initiation of gas service.

2.19 **Sec. 3. [216B.0993] BUDGET PAYMENT PLAN.**

2.20 (a) A gas company must offer reasonable and effective budget payment plans to its
2.21 residential delivery customers.

2.22 (b) A budget payment plan must provide the residential delivery customer with a
2.23 budget payment plan for levelizing the bill for gas and gas services and equipment. Budget
2.24 payment plans must be designed to spread a residential delivery customer's projected
2.25 annual gas cost over a 12-month period, lowering the cost of seasonally higher bills.

2.26 (c) A budget payment plan must be available to any residential delivery customer
2.27 who is either current in payments for gas service or who has entered into and is complying
2.28 with a contract for propane services at any time of year, without regard to the residential
2.29 delivery customer's length of service with the gas company.

2.30 (d) In the case of a positive balance at the conclusion of an annual budget payment
2.31 plan, customers may choose between credit or cash refund.

2.32 (e) Gas companies must notify customers within 30 days of price or fee change that
2.33 may impact the level of a budget payment plan.

3.1 Sec. 4. **[216B.0994] DISCONTINUANCE OF SERVICE.**

3.2 **Subdivision 1. Grounds for discontinuance.** (a) A gas company may not
3.3 discontinue gas service without the consent of the consumer unless there is a delinquency
3.4 and notice of discontinuation has been provided to the consumer at least 14 days, but not
3.5 more than 20 days, prior to discontinuation.

3.6 (b) A copy of the discontinuation notice must be delivered to the occupant of the
3.7 affected dwelling.

3.8 (c) A consumer may not be discontinued if:

3.9 (1) the discontinuation would occur during the heating season and present an
3.10 immediate and serious hazard to the health of an occupant of the dwelling, as set forth in a
3.11 physician's certificate furnished to the company. Notice by telephone or otherwise that the
3.12 certificate will be forthcoming is a receipt of the certificate if received within seven days; or

3.13 (2) the consumer has not been given an opportunity to enter into a reasonable
3.14 repayment agreement to pay the delinquent bill or, having made an agreement, has abided
3.15 by its terms. A reasonable repayment agreement must consider, but is not limited to, the
3.16 amount of the delinquency, the consumer's ability to pay, the reason the account became
3.17 delinquent, and whether the customer meets the income qualifications for LIHEAP.

3.18 (d) A reasonable repayment agreement must be at least six months in duration.

3.19 (e) This subdivision shall not apply to any discontinuation or interruption of service
3.20 made necessary for reasons of the immediate health or safety of the consumer or the
3.21 general public.

3.22 **Subd. 2. Discontinuation notice form.** A discontinuation notice must be clearly
3.23 printed and shall contain all of the following information:

3.24 (1) if discontinuation is to occur during the heating season, a list as annually
3.25 compiled and distributed by the Department of Commerce, of the names, addresses, and
3.26 telephone numbers of governmental and private agencies that may provide assistance to
3.27 consumers in paying their gas bills;

3.28 (2) procedures for filing a complaint, including the phone number of the Consumer
3.29 Affairs Office of the commission; and

3.30 (3) any other information not inconsistent with clauses (1) and (2).

3.31 Sec. 5. **[216B.0995] NONDISCRIMINATION.**

3.32 (a) A gas company that offers prepurchase contracts, keep-fill delivery, credit
3.33 payments, and any other residential service delivery terms must offer the same terms to
3.34 all new and existing customers.

3.35 (b) A gas company shall not refuse to deliver to residents of mobile home parks if:

- 4.1 (1) the company has not offered the mobile home park resident customer service
4.2 under all of the provisions of sections 216B.0991 to 216B.0996; or
4.3 (2) if a resident meets the terms of these provisions.

4.4 **Sec. 6. [216B.0996] TERMS OF SALE.**

4.5 Subdivision 1. **Minimum delivery.** A gas company may not require a consumer
4.6 to make a minimum purchase of more than 125 gallons at a time, or more than the total
4.7 capacity of the consumer's existing tank, whichever is less. This applies to all deliveries,
4.8 including the initial installation.

4.9 Subd. 2. **Cash sales.** (a) A gas company with available supply of gas must not fail
4.10 or refuse to sell gas to a consumer if the consumer is ready, willing, and able to pay the
4.11 lawful price upon delivery in cash, by certified or cashier's check, by commercial money
4.12 order or its equivalent, or to a governmental or private agency that has funds available to
4.13 pay for a delivery.

4.14 (b) If there is a delinquency in the consumer's account, the cash payment shall
4.15 be applied in the following manner: 75 percent toward the current gas delivery and 25
4.16 percent to the delinquency. The company must deliver the quantity of gas covered by
4.17 75 percent of the cash payment.

4.18 Subd. 3. **Delivery charge.** A gas company may not charge a delivery fee, except
4.19 when a consumer requests a delivery outside of normal business hours or outside of
4.20 normally scheduled deliveries to the consumer's geographical area. No gas company may
4.21 charge an additional fee to residential delivery customers for low or minimal usage.

4.22 Subd. 4. **LIHEAP participation and payments.** A gas company must make
4.23 available to the general public upon request, and in all billing packets and metered fuel
4.24 tickets, information regarding LIHEAP application forms and procedures, qualification
4.25 requirements, telephone numbers, and locations at which residential customers may
4.26 submit LIHEAP applications. A gas company must accept payments from LIHEAP, shall
4.27 deliver the full amount of the fuel and any tank set fee paid for by LIHEAP funds, and
4.28 shall not require any minimum delivery fee or security deposit.

4.29 Subd. 5. **Third-party credit disclosure.** A gas company must not disseminate the
4.30 names of past or present delinquent consumers to competing gas companies or solicit or
4.31 use the names of competing companies' past or present delinquent consumers, except in
4.32 the course of a routine credit check performed when a prospective consumer applies
4.33 for credit privileges.