

**CHAPTER 7820**  
**PUBLIC UTILITIES COMMISSION**  
**UTILITY CUSTOMER SERVICE**

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**DELINQUENCY CHARGES**

**7820.5100 DEFINITIONS.**

Subpart 1. **Scope.** The terms used in parts 7820.5100 to 7820.5600 have the meanings given them in this part.

Subp. 2. **Delinquent amount.** "Delinquent amount" means the portion of a customer's account representing charges for utility service or services past due. In the case of a residential customer on either a budget billing plan or a payment schedule, "delinquent amount" means the lesser of the outstanding account balance or the outstanding scheduled payments.

Subp. 3. **Late payment charge.** "Late payment charge" means the allowable charge a utility may impose upon a delinquent amount.

Subp. 4. **Utility.** "Utility" means a public utility as defined in Minnesota Statutes, section 216B.02, as modified by Minnesota Statutes, sections 216B.025 and 216B.026.

Subp. 5. **Residential customer.** "Residential customer" means a customer of a utility whose principal use of gas or electricity is for household purposes such as lighting, cooking, water heating, and space heating in space occupied as living quarters. Utility service is normally supplied through a single meter to a single family dwelling unit, but apartments or other subdivided dwelling units may be classified as residential even though several individual units take service through the same meter.

**Statutory Authority:** *MS s 216A.05; 216B.03; 216B.23*

**History:** 8 SR 2335

**7820.5200 BILLING TERMS.**

A utility shall designate any late payment charge imposed on a customer as a late payment charge on that customer's bill. Other terms, including "penalties," "discounts," or "net-gross rate differentials," must not be used to indicate any charge which results from delinquent payment.

**Statutory Authority:** *MS s 216A.05; 216B.03; 216B.23*

**History:** 8 SR 2335

**7820.5300 DETERMINATION OF DELINQUENCY.**

Subpart 1. **Requirement.** A utility which chooses to impose a late payment charge on its customers shall use two measures for determining when a customer's bill is delinquent as follows in subparts 2 and 3.

Subp. 2. **Residential customer.** If a residential customer's bill payment is not received by the utility by the next scheduled billing date, which must be not less than 25 days from the current billing date, a late payment charge may be imposed. The current billing date must be no more than three working days

before the date of mailing of the bill by the utility. The utility may print a due date on the bill which is not more than five days before the next scheduled billing date.

Subp. 3. **Nonresidential customer.** If a nonresidential customer's utility bill is not received by the utility within a grace period of not less than 15 days from the current billing date, a late payment charge may be imposed. The current billing date must be no more than three working days before the date of mailing of the bill by the utility.

**Statutory Authority:** *MS s 216A.05; 216B.03; 216B.23*

**History:** 8 SR 2335

#### **7820.5400 REQUIREMENTS FOR IMPOSING LATE PAYMENT CHARGE.**

Subpart 1. **Compliance.** Before a utility may impose a late payment charge, the utility shall comply with the requirements in subparts 2 to 5.

Subp. 2. **Tariffs.** The utility shall file and have approved by the commission tariffs providing for the late payment charge and specifying the terms and conditions of the late payment charge. The filing must include substantiating documents and exhibits supporting the finance fee and grace periods proposed.

Subp. 3. **Bill content.** The utility shall clearly indicate upon each bill the terms and conditions of the late payment charge, including the date after which the late payment charge is applied, the amount of the late payment charge after the charge is actually applied, and the monthly and the annual percentage rate of the late payment charge.

Subp. 4. **Uniformity.** The utility shall administer its late payment charge in a nondiscriminatory manner.

Subp. 5. **Implementation.** Within 90 days of the effective date of this part, the utility shall comply with the tariff, bill content, and uniformity requirements of subparts 2 to 4.

**Statutory Authority:** *MS s 216A.05; 216B.03; 216B.23*

**History:** 8 SR 2335

#### **7820.5500 AMOUNT OF LATE PAYMENT CHARGE.**

Subpart 1. **Calculation.** A late payment charge imposed by a utility must be calculated as follows in subparts 2 to 4.

Subp. 2. **Minimum delinquent amount.** The utility shall not assess a late payment charge until the delinquent amount exceeds \$10.

Subp. 3. **Finance fee.** The utility may impose a finance fee no greater than 1-1/2 percent per monthly billing period on the delinquent amount.

Subp. 4. **Minimum finance fee.** The utility may impose a minimum finance fee no greater than \$1.

**Statutory Authority:** *MS s 216A.05; 216B.03; 216B.23*

**History:** 8 SR 2335

#### **7820.5600 CREDITING OF PAYMENTS.**

The utility shall credit all payments received against the oldest outstanding account balance before the application of any late payment charge.

**Statutory Authority:** *MS s 216A.05; 216B.03; 216B.23*

**History:** 8 SR 2335