

1 Minnesota Public Utilities Commission

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3 Adopted Rules Governing Utility Delinquency Charges

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5 Rules as Adopted

6 4 MCAR S 3.0317 Definitions.

7 A. Scope. The terms used in 4 MCAR SS 3.0317-3.0322 have
8 the meanings given them in this rule.

9 B. Delinquent ~~account~~ amount. "Delinquent ~~account~~ amount"
10 means the portion of a customer's account representing charges
11 for utility service or services past due. In the case of a
12 residential customer on either a ~~utility's~~ budget billing plan
13 or a payment schedule ~~under 4-MCAR-S-3-0299-G~~, "delinquent
14 ~~account~~ amount" means the lesser of the outstanding account
15 balance or the outstanding scheduled monthly-payment payments.

16 C. Late payment charge. "Late payment charge" means the
17 allowable charge a utility may impose upon a delinquent ~~account~~
18 amount.

19 D. Utility. "Utility" means a public utility as defined in
20 Minnesota Statutes, section 216B.02, as modified by Minnesota
21 Statutes, sections 216B.025 and 216B.026.

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

31 4 MCAR S 3.0318 Billing terms.

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

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1 which results from delinquent payment.

2 4 MCAR S 3.0319 Determination of delinquency.

3 A utility which chooses to impose a late payment charge on
4 its customers shall use two measures for determining when a
5 customer's bill is delinquent:

6 A. Residential customer. If a residential customer's
7 utility bill payment is not paid received by the utility by the
8 next scheduled billing date, which must be not less than 25 days
9 from the current billing date, a late payment charge may be
10 imposed. The current billing date must be no more than three
11 working days before the date of mailing of the bill by the
12 utility. The utility may print a due date on the bill which is
13 not more than five days before the next scheduled billing date.

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

20 4 MCAR S 3.0320 Requirements for imposing late payment charge.

21 Before a utility may impose a late payment charge, the
22 utility shall comply with the following requirements:

23 A. Tariffs. The utility shall file and have approved by the
24 commission tariffs providing for the late payment charge and
25 specifying the terms and conditions of the late payment charge.
26 The filing must include substantiating documents and exhibits
27 supporting the finance fee and grace periods proposed.

28 B. Bill content. The utility shall clearly indicate upon
29 each bill the terms and conditions of the late payment charge,
30 including the date after which the late payment charge is
31 applied, the amount of the late payment charge after the charge
32 is actually applied, and the monthly and the annual percentage
33 rate of the late payment charge.

34 C. Uniformity. The utility shall administer its late
35 payment charge in a nondiscriminatory manner.

1 D. Implementation. Within 90 days of the effective date of
2 this rule, the utility shall comply with the tariff, bill
3 content, and uniformity requirements of A.-C.

4 4 MCAR S 3.0321 Amount of late payment charge.

5 A late payment charge imposed by a utility must consist of
6 the following two components be calculated as follows:

7 A. Minimum delinquent amount. The utility shall not assess
8 a late payment charge until the delinquent amount exceeds \$10.

9 B. Finance fee. The utility may impose a finance fee no
10 greater than 1-1/2 percent per month monthly billing period on
11 the delinquent account amount.

12 ~~B. Collection~~ C. Minimum finance fee. The utility may
13 impose a ~~collection~~ minimum finance fee no greater than \$1.

14 4 MCAR S 3.0322 Crediting of payments.

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