

1 Public Utilities Commission

2

3 Adopted Permanent Rules Relating to Utility Service

4 Disconnection During Cold Weather

5

6 Rules as Adopted

7 7820.1500 PURPOSE AND AUTHORITY.

8 Parts 7820.1500 to 7820.2300 are prescribed by the  
 9 commission pursuant to Minnesota Statutes, chapter 216B, in its  
 10 entirety and in particular Minnesota Statutes, sections 216B.01,  
 11 216B.02, 216B.026, 216B.08, 216B.09, 216B.095, 216B.17, and  
 12 216B.23, and the Public Utilities Regulatory Policies Act of  
 13 1978, United States Code, title 15, sections 3201 et seq. and  
 14 United States Code, title 16, sections 2601 et seq. to prohibit  
 15 disconnection of a residential utility customer who is unable to  
 16 pay for utility service during cold weather months. Parts  
 17 7820.1500 to 7820.2300 do not relieve a residential customer's  
 18 responsibility for utility bills.

19 7820.1600 DEFINITIONS.

20 Subpart 1. [Unchanged.]

21 Subp. 1a. **Calendar days.** "Calendar days" means Mondays  
 22 through Sundays, including legal holidays. When calculating a  
 23 period of time under parts 7820.1500 to 7820.2300, if the last  
 24 day of the period falls on a legal holiday, that day shall be  
 25 omitted from the computation.

26 Subp. 2. [Unchanged.]

27 Subp. 2a. **Financial counseling provider.** "Financial  
 28 counseling provider" means an entity that provides budget  
 29 counseling and:

30 A. is affiliated with the National Foundation on  
 31 Consumer Credit Counseling or the Counsel on Accreditation of  
 32 Services for Families and Children, Inc.;

33 B. is licensed with the Minnesota Department of  
 34 Commerce to offer a debt prorating plan; or

35 C. has licensed social workers or staff registered



1 with the Board on Unlicensed Mental Health Providers.

2 Subp. 2b. **Household income.** "Household income" means the  
3 income, as defined in Minnesota Statutes, section 290A.03,  
4 subdivision 3, of a residential customer and all persons  
5 residing with the residential customer. Household income does  
6 not include any amount received for energy assistance.

7 Subp. 2c. **Local energy assistance provider.** "Local energy  
8 assistance provider" means a subgrantee for the purposes of  
9 implementing the low-income home energy assistance block grant  
10 as provided by Public Law Number 97-35, as amended.

11 Subp. 2d. **Monthly income.** "Monthly income" means the  
12 actual monthly income of all persons residing in the household,  
13 as defined in Minnesota Statutes, section 290A.03, subdivision  
14 3, of a residential customer. For a residential customer who is  
15 normally employed only on a seasonal basis and whose annual  
16 income is over 135 percent of the federal poverty level, as  
17 provided under Public Law Number 97-35, as amended, monthly  
18 income is the average monthly income of the residential customer  
19 computed on an annual calendar year basis added to the monthly  
20 income of all persons residing in the household. Monthly income  
21 does not include any amount received for energy assistance.

22 Subp. 3. **Notice of residential customer rights and**  
23 **possible assistance.** "Notice of residential customer rights and  
24 possible assistance" means a commission-approved,  
25 easy-to-understand explanation of the residential customer's  
26 rights and responsibilities under parts 7820.1500 to 7820.2300.

27 Subp. 3a. **185 percent of the federal poverty level.** "185  
28 percent of the federal poverty level" means 185 percent of the  
29 federal poverty level, as provided by Public Law Number 97-35,  
30 as amended.

31 Subp. 4. **Payment schedule.** "Payment schedule" means any  
32 mutually acceptable agreement between the residential customer  
33 and utility that provides for the payment of the balance of any  
34 outstanding bills and future bills for estimated usage during  
35 the period covered by the payment schedule. Payment schedule  
36 also means a budget payment plan pursuant to Minnesota Statutes,

1 section 325E.015. Payment schedule does not include the ten  
2 percent plan or a reconnection plan.

3 Subp. 4a. Reasonably on time with payments. "Reasonably  
4 on time with payments" means payment within seven calendar days  
5 of agreed-to payment dates.

6 Subp. 4b. Reconnection plan. "Reconnection plan" means a  
7 payment plan for a an income eligible residential customer whose  
8 service remains disconnected as of October 15 pursuant to part  
9 7820.2300.

10 Subp. 5. [Unchanged.]

11 Subp. 5a. Ten percent plan. "Ten percent plan" means  
12 payment by the residential customer to the utility of ten  
13 percent of the residential customer's monthly income or the full  
14 amount of the current month's utility bill, not including  
15 arrearages, pursuant to part 7820.1800, subpart 1, item B.

16 Subp. 6. [Unchanged.]

17 Subp. 6a. Utility. "Utility" means a public utility as  
18 defined in Minnesota Statutes, section 216B.02, as modified by  
19 Minnesota Statutes, section 216B.026. Utility also means a  
20 cooperative electric association when a complaint is filed under  
21 Minnesota Statutes, section 216B.17, subdivision 6a. Utility  
22 also means a municipally owned gas or electric utility for  
23 nonresident consumers of the municipally owned utility when a  
24 complaint is filed under Minnesota Statutes, section 216B.17,  
25 subdivision 6.

26 Subp. 7. [Unchanged.]

27 7820.1700 EARLY NOTIFICATION OF RIGHTS AND THIRD PARTY NOTICE  
28 OPTION.

29 All utilities shall include a "third party notice" and a  
30 commission-approved, easy-to-understand general statement of the  
31 protections of parts 7820.1500 to 7820.2300 annually as a  
32 separate mailing or in the monthly billing mailed to residential  
33 customers immediately prior to the commencement of the billing  
34 cycle which includes October 15. These notices shall also be  
35 provided to all new residential customers when they are first

1 provided service by the utility.

2 7820.1750 DEPOSITS AND DELINQUENCY CHARGES PROHIBITED.

3 No utility shall charge a deposit or delinquency charge to  
4 a residential customer who has:

5 A. declared to the utility inability to pay and is  
6 income eligible, or, if appealed, been determined by the  
7 commission to be unable to pay; or

8 B. requested from the utility the ten percent plan  
9 and is income eligible, or, if appealed, been determined by the  
10 commission to be eligible for the ten percent plan.

11 7820.1800 DISCONNECTION RESTRICTION FOR OCCUPIED RESIDENTIAL  
12 UNITS.

13 Subpart 1. Prohibited disconnection. No utility shall  
14 disconnect the service of any residential unit during "cold  
15 weather months," notwithstanding any other customer service  
16 rule, except part 7820.1100, if the disconnection would affect  
17 in any way the primary heat source of the residential unit and:

18 A. The residential customer, or any designated third  
19 party, has declared inability to pay and is income eligible, as  
20 provided in part 7820.1900; or, if appealed, the commission has  
21 determined the residential customer is unable to pay. To  
22 declare inability, the residential customer must meet the  
23 following requirements: the residential customer expresses  
24 willingness to enter into a mutually acceptable payment schedule  
25 for the current cold weather months, pursuant to part 7820.2100;  
26 and the residential customer was fully paid up or was reasonably  
27 on time with payments under a payment schedule as of the billing  
28 cycle immediately preceding the start of the current cold  
29 weather months; or

30 B. The residential customer, or any designated third  
31 party, requests the ten percent plan and is income eligible, as  
32 provided in part 7820.1900; or, if appealed, the commission has  
33 determined the residential customer is eligible for the ten  
34 percent plan. To request the ten percent plan, the residential  
35 customer must pay the utility at least the lesser of the

1 following amounts:

2 (1) ten percent of the residential customer's  
3 monthly income; or

4 (2) the full amount of the current month's  
5 utility bill not including arrearages.

6 Payment must be received within seven calendar days of the  
7 due date or regularly scheduled payment date or payment must be  
8 received by the date agreed upon by the utility and the  
9 residential customer; or

10 C. The residential customer has entered into a  
11 payment schedule and is reasonably on time with payments under  
12 the schedule.

13 Subp. 2. **Multiple utilities.** If a residential customer  
14 receives service from more than one utility, the ten percent  
15 amount in subpart 1, item B, subitem (1), must be prorated  
16 between utilities. The utility providing the major portion of  
17 the residential customer's total energy costs during the cold  
18 weather months shall receive 70 percent of the ten percent  
19 amount. Other utilities shall receive equal portions of the  
20 remaining 30 percent of the ten percent amount.

21 7820.1900 DECLARATION OF INABILITY TO PAY OR PLAN REQUEST.

22 Subpart 1. **Notice before disconnection of service.** Prior  
23 to disconnecting the service affecting the primary heat source  
24 of any residential unit for failure to make payment for such  
25 service, the utility shall serve, personally or by first class  
26 mail, the following upon the residential customer and any  
27 designated third party:

28 A. a commission-approved notice of proposed  
29 disconnection;

30 B. a commission-approved notice of residential  
31 customer rights and possible assistance which must include:

32 (1) for each county served by the utility, a list  
33 of the names and phone numbers of local energy assistance  
34 providers, weatherization providers, conservation providers, and  
35 other entities that assist residential customers in reducing the

1 consumption of energy;

2 (2) an explanation of no-cost and low-cost  
3 methods to reduce the consumption of energy, including, for  
4 example, lower thermostat and hot water heater settings, turn  
5 off lights and close off rooms not in use, reduce hot water  
6 usage, block drafts around doors, cover windows with plastic  
7 sheets, replace furnace filters, caulk, weather strip, install  
8 hot water heater wraps, and similar methods. The explanation  
9 shall also include, if applicable, a description of utility  
10 conservation services which could assist the residential  
11 customer in implementing these measures;

12 (3) an explanation of the residential customer's  
13 rights and responsibilities under part 7820.2010 and, for each  
14 county served by the utility, a list of the names and phone  
15 numbers of local energy assistance providers, financial  
16 counseling providers, and other entities from which the  
17 residential customer can receive budget counseling; and

18 (4) a written explanation of how utility payments  
19 will be prorated under the ten percent plan when the residential  
20 customer is served by multiple utilities;

21 C. a commission-approved, addressed, postage-prepaid  
22 form on which a residential customer, or any designated third  
23 party, shall state that the customer received budget counseling  
24 pursuant to part 7820.2010; and

25 D. a commission-approved, addressed, postage-prepaid  
26 form on which a residential customer, or any designated third  
27 party, may declare inability to pay or request the ten percent  
28 plan. The residential customer shall indicate on the form  
29 whether the customer receives any type of public assistance,  
30 including energy assistance, that uses household income  
31 eligibility ~~at or below~~ of less than 185 percent of the federal  
32 poverty level. The residential customer shall provide on the  
33 form:

34 (1) written consent to the utilities' exchange of  
35 billing information when the residential customer is served by  
36 multiple utilities;

1 (2) acknowledgment that the residential customer  
2 has received, read, and understood the notice served under item  
3 B; and

4 (3) a declaration that the information provided  
5 is true and correct.

6 Subp. 1a. Notice to local energy assistance provider. Upon  
7 receipt of a residential customer's declaration of inability to  
8 pay or request for the ten percent plan, the utility shall mail  
9 the following information to the local energy assistance  
10 provider:

- 11 A. the name and address of the residential customer;  
12 B. the expiration date of the notice of proposed  
13 disconnection and the date of proposed disconnection; and  
14 C. the amount due.

15 Subp. 1b. Income verification and appeal. If the  
16 residential customer does not receive any type of public  
17 assistance, including energy assistance, that uses household  
18 income eligibility ~~at-or-below~~ of less than 185 percent of the  
19 federal poverty level, and the utility does not have information  
20 sufficient to determine income eligibility without income  
21 verification, the utility shall notify the local energy  
22 assistance provider. The local energy assistance provider shall  
23 verify to the utility that the residential customer's household  
24 income is ~~at-or-below~~ less than 185 percent of the federal  
25 poverty level within 21 calendar days after the local energy  
26 assistance provider receives notification of the need to verify  
27 from the utility. The local energy assistance provider shall  
28 document its verification and, upon request, provide a copy to  
29 the commission. If the local energy assistance provider fails  
30 to verify income within 21 days, the utility may determine  
31 income eligibility based upon the information available to it.

32 If the local energy assistance provider or utility  
33 determines that the residential customer's household income is  
34 equal to or greater than 185 percent of the federal poverty  
35 level, the utility shall provide the residential customer and  
36 any designated third party with a commission-approved written

1 notice of the right to appeal the local energy assistance  
2 provider or utility determination. Any appeal must be made  
3 within seven working days after the residential customer's  
4 receipt of personally served notice, or for ten working days  
5 after the utility has deposited first class mail notice in the  
6 United States mail. In determining an appeal, the procedures  
7 set forth in part 7820.2000 shall apply. The determination  
8 shall be based upon 185 percent of the federal poverty level.

9 The utility shall not disconnect service while an appeal is  
10 pending, or until any appeal involving income verification has  
11 been determined by the commission. If no appeal is made by the  
12 residential customer or designated third party, the utility may  
13 disconnect service pursuant to the procedures and requirements  
14 of parts 7820.1000 to 7820.1400, 7820.2400, and 7820.2500.

15 Subp. 2. [Unchanged.]

16 Subp. 3. **Appeal of customer's declaration or request.** If  
17 the local energy assistance provider does not need to verify  
18 income or if the utility appeals on other grounds, the utility  
19 has 14 working days after receipt of the form from the  
20 residential customer to file an appeal. An appeal must be in  
21 writing, on forms prescribed by the commission. The utility  
22 shall not prevent any residential customer or designated third  
23 party from making a declaration or request. If it appeals, a  
24 copy of the appeal, and a commission-approved letter explaining  
25 that the residential customer may have service terminated, shall  
26 be mailed by the utility to the local welfare agency and the  
27 local energy assistance provider on the same day as the utility  
28 mails its appeal to the commission.

29 7820.2000 COMMISSION DETERMINATION OF DECLARATION OR REQUEST.

30 Subpart 1. **Determination of appeal.** All appeals of  
31 declarations of inability to pay or eligibility for the ten  
32 percent plan shall be determined on an informal basis by the  
33 commission within 30 calendar days after receipt of the  
34 utility's written appeal. The commission shall determine the  
35 residential customer's inability to pay or eligibility for the



1 ten percent plan based upon the following: a finding that the  
2 residential customer is in compliance with part 7820.1800, and a  
3 finding that the residential customer's household income is less  
4 than 185 percent of the federal poverty level.

5 In making its determination, the commission shall consider  
6 one or more of the following:

7 A. documentation of income verification by the local  
8 energy assistance provider, if applicable;

9 B. documentation that the residential customer is a  
10 recipient of any type of public assistance, including energy  
11 assistance, that uses household income eligibility in an amount  
12 ~~at or below~~ less than 185 percent of the federal poverty level;

13 C. the most recent income tax return(s) filed by  
14 members of the residential customer's household;

15 D. for each employed member of the residential  
16 customer's household, either paycheck stubs for the last two  
17 months or a written statement from the employer of wages earned  
18 during the preceding two months;

19 E. a medicaid card or food stamps eligibility  
20 document;

21 F. documentation that the residential customer is on  
22 a pension from the Department of Human Services, the Social  
23 Security Administration, the Veterans Administration or other  
24 pension providers;

25 G. a letter showing the residential customer's  
26 dismissal from a job or other documentation of unemployment; or

27 H. other documentation which supports the residential  
28 customer's declaration of inability to pay.

29 Subp. 2. Disconnection during 30-day appeal period. The  
30 utility shall not disconnect the service until expiration of the  
31 30-day appeal period. If the commission determines that the  
32 residential customer is able to pay or if the commission  
33 determines that the residential customer is not eligible for the  
34 ten percent plan, the utility may disconnect the service,  
35 pursuant to parts 7820.1000 to 7820.1400, 7820.2100, 7820.2400,  
36 and 7820.2500.

1 7820.2010 BUDGET COUNSELING.

2 Subpart 1. **Requirement.** The following residential  
3 customers shall receive budget counseling from a local energy  
4 assistance provider, financial counseling provider, or other  
5 entity that provides budget counseling such as a church,  
6 community group, or outreach worker employed by a public or  
7 private social service agency:

8 A. a residential customer who has declared inability  
9 to pay to the utility and is income eligible, or if appealed,  
10 has been determined by the commission to be unable to pay; and

11 B. a residential customer who has requested the ten  
12 percent plan from the utility and is income eligible, or if  
13 appealed, has been determined by the commission to be eligible  
14 for the ten percent plan.

15 A residential customer shall receive budget counseling  
16 within 90 calendar days after declaring inability to pay or  
17 requesting the ten percent plan. The residential customer and  
18 the local energy assistance provider, financial counseling  
19 provider, or other entity that provides budget counseling shall  
20 sign and date the form provided by the utility under part  
21 7820.1900, subpart 1. The residential customer shall mail the  
22 completed form to the utility. Budget counseling is not a  
23 prerequisite for protection under parts 7820.1800, 7820.1900,  
24 and 7820.2000.

25 Subp. 2. **Appeals.** Prior to disconnecting a residential  
26 customer for failure to receive budget counseling, the utility  
27 shall provide the residential customer and any designated third  
28 party with a commission-approved written notice of the right to  
29 appeal. Any appeal must be made within seven working days after  
30 the residential customer's receipt of personally served notice,  
31 or for ten working days after the utility has deposited first  
32 class mail notice in the United States mail. In determining an  
33 appeal, the procedures set forth in part 7820.2000 shall apply.

34 In determining an appeal, the commission shall consider  
35 whether the residential customer made a good faith effort to

1 obtain budget counseling.

2 The utility shall not disconnect service while an appeal is  
3 pending, or until any appeal involving budget counseling has  
4 been determined by the commission. If no appeal is made by the  
5 residential customer or designated third party, the utility may  
6 disconnect service pursuant to the procedures and requirements  
7 of parts 7820.1000 to 7820.1400, 7820.2400, and 7820.2500.

8 7820.2100 PAYMENT SCHEDULE.

9 Subpart 1. [Unchanged.]

10 Subp. 2. **Inability to pay.** The residential customer or  
11 third party should notify the utility immediately of any  
12 circumstances making it impossible for the residential customer  
13 to comply with the payment schedule and should propose specific  
14 modifications to the payment schedule. Upon receipt of a  
15 request for modification of a payment schedule, the utility  
16 shall consider changes in the residential customer's consumption  
17 pattern, utility rate increases effective since the date of the  
18 original schedule, and changes in the residential customer's  
19 financial circumstances. No residential customer who has  
20 declared inability to pay and is income eligible, or if  
21 appealed, has been determined to be unable to pay, shall be  
22 disconnected during cold weather months for failure to make  
23 payments under a payment schedule which applies to that period  
24 of time.

25 Subp. 3. **Appeals.** The utility shall provide the  
26 residential customer and any designated third party with a  
27 commission-approved written notice of the right to appeal to the  
28 commission when the utility and residential customer are unable  
29 to agree on the establishment, reasonableness or modification of  
30 a payment schedule, or on the reasonable timeliness of the  
31 payments under a payment schedule. Any appeal must be made  
32 within seven working days after the residential customer's  
33 receipt of personally served notice, or for ten working days  
34 after the utility has deposited first class mail notice in the  
35 United States mail. In determining an appeal, the procedures

1 set forth in part 7820.2000 shall apply. The determination  
2 shall be based upon 185 percent of the federal poverty level.

3 The utility shall not disconnect service while a payment  
4 schedule is pending appeal, or until any appeal involving  
5 payment schedules has been determined by the commission. If no  
6 appeal is made by the residential customer or designated third  
7 party and the residential customer has been determined to have  
8 the ability to pay the utility bill pursuant to part 7820.2000,  
9 the utility may disconnect service pursuant to the procedures  
10 and requirements of parts 7820.1000 to 7820.1400, 7820.2400, and  
11 7820.2500.

12 7820.2150 TEN PERCENT PAYMENT PLAN APPEALS.

13 The utility shall provide the residential customer and any  
14 designated third party with a commission-approved written notice  
15 of the right to appeal to the commission when the utility and  
16 residential customer are unable to agree on the timeliness of  
17 the payment or the proration among multiple utilities under the  
18 ten percent plan. Any appeal must be made within seven working  
19 days after the residential customer's receipt of personally  
20 served notice, or for ten working days after the utility has  
21 deposited first class mail notice in the United States mail. In  
22 determining an appeal, the procedures set forth in part  
23 7820.2000 shall apply.

24 The utility shall not disconnect service while an appeal  
25 under this part is pending, or until any appeal under this part  
26 has been determined by the commission. If no appeal is made by  
27 the residential customer or designated third party and the  
28 residential customer has been determined to be ineligible for  
29 the ten percent plan pursuant to part 7820.2000, the utility may  
30 disconnect service pursuant to parts 7820.1000 to 7820.1400,  
31 7820.2400, and 7820.2500.

32 7820.2200 DISCONNECTION OF POTENTIALLY UNOCCUPIED UNITS.

33 Subpart 1. [Unchanged.]

34 Subp. 2. **Notice.** If contact is made with the residential  
35 customer, the utility shall provide the residential customer

1 with the information required by part 7820.1900, subpart 1. If  
2 the residential customer declares inability to pay or requests  
3 the ten percent plan, parts 7820.1900 and 7820.2000 shall  
4 apply. At least seven working days before disconnecting the  
5 residential customer, the utility shall notify by telephone and  
6 a commission-approved letter the local welfare office and the  
7 local energy assistance provider of the proposed disconnection.

8 If the utility is unable to contact the residential  
9 customer, and it reasonably appears from the on-site inspections  
10 that the unit is unoccupied, the utility shall provide notice by  
11 first class mail to the recorded billing address of the  
12 residential customer. Such notice shall include an  
13 easy-to-understand explanation of the protections of this rule  
14 and the information required by part 7820.1900, subpart 1. If  
15 no response has been received by the utility after ten working  
16 days after the utility has deposited first class mail notice in  
17 the United States mail, the service may be disconnected,  
18 pursuant to parts 7820.1000 to 7820.1400, 7820.2400, and  
19 7820.2500.

20 Subp. 3. [Unchanged.]

21 7820.2300 RECONNECTION AT BEGINNING OF COLD WEATHER MONTHS.

22 Subpart 1. **Reinstatement of service.** The utility shall  
23 reinstate service which in any way affects the primary heat  
24 source of a residential unit if such service remains  
25 disconnected as of October 15 if the residential customer makes  
26 application for reinstatement and enters either a reconnection  
27 plan or a payment schedule. A residential customer may enter a  
28 reconnection plan only if the customer's monthly household  
29 income is less than 185 percent of the federal poverty level.

30 Subp. 2. **Reconnection plan.** Under a reconnection plan,  
31 the residential customer must pay the current utility bills and  
32 arrearages in monthly installments ~~until paid in full~~ during the  
33 cold weather months. Each monthly installment must not exceed  
34 ten percent of one-twelfth of the residential customer's annual  
35 income. The reconnection plan applies only to the cold weather

1 months.

2       Subp. 3. **Appeal of reconnection plan.** The utility shall  
3 provide the residential customer and any designated third party  
4 with a commission-approved written notice of the right to appeal  
5 to the commission when the utility and residential customer are  
6 unable to agree on the establishment, amount, or reasonable  
7 timeliness of the payments under a reconnection plan. Any  
8 appeal must be made within seven working days after the  
9 residential customer's receipt of personally served notice, or  
10 for ten working days after the utility has deposited first class  
11 mail notice in the United States mail. In determining an  
12 appeal, the procedures set forth in part 7820.2000 apply.

13       The utility shall not deny service while a reconnection  
14 plan is pending appeal, or until any appeal involving  
15 reconnection plans has been determined by the commission. If no  
16 appeal is made by the residential customer or designated third  
17 party, the utility may deny service.

18       Subp. 4. **Payment schedule.** Any residential customer  
19 disconnected as of October 15 shall have the same rights as  
20 provided in part 7820.2100, governing payment schedules.