

CHAPTER 7820
PUBLIC UTILITIES COMMISSION
UTILITY CUSTOMER SERVICE

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7820.1500 PURPOSE AND AUTHORITY.

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

Statutory Authority: *MS s 216B.08; 216B.095*

History: *14 SR 2714*

7820.1600 DEFINITIONS.

[For text of subpart 1, see M.R.]

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

[For text of subp 2, see M.R.]

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

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

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

C. has licensed social workers or staff registered with the Board on Unlicensed Mental Health Providers.

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

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

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

Subp. 3. **Notice of residential customer rights and possible assistance.** “Notice of residential customer rights and possible assistance” means a commission-approved, easy-to-understand explanation of the residential customer’s rights and responsibilities under parts 7820.1500 to 7820.2300.

Subp. 3a. **185 percent of the federal poverty level.** “185 percent of the federal poverty level” means 185 percent of the federal poverty level, as provided by Public Law Number 97-35, as amended.

Subp. 4. **Payment schedule.** “Payment schedule” means any mutually acceptable agreement between the residential customer and utility that provides for the payment of the balance of any outstanding bills and future bills for estimated usage during the period covered by the payment schedule. Payment schedule also means a budget payment plan pursuant to Minnesota Statutes, section 325E.015. Payment schedule does not include the ten percent plan or a reconnection plan.

Subp. 4a. **Reasonably on time with payments.** “Reasonably on time with payments” means payment within seven calendar days of agreed-to payment dates.

Subp. 4b. **Reconnection plan.** “Reconnection plan” means a payment plan for an income eligible residential customer whose service remains disconnected as of October 15 pursuant to part 7820.2300.

[For text of subp 5, see M.R.]

Subp. 5a. **Ten percent plan.** “Ten percent plan” means payment by the residential customer to the utility of ten percent of the residential customer’s monthly income or the full amount of the current month’s utility bill, not including arrearages, pursuant to part 7820.1800, subpart 1, item B.

[For text of subp 6, see M.R.]

Subp. 6a. **Utility.** “Utility” means a public utility as defined in Minnesota Statutes, section 216B.02, as modified by Minnesota Statutes, section 216B.026. Utility also means a cooperative electric association when a complaint is filed under Minnesota Statutes, section 216B.17, subdivision 6a. Utility also means a municipally owned gas or electric utility for nonresident consumers of the municipally owned utility when a complaint is filed under Minnesota Statutes, section 216B.17, subdivision 6.

[For text of subp 7, see M.R.]

Statutory Authority: *MS s 216B.08; 216B.095*

History: *14 SR 2714*

7820.1700 EARLY NOTIFICATION OF RIGHTS AND THIRD PARTY NOTICE OPTION.

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

Statutory Authority: *MS s 216B.08, 216B.095*

History: *14 SR 2714*

7820.1750 DEPOSITS AND DELINQUENCY CHARGES PROHIBITED.

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

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

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

Statutory Authority: *MS s 216B.08; 216B.095*

History: *14 SR 2714*

7820.1800 DISCONNECTION RESTRICTION FOR OCCUPIED RESIDENTIAL UNITS.

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

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

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

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

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

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

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

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

Statutory Authority: *MS s 216B.08; 216B.095*

History: *14 SR 2714*

7820.1900 DECLARATION OF INABILITY TO PAY OR PLAN REQUEST.

Subpart 1. Notice before disconnection of service. Prior to disconnecting the service affecting the primary heat source of any residential unit for failure to

make payment for such service, the utility shall serve, personally or by first class mail, the following upon the residential customer and any designated third party:

A. a commission-approved notice of proposed disconnection;

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

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

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

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

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

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

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

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

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

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

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

A. the name and address of the residential customer;

B. the expiration date of the notice of proposed disconnection and the date of proposed disconnection; and

C. the amount due.

Subp. 1b. Income verification and appeal. If the residential customer does not receive any type of public assistance, including energy assistance, that uses household income eligibility of less than 185 percent of the federal poverty level, and the utility does not have information sufficient to determine income eligibility without income verification, the utility shall notify the local energy assistance provider. The local energy assistance provider shall verify to the utility that the residential customer's household income is less than 185 percent of the federal

poverty level within 21 calendar days after the local energy assistance provider receives notification of the need to verify from the utility. The local energy assistance provider shall document its verification and, upon request, provide a copy to the commission. If the local energy assistance provider fails to verify income within 21 days, the utility may determine income eligibility based upon the information available to it.

If the local energy assistance provider or utility determines that the residential customer's household income is equal to or greater than 185 percent of the federal poverty level, the utility shall provide the residential customer and any designated third party with a commission-approved written notice of the right to appeal the local energy assistance provider or utility determination. Any appeal must be made within seven working days after the residential customer's receipt of personally served notice, or for ten working days after the utility has deposited first class mail notice in the United States mail. In determining an appeal, the procedures set forth in part 7820.2000 shall apply. The determination shall be based upon 185 percent of the federal poverty level.

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

[For text of subp 2, see M.R.]

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

Statutory Authority: *MS s 216B.08; 216B.095*

History: *14 SR 2714*

7820.2000 COMMISSION DETERMINATION OF DECLARATION OR REQUEST.

Subpart 1. Determination of appeal. All appeals of declarations of inability to pay or eligibility for the ten percent plan shall be determined on an informal basis by the commission within 30 calendar days after receipt of the utility's written appeal. The commission shall determine the residential customer's inability to pay or eligibility for the ten percent plan based upon the following: a finding that the residential customer is in compliance with part 7820.1800, and a finding that the residential customer's household income is less than 185 percent of the federal poverty level.

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

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

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

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

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

E. a medicaid card or food stamps eligibility document;

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

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

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

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

Statutory Authority: *MS s 216B.08; 216B.095*

History: *14 SR 2714*

7820.2010 BUDGET COUNSELING.

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

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

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

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

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

In determining an appeal, the commission shall consider whether the residential customer made a good faith effort to obtain budget counseling.

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

Statutory Authority: *MS s 216B.08; 216B.095*

History: *14 SR 2714*

7820.2100 PAYMENT SCHEDULE.*[For text of subpart 1, see M.R.]*

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

Subp. 3. **Appeals.** The utility shall provide the residential customer and any designated third party with a commission-approved written notice of the right to appeal to the commission when the utility and residential customer are unable to agree on the establishment, reasonableness or modification of a payment schedule, or on the reasonable timeliness of the payments under a payment schedule. Any appeal must be made within seven working days after the residential customer's receipt of personally served notice, or for ten working days after the utility has deposited first class mail notice in the United States mail. In determining an appeal, the procedures set forth in part 7820.2000 shall apply. The determination shall be based upon 185 percent of the federal poverty level.

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

Statutory Authority: *MS s 216B.08; 216B.095*

History: *14 SR 2714*

7820.2150 TEN PERCENT PAYMENT PLAN APPEALS.

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

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

Statutory Authority: *MS s 216B.08; 216B.095*

History: *14 SR 2714*

7820.2200 DISCONNECTION OF POTENTIALLY UNOCCUPIED UNITS.*[For text of subpart 1, see M.R.]*

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

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

[For text of subp 3, see M.R.]

Statutory Authority: *MS s 216B.08; 216B.095*

History: *14 SR 2714*

7820.2300 RECONNECTION AT BEGINNING OF COLD WEATHER MONTHS.

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

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

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

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

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

Statutory Authority: *MS s 216B.08; 216B.095*

History: *14 SR 2714*