

FOR BOARD ACTION

Agenda Item # 7

Meeting Date:

9/28/10

SUBJECT:

Update RPU Cold Weather Disconnect Policy

PREPARED BY:

Bryan Blom, Manager of Finance & Accounting

ITEM DESCRIPTION:

The current Board Policy Statement titled RPU Cold Weather Disconnect Policy refers to Minnesota Statute §216B.095 Disconnection During Cold Weather which has been repealed. Statute §216B.097 Cold Weather Rule; Cooperative or Municipal Utility is specific to municipal utilities and is the correct statute reference for RPU to use in the Board's RPU Cold Weather Disconnect Policy. The policy statement has been rewritten incorporating the requirements specified in §216B.097. The next Cold Weather Rule period begins October 15th. A copy of the revisions to the current policy is attached for your review.

FOR CAPITAL PURCHASES/BIDS/MAJOR PROJECTS:

Not Applicable

UTILITY BOARD ACTION REQUESTED:

Management recommends that the Board approve the revised Board Policy Statement "RPU Cold Weather Disconnect Policy" effective immediately.


General Manager


Date

ROCHESTER PUBLIC UTILITIES

ROCHESTER PUBLIC UTILITIES
BOARD POLICY STATEMENT

POLICY STATEMENT: RPU Cold Weather Disconnect Policy

POLICY OBJECTIVE:

The Board's objective is to ensure that residential customer accounts are protected during the cold weather period and follow the requirements of Minnesota Statute §216B.097. Minnesota Statute §216B.097 states that a municipal utility must not disconnect and must reconnect the utility service of a residential customer during the period between October 15 and April 15 if the disconnection affects the primary heat source for the residential unit and all of the conditions described in the statute are met. For the purposes of this policy, "disconnection" includes a service or load limiter or any device that limits or interrupts electric service in any way.

~~The Minnesota Public Utilities Commission has issued Cold Weather Rule (216B.095 as amended by Minnesota Laws 2001, Chapter 212, Article 4, section 1) which provides that from October 15 through April 15, a municipal utility cannot disconnect a residential utility customer for nonpayment if the disconnection would affect the primary heat source and if the established guidelines are followed.~~

POLICY STATEMENT:

Subdivision 1. Application; notice to residential customer.

Rochester Public Utilities (RPU) will not disconnect or will reconnect the utility service of a residential customer if the disconnection affects the primary heat source for the residential unit and when all of the following conditions are met:

- (1) The household income of the customer is at or below 50 percent of the state median household income. RPU may verify income on forms it provides or obtain verification of income from the local energy assistance provider. A customer is deemed to meet the income requirements of this clause if the customer receives any form of public assistance, including energy assistance, that uses an income eligibility threshold set at or below 50 percent of the state median household income. ~~coverage of customers whose household income is less than 50 percent of the state median income;~~
- (2) A customer enters into and makes reasonably timely payments under a payment agreement that considers the financial resources of the household. "Reasonably timely payment" means payment within five working days of agreed-upon due dates. ~~a requirement that a customer who pays the utility at least ten percent of the customer's income or the full amount of the utility bill,~~

~~whichever is less, in a cold weather month cannot be disconnected that month.~~

- (3) A customer receives referrals to energy assistance, weatherization, conservation, or other programs likely to reduce the customer's energy bills.

~~that the ten percent figure in clause (2) must be prorated between energy providers proportionate to each provider's share of the customer's total energy costs where the customer receives service from more than one provider;~~
RPU will, between August 15 and October 15 each year, notify all residential customers of the provisions of this policy section.

- ~~(4) verification of income by the local energy assistance provider or the utility, unless the customer is automatically eligible for protection against disconnection as a recipient of any form of public assistance, including energy assistance, that uses income eligibility in an amount at or below the income eligibility in clause (1);~~

- ~~(5) a requirement that the customer receive referrals to energy assistance, weatherization, conservation, or other programs likely to reduce the customer's energy bills; and~~

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- ~~(6) a requirement that customers who have demonstrated an inability to pay on forms provided for that purpose by the utility, and who make reasonably timely payments to the utility under a payment plan that consider the financial resources of the household, cannot be disconnected from utility service from October 15 through April 15. A customer who is receiving energy assistance is deemed to have demonstrated an inability to pay.~~

Subdivision 2. Notice to residential customer facing disconnection.

Before disconnecting service to a residential customer during the period between October 15 and April 15, RPU will provide the following information to a customer:

- (1) a notice of proposed disconnection;
- (2) a statement explaining the customer's rights and responsibilities;
- (3) a list of local energy assistance providers;
- (4) a form on which to declare inability to pay; and

- (5) a statement explaining available time payment plans and other opportunities to secure continued utility service.

~~Restrictions if disconnection is necessary~~

Subdivision 3. Restrictions if disconnection necessary.

(a) If a residential customer must be involuntarily disconnected between October 15 and April 15 for failure to comply with subdivision 1, the disconnection will not occur:

(1) on a Friday, unless the customer declines to enter into a payment agreement offered that day in person or via personal contact by telephone by a RPU representative;

(2) on a weekend, holiday, or the day before a holiday;

(3) when RPU offices are closed; or

(4) after the close of business on a day when disconnection is permitted, unless a field representative of RPU who is authorized to enter into a payment agreement, accept payment, and continue service, offers a payment agreement to the customer.

Further, the disconnection will not occur until at least 20 days after the notice required in subdivision 2 has been mailed to the customer or 15 days after the notice has been personally delivered to the customer.

(b) If a customer does not respond to a disconnection notice, the customer will not be disconnected until RPU investigates whether the residential unit is actually occupied. If the unit is found to be occupied, RPU will immediately inform the occupant of the provisions of this section. If the unit is unoccupied, RPU will give seven days' written notice of the proposed disconnection to the local energy assistance provider before making a disconnection, and RPU will also notify the City of Rochester Building Safety Department of an impending disconnection

(c) If, prior to disconnection, a customer appeals a notice of involuntary disconnection, as provided by RPU's established appeal procedure, RPU will not disconnect until the appeal is resolved.

~~If a residential customer must be involuntarily disconnected between October 15 and April 15 for failure to comply with the provisions of subdivision 1, the disconnection must not occur on a Friday or on the day before a holiday. Further, the disconnection must not occur until at least 20 days after the notice required in subdivision 2 has been mailed to the customer or 15 days after the notice has been personally delivered to the customer.~~

~~If the customer does not respond to a disconnection notice, the customer must not be disconnected until the utility investigates whether the residential unit is actually occupied. If the unit is found to be occupied, the utility must immediately inform the occupant of the provisions of this section. If the unit is unoccupied, the utility must give seven days~~

~~written notice of the proposed disconnection to the local energy assistance provider before making a disconnection.~~

~~The Utility will also notify Building and Safety of an impending disconnection.~~

~~If, prior to disconnection, a customer appeals a notice of involuntary disconnection the utility must not disconnect until the appeal is resolved.~~

Effective Date of Policy: September 10, 1991

Revised: ~~December 20, 2001~~ September 28, 2010

Board President

Date

ROCHESTER PUBLIC UTILITIES
BOARD POLICY STATEMENT

POLICY STATEMENT: RPU Cold Weather Disconnect Policy

POLICY OBJECTIVE:

The Board's objective is to ensure that residential customer accounts are protected during the cold weather period and follow the requirements of Minnesota Statute §216B.097. Minnesota Statute §216B.097 states that a municipal utility must not disconnect and must reconnect the utility service of a residential customer during the period between October 15 and April 15 if the disconnection affects the primary heat source for the residential unit and all of the conditions described in the statute are met. For the purposes of this policy, "disconnection" includes a service or load limiter or any device that limits or interrupts electric service in any way.

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- (2) A customer enters into and makes reasonably timely payments under a payment agreement that considers the financial resources of the household. "Reasonably timely payment" means payment within five working days of agreed-upon due dates.
- (3) A customer receives referrals to energy assistance, weatherization, conservation, or other programs likely to reduce the customer's energy bills.

RPU will, between August 15 and October 15 each year, notify all residential customers of the provisions of this policy section.

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Effective Date of Policy: September 10, 1991
Revised: September 28, 2010

Board President

Date