

Rep

H 2537

1.1 Senator moves to amend S.F. No. 2164 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "Section 1. [325E.0271] DEFINITIONS.

1.4 Subdivision 1. Scope. For the purposes of sections 325E.0271 to 325E.0276, the terms defined in this section have the meanings given them.

1.6 Subd. 2. Customer. "Customer" means a person who purchases or agrees to pay consideration for propane for residential heating service.

1.8 Subd. 3. LIHEAP. "LIHEAP" means the low-income home energy assistance program.

1.10 Subd. 4. Propane distributor. "Propane distributor" means a person who:

1.11 (1) sells propane at retail to customers as their primary residential heat source;

1.12 (2) received more than \$100,000 in payments from the LIHEAP program for propane delivered during the previous heating season; or

1.14 (3) received less than \$100,000 in payments from the LIHEAP program for propane delivered during the previous heating season, and meets one of the following conditions:

1.16 (i) markets propane under a single brand and the aggregate amount of payments

1.17 received from the LIHEAP program for propane delivered during the previous heating season by all entities selling propane under that brand exceeds \$100,000;

1.19 (ii) is incorporated as a cooperative association under chapter 308A or 308B; or

1.20 (iii) operates a pipeline, rail or pipeline terminal, or bulk plant at which propane is received.

1.22 For the purposes of this subdivision, "bulk plant" means an aboveground or underground tank facility with a storage capacity of more than 1,000 gallons that dispenses propane into cargo tanks for transportation and sale at another location.

1.25 Subd. 5. Residential heating service. "Residential heating service" means the provision of the primary source of heat for the interior of a residential structure.

1.27 Sec. 2. [325E.0272] PRICE AND FEE DISCLOSURE.

1.28 A propane distributor must provide a document listing the current per-gallon price of propane and all additional charges, fees, and discounts that pertain to residential heating service. The document must be:

1.31 (1) made available to the general public upon request; and

1.32 (2) provided to new customers before residential heating service is initiated.

1.33 Sec. 3. [325E.0273] BUDGET PAYMENT PLAN.

- 2.1 (a) A propane distributor who participates in the LIHEAP program must offer
- 2.2 a reasonable and effective budget payment plan to a customer whose payments for
- 2.3 residential heating service are current or who has entered into and is complying with a
- 2.4 contract with the propane distributor for residential heating service, without regard to the
- 2.5 length of time the customer has purchased propane from the propane distributor.
- 2.6 (b) A budget payment plan must equalize a customer's estimated annual propane bill
- 2.7 by dividing it into 11 equal monthly payments. Any positive balance remaining at the end
- 2.8 of a year may, at the customer's discretion, be provided to the customer as a cash payment
- 2.9 or carried over as a credit on the customer's bill for the following year.
- 2.10 (c) A propane distributor must notify a customer on a budget payment plan of a price
- 2.11 or fee change that may affect the monthly amount due under the budget payment plan
- 2.12 by more than 20 percent.

2.13 **Sec. 4. [325E.0274] PROPANE PURCHASE CONTRACTS.**

- 2.14 A propane distributor, as defined in section 1, is prohibited from adding any service,
- 2.15 distribution, transportation, or similar fees to customer billings for those customers
- 2.16 who have entered into a contract for prepurchasing or capitated pricing of propane for
- 2.17 the period between October 15 and April 15; provided that (1) the customer has met all
- 2.18 obligations of that contract; and (2) the propane dealer's supplier has not declared a "force
- 2.19 majeure" interrupting the distributor's supply.

2.20 **Sec. 5. [325E.0275] LOW-INCOME DISCRIMINATION PROHIBITION.**

- 2.21 A propane distributor must follow the rules established in section 325E.027 for
- 2.22 customer delivery participants of the low-income home energy assistance program if the
- 2.23 distributor has signed an agreement with the Department of Commerce for that program.

2.24 **Sec. 6. [325E.0276] TERMS OF SALE.**

- 2.25 Subdivision 1. **Minimum delivery.** (a) Between October 15 and April 15, a propane
- 2.26 distributor may not require a customer to purchase per delivery more than:
- 2.27 (1) 150 gallons of propane, if the customer's propane tank has a capacity below
- 2.28 500 gallons; or
- 2.29 (2) 300 gallons of propane, if the customer's propane tank has a capacity of 500
- 2.30 gallons or more.
- 2.31 (b) Except between October 15 and April 15, a propane distributor may not require a
- 2.32 customer to purchase per delivery more than the lesser of 250 gallons of propane or 50
- 2.33 percent of the capacity of the customer's propane tank.

- 3.1 Subd. 2. **Cash sales.** A propane distributor with an available supply of propane
- 3.2 must not refuse to sell propane to a customer who:
- 3.3 (1) pays the lawful price upon delivery in cash, by certified or cashier's check, or by
- 3.4 commercial money order or its equivalent; or
- 3.5 (2) receives energy assistance from LIHEAP or a governmental or private agency
- 3.6 that has funds available to pay for a delivery.
- 3.7 Subd. 3. **LIHEAP participation and payments.** A propane distributor who accepts
- 3.8 LIHEAP payments must, upon request, make available to its customers information
- 3.9 regarding LIHEAP, including income eligibility and contact information for organizations
- 3.10 accepting LIHEAP applications.
- 3.11 Subd. 4. **Third-party credit disclosure.** A propane distributor must not make
- 3.12 known the names of past or present delinquent customers to other propane distributors,
- 3.13 except in the course of a routine credit check performed when a prospective customer
- 3.14 applies for credit privileges.
- 3.15 Subd. 5. **Security deposits.** During the heating season, a propane distributor may
- 3.16 not require the customer to pay a security deposit as a condition of service. At all other
- 3.17 times, a security deposit may not exceed \$200.
- 3.18 Subd. 6. **Short-term loan program.** Prior to the commencement of the 2015
- 3.19 legislative session, the commissioner must submit to the legislature proposed legislation
- 3.20 creating a short-term loan program for persons in need of propane between October 15
- 3.21 and April 15 of any year and who are financially unable to purchase it. The program must:
- 3.22 (1) be state funded;
- 3.23 (2) require repayment within a short period of time; and
- 3.24 (3) be capable of rapidly making payments to distributors in consideration of the
- 3.25 loan recipient's circumstances, and be subject to audit and verification."
- 3.26 Delete the title and insert:
- 3.27 "A bill for an act
- 3.28 relating to energy; regulating terms of sale and service and the discontinuance of
- 3.29 service during the heating season with respect to residential propane customers;
- 3.30 requiring registration of and reporting by propane distributors; proposing coding
- 3.31 for new law in Minnesota Statutes, chapter 325E."

