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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH
SESSION

HOUSE FILE No. 2278

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Authored by Welti

The bill was read for the first time and referred to the Committee on Finance

1.1 A bill for an act
1.2 relating to energy; establishing propane prepurchase program in Department
1.3 of Commerce; providing consumer protections to delivered-fuel customers;
1.4 proposing coding for new law in Minnesota Statutes, chapters 216B; 325E.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. [216B.0951] PROPANE PREPURCHASE PROGRAM.

1.7 Subdivision 1. Establishment. The commissioner of commerce shall operate, or
1.8 contract to operate, a propane fuel prepurchase fuel program. The commissioner may
1.9 contract at any time of the year to purchase the lesser of one-third of the liquid propane
1.10 fuel consumed by low-income home energy assistance program recipients during the
1.11 previous heating season or the amount that can be purchased with available funds. The
1.12 propane fuel prepurchase program must be available statewide through each local agency
1.13 that administers the energy assistance program. The commissioner may decide to limit or
1.14 not engage in prepurchasing if the commissioner finds that there is a reasonable likelihood
1.15 that prepurchasing will not provide fuel-cost savings.

1.16 Subd. 2. Hedge account. The commissioner may establish a hedge account with
1.17 realized program savings due to prepurchasing. The account must be used to compensate
1.18 program recipients an amount up to the difference in cost for fuel provided to the recipient
1.19 if winter-delivered fuel prices are lower than the prepurchase or summer-fill price. No
1.20 more than ten percent of the aggregate prepurchase program savings may be used to
1.21 establish the hedge account.

1.22 Subd. 3. Report. The Department of Commerce shall issue a report by June 30,
1.23 2008, made available electronically on its Web site and in print upon request, that contains
1.24 the following information:

- 2.1 (1) the cost per gallon of prepurchased fuel;
2.2 (2) the total gallons of fuel prepurchased;
2.3 (3) the average cost of propane each month between October and the following April;
2.4 (4) the number of energy assistance program households receiving prepurchased
2.5 fuel; and
2.6 (5) the average savings accruing or benefit increase provided to energy assistance
2.7 households.

2.8 **Sec. 2. [325E.027] DELIVERED-FUEL CONSUMER PROTECTIONS.**

2.9 Subdivision 1. **Definitions.** The terms defined in this section have the meanings
2.10 given them.

2.11 (1) "Customer" means a person who contracts with a vendor for the delivery of
2.12 liquid propane gas, or number one or number two fuel oil.

2.13 (2) "Vendor" means a dealer or distributor of liquid propane gas, or number one
2.14 or number two fuel oil.

2.15 Subd. 2. **Service to energy assistance recipients.** No vendor may discontinue
2.16 service to, refuse to serve, or otherwise discriminate against any person based on receipt
2.17 of assistance from the Low Income Home Energy Assistance Program (LIHEAP).

2.18 Subd. 3. **Payment plans; purchasing options.** Vendors who offer budget billing
2.19 or other time payment plans or purchasing options, including keep-fill, pre-buy, and
2.20 summer-fill programs, must offer these programs to all customers.

2.21 Subd. 4. **Report.** A fuel oil and propane company with more than 300 customers
2.22 must report the following information for the 2007-2008 heating season to the
2.23 commissioner of commerce by May 31, 2008:

2.24 (1) total number of customers served;

2.25 (2) total number of customers receiving LIHEAP; and

2.26 (3) separate information for all residential customers and residential customers
2.27 receiving LIHEAP on the number of customers (i) refused delivery, (ii) on keep-fill, (iii)
2.28 currently on budget-billing or payment plans, and (iv) currently past due on their accounts.