



ADMINISTRATIVE RULES OF MONTANA



38.5.6004 SMALL CUSTOMER SERVICE CONTRACT

- (1) All rates, terms, and conditions for supply service must be provided to a small customer in a service contract, written in plain language. The service contract must include the letter of authorization required by ARM 38.5.6002 and the letter of authorization must be returned by the customer to the supplier before any supply service is provided. The front page of a service contract shall prominently and clearly disclose in a uniform information label prescribed by the commission and as available on the commission's internet web site:
 - (a) the length of time the contract will be in effect;
 - (b) the effective price for supply service, in price per either dekatherm or mcf, whichever billing unit is used by the distribution services provider, for various levels of consumption typical for the customer's customer segment;
 - (c) whether the price is fixed or variable and, if variable, a general description of the potential range and possible causes of price variations and the pricing formula or index, as applicable; and
 - (d) the toll-free telephone number for customer inquiries and the hours during which the customer can contact the supplier at that number.
- (2) The service contract must include the information required to appear on the information label and:
 - (a) an explanation of conditions under which the supplier will terminate the supply agreement;
 - (b) a prominent identification and explanation of any and all charges, fees and penalties; and
 - (c) a conspicuous disclosure that there is a 3-day grace period during which the customer may rescind the contract without penalty and explicit information how to do so.
- (3) No supplier, regulated distribution utility, transmission service provider, energy service provider, metering service provider, billing service provider, or other company or individual involved in the sale or delivery of natural gas, may disclose individual customer information to others without prior written consent from the customer except as provided by commission rule or order.
- (4) Small customers shall have a 3-day grace period from the time of entering into a service contract to notify the supplier of termination of the contract without incurring liability for supply services not consumed or taken under the contract. A supplier may not inform the distribution utility of the customer's decision to change suppliers until after the 3-day grace period elapses.
- (5) Small customers may terminate a service contract without incurring liability for supply services not consumed or taken under the contract by notifying the supplier that the customer is relocating

outside the geographic area served by the supplier, or is moving to a location where the customer is not responsible for payment of the service consumed.

- (6) A supplier must notify its affected customers, the commission and the distribution companies in writing at least 60 days prior to ceasing business under an existing license or terminating service to an entire customer segment.
- (7) The contract must clearly explain that distribution and transmission charges remain regulated, are not provided by the supplier, and shall identify which entity, the distribution utility or the supplier, will bill the customer for distribution and transmission charges.
- (8) Each supplier must provide its service contract to a customer upon request.
- (9) At least 60 days prior to the expiration date of the customer's service contract, the supplier must provide written notice to the customer of either:
 - (a) the existence and operation of an automatic renewal provision present in the customer's contract; or
 - (b) the need for the customer to affirmatively renew to retain service from the supplier at the end of the contract term.
- (10) If the service contract contains an automatic renewal provision, the supplier may not change the terms and conditions of the contract upon the renewal date unless the customer has been provided with written notice of the changes at least 60 days in advance of their effective date and of his or her right to change suppliers rather than renew the contract. With the written notice of contract changes, the supplier must provide the customer a letter of authorization approving the contract changes to return to the supplier. Without a signed letter of authorization, the supplier may not renew the contract.

Authorizing statute(s): 69-3-1404, MCA

Implementing statute(s): 69-3-1404, MCA

History: NEW, 1999 MAR p. 1233, Eff. 6/4/99; AMD, 2008 MAR p. 575, Eff. 3/28/08.