

# Important Information for New Mexico Propane Consumers

As a user of LP-Gas (propane) in New Mexico, you have certain choices available to you. The New Mexico Public Regulation Commission wants to ensure that you know about the options that are available in the event a question or problem arises.

## IF YOU HAVE ANY QUESTIONS OR COMPLAINTS PLEASE....

- Contact the propane dealer with whom you have a complaint or concern.
- If you are not satisfied with your dealer's response and you wish to pursue a complaint, contact the Consumer Relations Division (CRD) of the New Mexico Public Regulation Commission (NMPRC) at **1-888-4-ASK-PRC ( 1-888-427-5772)**. The CRD staff will help you with your complaint.
- Members of New Mexico tribes or pueblos requesting help with translation or with other matters may also contact the Commission's Native American Liaison at (505) 476-0319, who will contact the appropriate tribal or pueblo official for assistance.

Propane (also called LPG—liquefied petroleum gas—or LP gas) is a liquid fuel stored under pressure. In most systems, propane is vaporized to a gas before it leaves the tank. Propane is flammable when mixed with air (oxygen) and can be ignited by many sources, including open flames, smoking materials, electrical sparks, and static electricity. Severe “freeze burn” or frostbite can result if propane liquid comes in contact with your skin.

## TIPS FOR NEW AND EXISTING CONSUMERS

- A consumer may change propane dealers for any reason, unless the consumer has a contract to the contrary.
- A consumer's best protection is to become an informed consumer. A consumer should shop among competing dealers for a dealer who gives the consumer the best price and service for that particular consumer's circumstances and location.
- A consumer may request the current price for propane and any additional charges that may apply to its delivery.
- A dealer may charge different prices to different types of customers or for different types of delivery (for example, differences in frequency of fills or volume per fill).

- A dealer may adjust pricing with individual consumers as it deems necessary.
- Although a dealer is not required to advise all consumers about a pending rate change, a dealer shall disclose it to those consumers who ask.
- Propane prices often change daily. When a consumer places an order for propane, the dealer shall honor the quoted price for that delivery, even if the actual delivery is at some other date for reasons not caused by the consumer.
- A propane dealer may charge more for non-scheduled or irregular deliveries. A consumer should ask the propane dealer to explain all charges that may apply to a delivery.
- A dealer shall disclose in writing the annual tank rental fee if a consumer is renting a tank from a dealer, including fees for tank removal, propane pump-out, minimum fills, and partial fills.
- A consumer may use his/her own tank and regulator.
- A dealer shall not require a consumer to make a minimum purchase of more than 100 gallons at a time, but the consumer should ask the dealer if there are additional charges for these minimum fills.
- To avoid the stopping of deliveries for non-payment, consumers and dealers shall try to agree on a payment plan providing at least 45 days to pay the balance due.
- A consumer should verify that the person or company working on his/her LP-Gas equipment is licensed by the LP-Gas Bureau of the Construction Industries Division (CID) of the New Mexico Regulation and Licensing Department.
- The CID requires that dealers follow its safety rules. A dealer cannot put propane into any system that is found unsafe. A dealer may be required to inspect the premises and test the system if the dealer reasonably believes there is a safety issue or in order for the dealer to comply with regulations or insurance requirements. Consumers may call the CID at these numbers with safety-related questions: Santa Fe (505) 476-4700; Albuquerque (505) 222-9800; and Las Cruces (575) 524-6320.
- A consumer may apply for exemption from State taxation if the consumer is a tribal member residing on tribal land. The Native American Exemption Form may be obtained at the Commission's website (<http://www.nmprc.state.nm.us/>) under the heading "Native American Tax Exemptions," or by calling the Commission's Native American Liaison at (505) 476-0319.

**IT IS RECOMMENDED THAT ALL PROPANE CONSUMERS REGULARLY ASK THE FOLLOWING...**

**NOTE:** Because rates and policies differ among dealers, all consumers, including consumers considering switching to a new dealer, should be informed enough to ask a few key questions when negotiating propane contracts and billing arrangements:

- What am I being charged for propane delivery and services?
  - Is there a written description of services that will be provided?
  - Is there a deposit to initiate service?
  - Does the dealer require a credit check?
- What is the most economical method of purchasing propane?
  - Is this the best price available to me through your dealership?
  - Are there any purchase options, discounts, promotions, payment plans or arrangements available to me?
  - Is the price based on my annual usage, the area I live in, the quantity per delivery or other special circumstances or considerations?
  - What is the minimum amount of propane that I can purchase?
  - How long after delivery do I have to pay my bill?
  - Is there a penalty for late payment?
  - Is there an increase in the tank rental fee if I don't use as much gas as anticipated?
  - Is there a penalty fee charged if I don't use as much gas as anticipated?
- Do I have to call when I need gas or will a dealer schedule my deliveries? If I need to call, when do I need to call?
  - How often and on what days will I receive a delivery?
  - Do I have to be home when you deliver?
  - Does the dealer offer 24 hour emergency service?
  - How much will it cost to receive a delivery outside of my normal schedule?
  - Will my location present any special difficulties for deliveries in the winter months? If so, what should I do to make sure that I don't run out of propane during the winter months?
  - Are there any surcharges or additional charges added to my delivery?
- How do I know how much propane I have left in my tank?
- Does the dealer rent or sell propane tanks? Can the dealer give me the best price for each option?
- Is there a charge to install the tank and/or related equipment necessary to establish service?
- What happens if my system is not up to code?
- Does the dealer install and/or service LP-Gas appliances?

- Is there a charge to pick up a tank when service is cancelled?
  - Is there a charge to pump out any remaining propane?
  - What is the dealer's refund policy?
- Does the dealer participate in the Low Income Home Energy Assistance Program [LIHEAP]?

***Be sure to address any other concerns you may have that are not listed above!***

### **SERVICE TERMINATION RIGHTS AND OBLIGATIONS**

#### ***IF YOU CHANGE DEALERS, YOU HAVE THE RIGHT TO...***

- Have the dealer's rented tank removed from your property within 30 days after you have notified the dealer **in writing**. The fee for tank removal and/or propane pump-out, if any, should be disclosed in the agreement with your propane dealer.
- Be issued a refund within 30 days for any unused propane and tank rental minus any fees and balances due, if a refund is due to you under the terms of your agreement with the propane dealer.

#### ***IF YOU DISCONTINUE PROPANE SERVICE FOR ANY REASON, YOU HAVE THE OBLIGATION TO...***

Bring your propane system, including piping and gas appliances, up to applicable code at your expense before service can be re-established. Even if you are not discontinuing service and your propane dealer finds that your system is not up to the applicable code, the dealer has the right to discontinue propane service to you if you are unwilling to bring your system up to code.

#### **TIPS FOR PAYMENT PLAN OPTIONS**

Discuss payment plan options with your propane dealer. Most retail propane dealers offer payment plans that can help protect you against rising propane prices and seasonally higher bills. There may be a sign-up fee or a discount, so make sure you understand all the fees, discounts and costs before entering into any of these payment plans. Some of the common payment plans include:

1. Budget Plans: Budget plans spread your projected annual propane cost over many months, lowering the costs of seasonally higher bills. Typically your dealer will estimate your annual usage based on the size of your home, the number of people in your household, other heating sources, and the normal temperature you maintain in your home. The total cost for the anticipated propane use is generally calculated based on a fixed price per gallon. The total cost is spread evenly among payments over a year that typically ends as the heating season ends in spring. Normally, payments are adjusted in mid-winter. If you paid for more fuel than you used, your remaining payments will lower. If you used more than you paid for, your

remaining payments could be higher.

2. Pre-Buy Plans: These plans provide the opportunity to pre-purchase the propane you will need during the heating season at a fixed price, allowing you to know your expense ahead of time and avoid market spikes. Your dealer will continue to fill your tank until you have depleted your pre-purchased propane.
3. Price-Cap and Fixed-Price Plans: These programs often require an initial sign-up payment, after which you are charged a guaranteed per gallon price for the propane used during the heating season. Under a price-cap plan, your price will not exceed your established price-cap price per gallon but can go down if the current market price drops.

Propane dealers vary on which, if any, of these types of plans that they offer.

***Please make sure you understand the terms of any contract before you sign!***

## **HOME ENERGY ASSISTANCE**

The Low Income Home Energy Assistance Program (LIHEAP) assists income eligible New Mexico residents and families with their heating and cooling costs. LIHEAP is federally funded through the Department of Health and Human Services. The Federal government establishes funding levels annually. You can apply for LIHEAP at your local Human Services Department (HSD), Income Support Division (ISD) field office. Contact them by phone at **1-800-283-4465**, or online at [www.hsd.state.nm.us/isd/liheap/html](http://www.hsd.state.nm.us/isd/liheap/html). Some Tribes and Pueblos have their own LIHEAP program. Contact your local tribal or pueblo administering authority office for more information.

You can also find LIHEAP applications at the following locations:

Community Action Agency Offices - HELP New Mexico, Eastern Plains Community Action Agency, Mid-West Community Action Program, Southeast New Mexico Community Action Corporation, and other community organizations such as Senior Citizen Centers. Churches and other local community organizations often also provide emergency energy assistance.

**The NM Energy \$mart program** provides weatherization assistance to income eligible New Mexico homeowners and tenants. The program is designed to help make homes more energy efficient, allowing households to spend less on home energy bills. The program may pay for things like repair or replacement of broken windows, weather stripping, furnace repair or replacement, and similar measures. You can apply for weatherization assistance if you own or rent a house, apartment or mobile home. The program is coordinated and administered by the New Mexico Mortgage Finance Authority (MFA) and administered by four individual agencies located throughout New Mexico:

<p><b>Los Amigos Educational Resource Center</b> 1549 6th Street Santa Fe, NM 87505-3473 (505) 983-7743 or (888) 303-7743</p>	<p>Cibola, Colfax, Los Alamos, McKinley, Mora, Rio Arriba, San Juan, San Miguel, Santa Fe, Taos and the Pueblos of Acoma, Jicarilla Apache, Laguna, Nambe, Picuris, Pojoaque, San Ildefonso, Santa Clara, San Juan, Taos Tesuque and Zuni.</p>
<p><b>Central New Mexico Housing Corporation</b> 703 Osuna Rd. NE, Suite #2 Albuquerque, NM 87113 (505) 345-4949 or (877) 345- 4949</p>	<p>Bernalillo, Sandoval, Torrance, Valencia and the Pueblos of Cochiti, Isleta, Jemez, San Felipe, Sandia, Santa Ana, Santo Domingo and Zia.</p>
<p><b>Eastern Plains Council of Governments</b> 418 Main Street Clovis, NM 88101 (575) 762-7714 or (800) 784-9067</p>	<p>Curry, DeBaca, Guadalupe, Harding, Lea, Quay, Roosevelt and Union.</p>
<p><b>Community Action agency of Southern New Mexico</b> 3880 Foothills Road Las Cruces, NM 88011 (575) 527-8799 or (800) 657-8967</p>	<p>Catron, Chaves, Doña Ana, Eddy, Grant, Hidalgo, Lincoln, Luna, Otero, Sierra, Socorro, and the Pueblo of Mescalero Apache.</p>

*Revised December 2010*