

SENATE BILL NO. 1342

September 24, 1998, Introduced by Senator DUNASKISS and referred to the Committee on Technology and Energy.

A bill to regulate the distribution of electricity in this state; to restructure the electric industry; to prescribe the powers and duties of certain state agencies and officials; and to prescribe penalties and provide remedies.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. As used in this act:

2 (a) "Administrative procedures act of 1969" means 1969
3 PA 306, MCL 24.201 to 24.328.

4 (b) "Commission" means the Michigan public service commis-
5 sion in the department of consumer and industry services.

6 (c) "Consumer" or "customer" means an end-user of
7 electricity.

8 (d) "Contested case" means a proceeding as defined in
9 section 3 of the administrative procedures act of 1969,
10 MCL 24.203.

1 (e) "Electric utility" means a public utility that provided
2 electric service during the period of regulated monopoly
3 service.

4 (f) "Electricity distributor" or "distributor" means a
5 person or their lessees, trustees, and receivers, owning or oper-
6 ating equipment or facilities for delivering electricity to the
7 public for compensation.

8 (g) "Electricity generator" or "generator" means a person in
9 this state having generating capability to produce at least 1
10 megawatt of electricity for distribution to 1 or more persons not
11 affiliated with the generator.

12 (h) "Electricity supplier" or "supplier" means a person that
13 sells electricity and related services to electricity distribu-
14 tors, aggregators, or at retail to customers located in the serv-
15 ice territories of electricity distributors.

16 (i) "FERC" means the federal energy regulatory commission.

17 (j) "Kilowatt" means 1,000 watts.

18 (k) "Megawatt" means 1,000,000 watts.

19 (l) "Municipal electric utility" means an electric utility
20 owned by a municipality.

21 (m) "Municipality" means a city, county, township, or
22 village.

23 (n) "Person" means an individual, partnership, corporation,
24 association, governmental entity, or other legal entity.

25 Sec. 2. The commission shall administer this act.

1 Sec. 3. In addition to the other duties and powers
2 prescribed by this act, the commission shall do all of the
3 following:

4 (a) Establish for electricity distributors reasonable terms,
5 conditions, and rates for a regulated service.

6 (b) Require all electricity distributors to comply with the
7 standards required by this article.

8 (c) Promulgate by rules under the administrative procedures
9 act of 1969 the manner and form in which electricity distributors
10 within the state keep accounts, books of accounts, and records in
11 order for the commission to perform its duties and enforce the
12 requirements of this article.

13 (d) Promulgate rules necessary to implement this act.

14 (e) Fulfill its responsibilities with respect to the
15 restructuring of electricity utilities under this act.

16 Sec. 4. A proceeding before the commission under this act
17 shall be conducted as appropriate in the same manner as a pro-
18 ceeding under sections 10 and 24 of 1909 PA 300, MCL 462.10 and
19 462.24, section 7 of 1909 PA 106, MCL 460.557, section 8 of 1919
20 PA 419, MCL 460.58, and, for appeals, section 26 of 1909 PA 300,
21 MCL 462.26.

22 Sec. 5. If after notice and hearing the commission finds a
23 person has violated this act, the commission shall order remedies
24 and penalties to protect and make whole any persons who have suf-
25 fered an economic loss as a result of the violation, including,
26 but not limited to, 1 or more of the following:

1 (a) The person to pay a fine for the first offense of not
2 less than \$1,000.00 nor more than \$20,000.00 per day that the
3 person is in violation of this act, and for each subsequent
4 offense, a fine of not less than \$2,000.00 nor more than
5 \$40,000.00 per day.

6 (b) A refund to the customers of the electricity distributor
7 of any collected excessive rates.

8 (c) Cease and desist orders.

9 Sec. 6. (1) A proceeding before the commission on the
10 effective date of this act shall continue under this act.

11 (2) Except as otherwise provided by this act, this act does
12 not repeal or alter the content or effect of orders that were
13 issued by the commission before the effective date of this act.

14 (3) All complaints pending before the commission as of the
15 effective date of this act and all investigations, examinations,
16 proceedings, and cases undertaken, commenced, or instituted by
17 the commission before the effective date of this act may be
18 heard, conducted, and continued to final determination, and all
19 pending actions or proceedings brought by or against the commis-
20 sion may be prosecuted or defended in the same manner.

21 (4) This act shall not be construed as relieving any person
22 of any contractual obligations to which it would otherwise be
23 subject under section 11 of 1909 PA 300, MCL 462.11, or
24 PURPA contracts.

25 (5) This act shall not be construed to alter, amend, or void
26 any court interpretation or holding that existed on the effective
27 date of this act.