

SUBSTITUTE FOR

SENATE BILL NO. 1340

(As amended by the Senate, December 3, 1998)

A bill to amend 1909 PA 106, entitled

"An act to regulate the transmission of electricity through the public highways, streets and places of this state, where the source of supply and place of use are in the same or different counties; to regulate the charges to be made for electricity so transmitted; to regulate the rules and conditions of service under which said electricity shall be furnished and to confer upon the Michigan public utilities commission certain powers and duties in regard thereto,"

(MCL 460.551 to 460.559) by amending the title and by adding sections 10 and 11.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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TITLE

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An act to regulate the transmission AND DELIVERY of elec-

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tricity ~~through the public highways, streets and places of~~ IN

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this state; ~~, where the source of supply and place of use are in~~

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~~the same or different counties;~~ to regulate ~~the~~ CERTAIN

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1 charges ~~to be made~~ for THE TRANSMISSION OF electricity; ~~so~~
2 ~~transmitted;~~ to regulate the rules and conditions of PROVIDING
3 ELECTRICITY service; ~~under which said electricity shall be fur-~~
4 ~~nished and to confer upon the Michigan public utilities commis-~~
5 ~~sion certain powers and duties in regard thereto~~ TO PROVIDE FOR
6 CERTAIN RESTRUCTURING OF THE ELECTRIC INDUSTRY; AND TO PRESCRIBE
7 THE POWERS AND DUTIES OF CERTAIN STATE AGENCIES AND OFFICIALS.

8 Sec. 10. (1) THE COMMISSION SHALL BY ORDER ESTABLISH RATES,
9 TERMS, AND CONDITIONS OF SERVICE THAT ALLOW ALL CUSTOMERS OF
10 ELECTRIC UTILITIES TO CHOOSE AN ALTERNATIVE ELECTRIC SUPPLIER NO
11 LATER THAN JANUARY 1, 2002.

12 (2) AN ORDER ISSUED BY THE COMMISSION BEFORE THE EFFECTIVE
13 DATE OF THE AMENDATORY ACT THAT ADDED THIS SECTION THAT ALLOW
14 CUSTOMERS OF AN ELECTRIC UTILITY TO CHOOSE AN ALTERNATIVE ELECTRIC
15 SUPPLIER ARE IN COMPLIANCE WITH THIS ACT.

16 (3) THE COMMISSION SHALL ESTABLISH BY ORDER LICENSING
17 PROVISIONS TO ASSURE THAT ALTERNATIVE ELECTRIC SUPPLIERS HAVE THE
18 NECESSARY FINANCIAL, MANAGERIAL, AND TECHNICAL CAPABILITIES TO
19 PROVIDE ADEQUATE SERVICE TO CUSTOMERS AND THAT CUSTOMERS ARE NOT
20 SWITCHED TO AN ALTERNATIVE ELECTRIC SUPPLIER WITHOUT THE CUSTOMER'S
21 CONSENT. AN ALTERNATIVE ELECTRIC SUPPLIER SHALL NOT BE REQUIRED TO
22 OBTAIN ANY CERTIFICATE, LICENSE, OR AUTHORIZATION OTHER THAN AS
23 REQUIRED BY THIS SUBSECTION.

24 (4) IT IS THE INTENT OF THE LEGISLATURE THAT THE COMMISSION
25 ORDERS PURSUANT TO THIS SECTION INCLUDE BUT NOT BE LIMITED TO
26 EFFORTS TO PROVIDE RELIABLE AND LOWER COST COMPETITIVE RATES FOR ALL

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1 MICHIGAN CUSTOMERS WITH STRICT ANTI-SLAMMING PROVISIONS AND REQUIRED
2 DISCLOSURE OF ANY FEE, CHARGE, OR ASSESSMENT OF ANY KIND TO THE
3 CUSTOMER. THE LEGISLATURE RETAINS OVERSIGHT OVER THE ACTIONS TAKEN
4 BY THE COMMISSION.

5 (5) THIS SECTION DOES NOT APPLY TO A MUNICIPALLY OWNED
6 ELECTRIC UTILITY.

7 Sec. 11. AS USED IN THIS ACT, "ALTERNATIVE ELECTRIC SUPPLIER"
8 MEANS A PERSON SELLING ELECTRIC GENERATION SERVICE TO RETAIL
9 CUSTOMERS IN THIS STATE BUT NOT PHYSICALLY DELIVERING ELECTRICITY
10 DIRECTLY TO THOSE RETAIL CUSTOMERS.

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