

SENATE BILL NO. 1243

September 15, 1998, Introduced by Senator BYRUM and referred to the Committee on Technology and Energy.

A bill to provide for the recovery of certain employee retaining costs as the result of the restructuring of electric utilities; and to prescribe the powers and duties of certain state agencies and officials.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. As used in this act:

2 (a) "Aggregator" means a person who combines electric loads
3 of multiple retail customers or a single customer with multiple
4 sites to facilitate the provision of direct access electric serv-
5 ice to such retail customers.

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

8 (c) "Customer" means an end-user of electricity.

1 (d) "Contested case" means a proceeding as defined in
2 section 3 of the administrative procedures act of 1969, 1969 PA
3 306, MCL 24.203.

4 (e) "Direct access" means the decision of an electricity
5 customer to choose its electricity supplier and pay the electric-
6 ity distributor a reasonable rate to deliver the electricity to
7 the customer.

8 (f) "Electric utility" means a public utility that provided
9 electric service during the period of regulated monopoly
10 service.

11 (g) "Electricity distributor" or "distributor" means a
12 person or their lessees, trustees, and receivers, owning or oper-
13 ating equipment or facilities for delivering electricity to the
14 public for compensation.

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

19 (i) "Employee-related restructuring costs" means costs
20 incurred by an electric utility as part of restructuring under an
21 order of the commission or other law that are associated with,
22 but are not limited to, employee severance, retraining an
23 employee for a position with comparable skill and compensation
24 level, early retirement, outplacement, or similar activities.
25 Any costs relating to corporate officers shall not be included as
26 a cost under this act.

1 Sec. 2. After a contested case, the commission may
2 establish a charge for customers choosing direct access for any
3 employee-related restructuring costs approved by the commission
4 and incurred by an electric utility as a result of any order of
5 the commission or other law relating to the restructuring of the
6 electric utility. This act applies only to employees hired
7 before January 1, 1998.