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SFA

BILL ANALYSIS

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Senate Bill 1256 (as introduced 5-10-00)
Sponsor: Senator Mike Rogers
Committee: Technology and Energy

Date Completed: 5-16-00

CONTENT

The bill would amend the Public Service Commission (PSC) enabling Act to prohibit electric utilities and suppliers from shutting off service to eligible low-income or senior citizen customers under certain circumstances; require the PSC to establish an educational program concerning these requirements; and require the PSC to report annually to the Legislature and the Governor.

Shut-Off Protection

An electric utility or alternative electric supplier could not shut off service to an eligible customer during the heating season for nonpayment of a delinquent account if the customer were an eligible senior citizen customer or paid a monthly amount equal to 7% of the estimated annual bill and demonstrated that he or she applied for State or Federal heating assistance. If an arrearage existed at the time the customer applied for shut-off protection during the heating season, the utility or supplier would have to permit the customer to pay the arrearage in equal monthly installments between the date of application and the start of the subsequent heating season.

An electric utility or alternative supplier could shut off service to an eligible low-income customer who did not pay the monthly amounts, after giving notice as required by rules. The utility or supplier would not be required to offer a settlement agreement to an eligible low-income customer who failed to make monthly payments.

If a customer failed to comply with these provisions, an electric utility could shut off service on its own behalf or on behalf of an alternative supplier after giving the customer a notice that contained the following information:

- That the customer had defaulted on the winter protection plan.
- The nature of the default.
- That unless the customer made the past-due payments within 10 days of the date of mailing, the utility or supplier could shut off service.
- The date on or after which the utility or supplier could shut off service, unless the customer took appropriate action.
- That the customer would have the right to file a complaint disputing the utility's or supplier's claim before the date of the proposed shut-off.
- That the customer would have the right to request a hearing before a hearing officer if the complaint could not be otherwise resolved, and that the customer would have to pay to the utility or supplier that portion of the bill that was not in dispute within three days of the date the customer requested a hearing.
- That the customer would have the right to represent himself or herself, to be represented by an attorney, or to be assisted by any other person of his or her choice in the complaint process.
- That the utility or supplier would not shut off service pending the resolution of a complaint that was filed with the utility according to these provisions.

- The utility's or supplier's telephone number and address where the customer could make inquiry, enter into a settlement agreement, or file a complaint.
- That the customer should contact a social services agency immediately if the customer believed that he or she might be eligible for emergency economic assistance.
- That the utility or supplier would postpone shut-off of service if a medical emergency existed at the customer's residence.
- That the utility or supplier could require a deposit and restoration charge if the supplier shut off service for nonpayment of a delinquent account.

A regulated service provider would not be required to shut off service to an eligible customer for nonpayment to a competitive electric supplier.

The PSC would have to establish an educational program to ensure that eligible customers were informed of these requirements and benefits.

("Eligible customer" would mean an eligible low-income or eligible senior citizen customer. "Eligible low-income customer" would mean a customer whose household income did not exceed 150% of the Federal poverty level, or who received assistance from a State emergency relief program, food stamps, or Medicaid. "Eligible senior citizen customer" would mean a utility or supplier customer who was 65 years old or older and who advised the utility of his or her eligibility.)

Annual Report

By December 31 each year, the PSC would be required to file with the Governor and the Legislature a report including both of the following:

- Actions taken by the PSC to implement measures necessary to protect consumers from unfair or deceptive business practices by utilities, alternative electric suppliers, and other market participants.
- Information regarding consumer education programs, approved by the PSC, to inform consumers of all relevant information regarding the purchase of electricity and related services from alternative electric suppliers.

Proposed MCL 460.10t-460.10u

Legislative Analyst: S. Lowe

FISCAL IMPACT

The bill would require the PSC to report to the Legislature and to create an educational program for low income electric customers. Without information on a fund source for these programs, the fiscal impact of this bill is indeterminate.

Fiscal Analyst: M. Tyszkiewicz

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.