

# SENATE BILL No. 1256

May 10, 2000, Introduced by Senators ROGERS and DUNASKISS and referred to the Committee on Technology and Energy.

A bill to amend 1939 PA 3, entitled

"An act to provide for the regulation and control of public utilities and other services affected with a public interest within this state; to create a public service commission and to prescribe and define its powers and duties; to abolish the Michigan public utilities commission and to confer the powers and duties vested by law therein on the public service commission; to provide for the continuance, transfer, and completion of certain matters and proceedings; to abolish automatic adjustment clauses; to prohibit rate increases without notice and hearing; to qualify residential energy conservation programs permitted under state law for certain federal exemption; to provide for a restructuring of rates for certain utilities; to encourage the utilization of resource recovery facilities; to provide for appeals; to provide appropriations; to declare the effect of this act; to prescribe penalties; and to repeal all acts contrary to this act,"

(MCL 460.1 to 460.8) by adding sections 10t and 10u.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

- 1        SEC. 10T. (1) AN ELECTRIC UTILITY OR ALTERNATIVE ELECTRIC
- 2 SUPPLIER SHALL NOT SHUT OFF SERVICE TO AN ELIGIBLE CUSTOMER
- 3 DURING THE HEATING SEASON FOR NONPAYMENT OF A DELINQUENT ACCOUNT
- 4 IF THE CUSTOMER IS AN ELIGIBLE SENIOR CITIZEN CUSTOMER OR IF THE

1 CUSTOMER PAYS TO THE UTILITY OR SUPPLIER A MONTHLY AMOUNT EQUAL  
2 TO 7% OF THE ESTIMATED ANNUAL BILL FOR THE ELIGIBLE CUSTOMER AND  
3 THE ELIGIBLE CUSTOMER DEMONSTRATES, WITHIN 14 DAYS OF REQUESTING  
4 SHUTOFF PROTECTION, THAT HE OR SHE HAS APPLIED FOR STATE OR FED-  
5 ERAL HEATING ASSISTANCE. IF AN ARREARAGE EXISTS AT THE TIME AN  
6 ELIGIBLE CUSTOMER APPLIES FOR PROTECTION FROM SHUTOFF OF SERVICE  
7 DURING THE HEATING SEASON, THE UTILITY OR SUPPLIER SHALL PERMIT  
8 THE CUSTOMER TO PAY THE ARREARAGE IN EQUAL MONTHLY INSTALLMENTS  
9 BETWEEN THE DATE OF APPLICATION AND THE START OF THE SUBSEQUENT  
10 HEATING SEASON.

11 (2) AN ELECTRIC UTILITY OR ALTERNATIVE ELECTRIC SUPPLIER MAY  
12 SHUT OFF SERVICE TO AN ELIGIBLE LOW-INCOME CUSTOMER WHO DOES NOT  
13 PAY THE MONTHLY AMOUNTS REQUIRED UNDER SUBSECTION (1) AFTER  
14 GIVING NOTICE IN THE MANNER REQUIRED BY RULES. THE UTILITY OR  
15 SUPPLIER IS NOT REQUIRED TO OFFER A SETTLEMENT AGREEMENT TO AN  
16 ELIGIBLE LOW-INCOME CUSTOMER WHO FAILS TO MAKE THE MONTHLY PAY-  
17 MENTS REQUIRED UNDER SUBSECTION (1).

18 (3) IF A CUSTOMER FAILS TO COMPLY WITH THE TERMS AND CONDI-  
19 TIONS OF THIS SECTION, AN ELECTRIC UTILITY MAY SHUT OFF SERVICE  
20 ON ITS OWN BEHALF OR ON BEHALF OF AN ALTERNATIVE ELECTRIC SUP-  
21 PLIER AFTER GIVING THE CUSTOMER A NOTICE, BY PERSONAL SERVICE OR  
22 FIRST-CLASS MAIL, THAT CONTAINS ALL OF THE FOLLOWING  
23 INFORMATION:

24 (A) THAT THE CUSTOMER HAS DEFAULTED ON THE WINTER PROTECTION  
25 PLAN.

26 (B) THE NATURE OF THE DEFAULT.

1 (C) THAT UNLESS THE CUSTOMER MAKES THE PAYMENTS THAT ARE  
2 PAST DUE WITHIN 10 DAYS OF THE DATE OF MAILING, THE UTILITY OR  
3 SUPPLIER MAY SHUT OFF SERVICE.

4 (D) THE DATE ON OR AFTER WHICH THE UTILITY OR SUPPLIER MAY  
5 SHUT OFF SERVICE, UNLESS THE CUSTOMER TAKES APPROPRIATE ACTION.

6 (E) THAT THE CUSTOMER HAS THE RIGHT TO FILE A COMPLAINT DIS-  
7 PUTING THE CLAIM OF THE UTILITY OR SUPPLIER BEFORE THE DATE OF  
8 THE PROPOSED SHUTOFF OF SERVICE.

9 (F) THAT THE CUSTOMER HAS THE RIGHT TO REQUEST A HEARING  
10 BEFORE A HEARING OFFICER IF THE COMPLAINT CANNOT BE OTHERWISE  
11 RESOLVED AND THAT THE CUSTOMER SHALL PAY TO THE UTILITY OR SUP-  
12 PLIER THAT PORTION OF THE BILL THAT IS NOT IN DISPUTE WITHIN 3  
13 DAYS OF THE DATE THAT THE CUSTOMER REQUESTS A HEARING.

14 (G) THAT THE CUSTOMER HAS THE RIGHT TO REPRESENT HIMSELF OR  
15 HERSELF, TO BE REPRESENTED BY AN ATTORNEY, OR TO BE ASSISTED BY  
16 ANY OTHER PERSON OF HIS OR HER CHOICE IN THE COMPLAINT PROCESS.

17 (H) THAT THE UTILITY OR SUPPLIER WILL NOT SHUT OFF SERVICE  
18 PENDING THE RESOLUTION OF A COMPLAINT THAT IS FILED WITH THE  
19 UTILITY IN ACCORDANCE WITH THIS SECTION.

20 (I) THE TELEPHONE NUMBER AND ADDRESS OF THE UTILITY OR SUP-  
21 PLIER WHERE THE CUSTOMER MAY MAKE INQUIRY, ENTER INTO A SETTLE-  
22 MENT AGREEMENT, OR FILE A COMPLAINT.

23 (J) THAT THE CUSTOMER SHOULD CONTACT A SOCIAL SERVICES  
24 AGENCY IMMEDIATELY IF THE CUSTOMER BELIEVES HE OR SHE MIGHT BE  
25 ELIGIBLE FOR EMERGENCY ECONOMIC ASSISTANCE.

1 (K) THAT THE UTILITY OR SUPPLIER WILL POSTPONE SHUTOFF OF  
2 SERVICE IF A MEDICAL EMERGENCY EXISTS AT THE CUSTOMER'S  
3 RESIDENCE.

4 (l) THAT THE UTILITY OR SUPPLIER MAY REQUIRE A DEPOSIT AND  
5 RESTORATION CHARGE IF THE SUPPLIER SHUTS OFF SERVICE FOR NONPAY-  
6 MENT OF A DELINQUENT ACCOUNT.

7 (4) A REGULATED SERVICE PROVIDER IS NOT REQUIRED TO SHUT OFF  
8 SERVICE UNDER THIS SECTION TO AN ELIGIBLE CUSTOMER FOR NONPAYMENT  
9 TO A COMPETITIVE ELECTRIC SUPPLIER.

10 (5) THE COMMISSION SHALL ESTABLISH AN EDUCATIONAL PROGRAM TO  
11 ENSURE THAT ELIGIBLE CUSTOMERS ARE INFORMED OF THE REQUIREMENTS  
12 AND BENEFITS OF THIS SECTION.

13 (6) AS USED IN THIS SECTION:

14 (A) "ELIGIBLE CUSTOMER" MEANS EITHER AN ELIGIBLE LOW-INCOME  
15 CUSTOMER OR AN ELIGIBLE SENIOR CITIZEN CUSTOMER.

16 (B) "ELIGIBLE LOW-INCOME CUSTOMER" MEANS A CUSTOMER WHOSE  
17 HOUSEHOLD INCOME DOES NOT EXCEED 150% OF THE POVERTY LEVEL, AS  
18 PUBLISHED BY THE UNITED STATES DEPARTMENT OF HEALTH AND HUMAN  
19 SERVICES, OR WHO RECEIVES ANY OF THE FOLLOWING:

20 (i) ASSISTANCE FROM A STATE EMERGENCY RELIEF PROGRAM.

21 (ii) FOOD STAMPS.

22 (iii) MEDICAID.

23 (C) "ELIGIBLE SENIOR CITIZEN CUSTOMER" MEANS A UTILITY OR  
24 SUPPLIER CUSTOMER WHO IS 65 YEARS OF AGE OR OLDER AND WHO ADVISES  
25 THE UTILITY OF HIS OR HER ELIGIBILITY.

1           SEC. 10U. THE COMMISSION SHALL FILE A REPORT WITH THE  
2 GOVERNOR AND LEGISLATURE BY DECEMBER 31 OF EACH YEAR THAT SHALL  
3 INCLUDE BOTH OF THE FOLLOWING:

4           (A) ACTIONS TAKEN BY THE COMMISSION TO IMPLEMENT MEASURES  
5 NECESSARY TO PROTECT CONSUMERS FROM UNFAIR OR DECEPTIVE BUSINESS  
6 PRACTICES BY UTILITIES, ALTERNATIVE ELECTRIC SUPPLIERS, AND OTHER  
7 MARKET PARTICIPANTS.

8           (B) INFORMATION REGARDING CONSUMER EDUCATION PROGRAMS,  
9 APPROVED BY THE COMMISSION, TO INFORM CONSUMERS OF ALL RELEVANT  
10 INFORMATION REGARDING THE PURCHASE OF ELECTRICITY AND RELATED  
11 SERVICES FROM ALTERNATIVE ELECTRIC SUPPLIERS.