

# SENATE BILL No. 1363

November 8, 2012, Introduced by Senator KAHN and referred to the Committee on Energy and Technology.

A bill to amend 2010 PA 297, entitled  
"Energy for economic development act of 2010,"  
by amending section 5 (MCL 460.995).

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 5. (1) If an electric utility has executed a written  
2 contract with an industrial customer providing for an increase in  
3 connected load at a single premises of at least 70,200,000 kilowatt  
4 hours over 12 consecutive months pursuant to an economic  
5 development tariff provision approved by the commission as of  
6 October 6, 2008, the commission shall not take any action that  
7 would alter the rates, terms, conditions, duration, or  
8 enforceability of that tariff. Such prohibited actions include, but  
9 are not limited to, an order that would eliminate, phase out, or

1 otherwise modify the economic development tariff provision in a  
2 manner that would allow or require an electric utility to alter the  
3 rates, terms, conditions, duration, or enforceability of a contract  
4 entered into pursuant to the economic development tariff.

5       (2) IF AN ELECTRIC UTILITY HAS EXECUTED A WRITTEN CONTRACT  
6 WITH A CUSTOMER AS DESCRIBED IN SUBSECTION (1), THAT ELECTRIC  
7 UTILITY AND CUSTOMER HAVE THE RIGHT TO NEGOTIATE A NEW CONTRACT TO  
8 PROVIDE THE CUSTOMER WITH THE SAME OR SIMILAR RATES FOLLOWING THE  
9 EXPIRATION OF THE INITIAL CONTRACT. THE COMMISSION SHALL NOT TAKE  
10 ANY ACTION WHICH WOULD DISAPPROVE, MODIFY, OR OTHERWISE LIMIT THE  
11 ENFORCEABILITY OF THAT CONTRACT.

12       (3) ~~(2)~~—If an electric utility has executed a written contract  
13 with a customer as described in subsection (1) **OR SUBSECTION (2)**,  
14 the commission shall, after ~~the effective date of this act,~~  
15 **DECEMBER 16, 2010**, allow the utility to fully recover in a general  
16 rate case using a projected test year from all of its other  
17 electric ratepayers in all classes the full amount of the  
18 difference, if any, between the total projected revenue pursuant to  
19 the economic development tariff **OR NEW CONTRACT** and the utility's  
20 cost to provide service to that customer pursuant to the economic  
21 development tariff **OR NEW CONTRACT**, both as determined by the  
22 commission using the method in the most recent general rate case  
23 for the utility. The utility's recovery of that difference shall be  
24 based on the cost allocation method identified in section 11(1) of  
25 1939 PA 3, MCL 460.11.

26       (4) ~~(3)~~—If there is a conflict between this act and any other  
27 act of this state, this act controls.

1 ~~———— (4) This act is repealed effective December 1, 2015.~~