

SENATE BILL No. 936

May 14, 2014, Introduced by Senators JONES, WHITMER and HUNE and referred to the Committee on Energy and Technology.

A bill to amend 1939 PA 3, entitled

"An act to provide for the regulation and control of public and certain private utilities and other services affected with a public interest within this state; to provide for alternative energy suppliers; to provide for licensing; to include municipally owned utilities and other providers of energy under certain provisions of this act; 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 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 certain rate increases without notice and hearing; to qualify residential energy conservation programs permitted under state law for certain federal exemption; to create a fund; to provide for a restructuring of the manner in which energy is provided in this state; to encourage the utilization of resource recovery facilities; to prohibit certain acts and practices of providers of energy; to allow for the securitization of stranded costs; to reduce rates; to provide for appeals; to provide appropriations; to declare the effect and purpose of this act; to prescribe remedies and penalties; and to repeal acts and parts of acts,"

(MCL 460.1 to 460.11) by adding section 9u.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 9U. (1) A PROVIDER'S GOVERNING BOARD SHALL CONSIST OF 8
2 MEMBERS. MEMBERS OF A GOVERNING BOARD SHALL BE APPORTIONED AMONG
3 THE MUNICIPALITIES SERVED BY THAT PROVIDER BASED ON THE PERCENTAGE
4 OF PEAK LOAD USED BY EACH MUNICIPALITY, BUT EACH MUNICIPALITY
5 SERVED SHALL HAVE AT LEAST 1 MEMBER. EACH MUNICIPALITY'S CHIEF
6 EXECUTIVE SHALL APPOINT THE MEMBERS APPORTIONED TO THAT
7 MUNICIPALITY. THE BOARD SHALL INCLUDE EACH OF THE FOLLOWING:

8 (A) AT LEAST 1 BOARD MEMBER APPOINTED TO A BOARD SHALL BE A
9 PROFESSIONAL ENGINEER LICENSED UNDER ARTICLE 20 OF THE OCCUPATIONAL
10 CODE, 1980 PA 299, MCL 339.2001 TO 339.2014.

11 (B) AT LEAST 1 BOARD MEMBER APPOINTED TO A BOARD SHALL BE A
12 CERTIFIED PUBLIC ACCOUNTANT WHO IS LICENSED AS A CERTIFIED PUBLIC
13 ACCOUNTANT UNDER ARTICLE 7 OF THE OCCUPATIONAL CODE, 1980 PA 299,
14 MCL 339.720 TO 339.736.

15 (C) AT LEAST 1 BOARD MEMBER APPOINTED TO A BOARD SHALL BE AN
16 ATTORNEY LICENSED TO PRACTICE IN THIS STATE.

17 (2) A PROVIDER SHALL APPORTION ANY PROFIT MADE BY THAT
18 PROVIDER AMONG THE MUNICIPALITIES SERVED BY THAT PROVIDER BASED ON
19 THE PERCENTAGE OF PEAK LOAD USED BY EACH MUNICIPALITY.

20 (3) EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, A PROVIDER
21 SHALL HAVE ELECTRIC RATES EQUAL TO THE COST OF PROVIDING SERVICE TO
22 EACH CUSTOMER CLASS. THE COST OF PROVIDING SERVICE TO EACH CUSTOMER
23 CLASS SHALL BE BASED ON THE ALLOCATION OF PRODUCTION-RELATED AND
24 TRANSMISSION COSTS BASED ON USING THE 50-25-25 METHOD OF COST
25 ALLOCATION. NOTWITHSTANDING ANY OTHER PROVISION OF THIS ACT, A

1 PROVIDER MAY ESTABLISH ELIGIBLE LOW-INCOME CUSTOMER OR ELIGIBLE
2 SENIOR CITIZEN CUSTOMER RATES.

3 (4) BEGINNING ON THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT
4 ADDED THIS SECTION, A PROVIDER SHALL NOT ENTER INTO A MULTIYEAR
5 CONTRACT WITH THE PROVIDER'S DIRECTOR OR ANY MEMBER OF THE
6 PROVIDER'S EXECUTIVE MANAGEMENT TEAM.

7 (5) A PROVIDER SHALL CREATE AN EMERGENCY RESPONSE AND
8 COMMUNICATIONS PLAN. THE PLAN SHALL COMPLY WITH THE NATIONAL
9 INCIDENT MANAGEMENT SYSTEM

10 (6) AS USED IN THIS SECTION:

11 (A) "ELIGIBLE LOW-INCOME CUSTOMER" MEANS THAT TERM AS DEFINED
12 IN SECTION 10T.

13 (B) "ELIGIBLE SENIOR CITIZEN CUSTOMER" MEANS THAT TERM AS
14 DEFINED IN SECTION 10T.

15 (C) "PROVIDER" MEANS A MUNICIPALLY OWNED ELECTRIC UTILITY
16 OWNED BY A CITY WITH A POPULATION OF MORE THAN 100,000 BUT LESS
17 THAN 150,000.