

# HOUSE BILL No. 5415

January 24, 1990, Introduced by Reps. Jacobetti, Gagliardi, Harrison, Ostling, Stupak, Sofio, Bartnik, Alley, DeBeaussaert, Brown, Emerson, Allen, Maynard, Hart, Mathieu and Joe Young, Sr. and referred to the Committee on Appropriations.

A bill to amend section 6 of Act No. 3 of the Public Acts of 1939, entitled as amended

"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,"

as amended by Act No. 50 of the Public Acts of 1980, being section 460.6 of the Michigan Compiled Laws; and to add section 6p.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 6 of Act No. 3 of the Public Acts of  
2 1939, as amended by Act No. 50 of the Public Acts of 1980, being

1 section 460.6 of the Michigan Compiled Laws, is amended and  
2 section 6p is added to read as follows:

3       Sec. 6. (1) The public service commission is vested with  
4 complete power and jurisdiction to regulate all public utilities  
5 in the state except a municipally owned utility, EXCEPT the owner  
6 of a renewable resource power production facility as provided in  
7 section 6d, and except as otherwise restricted by law. The  
8 public service commission is vested with the power and jurisdic-  
9 tion to regulate all rates, fares, fees, charges, services,  
10 rules, conditions of service, and all other matters pertaining to  
11 the formation, operation, or direction of ~~such~~ THOSE public  
12 utilities. The public service commission is further granted the  
13 power and jurisdiction to hear and pass upon all matters pertain-  
14 ing to, necessary, or incident to the regulation of all public  
15 utilities, including electric light and power companies, whether  
16 private, corporate, or cooperative, gas companies, water, tele-  
17 phone, telegraph, oil, gas, and pipeline companies, WHOLESALERS  
18 OF FUEL OIL, PROPANE, OR OTHER HOME HEATING FUELS, motor carri-  
19 ers, and all public transportation and communication agencies  
20 other than railroads and railroad companies.

21       (2) The commission ~~shall have~~ HAS the same measure of  
22 authority with respect to railroads and railroad companies as is  
23 granted and conferred under the various provisions of law creat-  
24 ing the Michigan railroad commission and its successor, the  
25 Michigan public utilities commission, and defining their powers  
26 and duties.

1        SEC. 6P. (1) AS USED IN THIS SECTION, "HOME FUEL  
2 WHOLESALE" MEANS A WHOLESALE OF FUEL OIL, PROPANE, OR OTHER  
3 HOME HEATING FUEL. IT DOES NOT INCLUDE WHOLESALERS OF NATURAL  
4 GAS OTHERWISE REGULATED BY THE COMMISSION.

5        (2) WITHIN 60 DAYS OF THE EFFECTIVE DATE OF THE AMENDATORY  
6 ACT ADDING THIS SECTION, A HOME FUEL WHOLESALE SHALL FILE WITH  
7 THE COMMISSION RATE SCHEDULES SHOWING ITS PRICE FOR DELIVERY OF  
8 HOME HEATING FUELS AND RELATED CHARGES ON NOVEMBER 1, 1989.

9        (3) A HOME FUEL WHOLESALE SHALL NOT INCREASE ITS RATES OR  
10 CHARGES, OR CHANGE A RATE SCHEDULE TO INCREASE THE COST OF SERV-  
11 ICE TO ITS CUSTOMERS, WITHOUT A COMMISSION ORDER. THE HOME FUEL  
12 WHOLESALE SHALL INCLUDE IN ITS APPLICATION FOR AN ORDER THE  
13 FACTS RELIED UPON TO SUPPORT THE INCREASE OR CHANGE. THE HOME  
14 FUEL WHOLESALE SHALL GIVE NOTICE OF ITS APPLICATION WITHIN THE  
15 SERVICE AREA TO BE AFFECTED, AS THE COMMISSION ORDERS. THE  
16 NOTICE SHALL GIVE INTERESTED PARTIES AN OPPORTUNITY TO REQUEST A  
17 HEARING ON THE APPLICATION. THE COMMISSION MAY ORDER A HEARING  
18 ON ITS OWN MOTION. THE COMMISSION TECHNICAL STAFF SHALL INVESTI-  
19 GATE THE APPLICATION AND REPORT. FOLLOWING THE REPORT, AND PEND-  
20 ING SUBMISSION OF EVIDENCE BY INTERESTED PARTIES, THE COMMISSION  
21 MAY ENTER AN ORDER GRANTING PARTIAL AND IMMEDIATE RELIEF.  
22 FOLLOWING THE HEARING, OR IF NO HEARING IS REQUESTED OR ORDERED,  
23 THE COMMISSION SHALL ENTER ITS FINAL ORDER BASED ON THE HOME FUEL  
24 WHOLESALE APPLICATION, THE COMMISSION TECHNICAL STAFF REPORT,  
25 AND ANY EVIDENCE RECEIVED.

26        (4) IF THE HOME FUEL WHOLESALE SEEKS AN INCREASE OR CHANGE  
27 BASED ON OR REQUIRED BY THE PRICE OF A HOME HEATING FUEL THAT IS

1 PRICE-REGULATED BY A FEDERAL AGENCY, THE COMMISSION SHALL RECEIVE  
2 IN EVIDENCE THE RATES, CHARGES, SCHEDULES, ORDERS, OR SIMILAR  
3 MATERIAL BY WHICH THE FEDERAL AGENCY REGULATED THE PRICE.

4 (5) THE COMMISSION SHALL EXPEDITE THE HEARING AND FINAL  
5 ORDER ON A HOME FUEL WHOLESALER'S APPLICATION. THE COMMISSION  
6 MAY ADOPT RULES AND PROCEDURES FOR FILING, INVESTIGATING, AND  
7 HEARING HOME FUEL WHOLESALER APPLICATIONS THAT IT FINDS NECESSARY  
8 OR APPROPRIATE.

9 (6) A HOME FUEL WHOLESALER MAY DECREASE ITS RATES OR  
10 CHARGES, OR CHANGE A RATE SCHEDULE SO THAT NO INCREASE IN THE  
11 COST OF SERVICE TO ITS CUSTOMERS RESULTS, WITHOUT AN APPLICATION  
12 UNDER THIS SECTION. THE HOME FUEL WHOLESALER SHALL FILE THE  
13 DECREASE OR CHANGE WITH THE COMMISSION.