

HOUSE BILL No. 4142

February 7, 1991, Introduced by Reps. Stallworth, DeMars, Bartnik, Murphy, Dobronski, Baade, Saunders, Willis Bullard, Hoffman and Middaugh and referred to the Committee on Public Utilities.

A bill to amend sections 1, 3, 4, 5, 6, and 17 of Act No. 19 of the Public Acts of 1967, entitled

"An act to regulate water companies and the sale and distribution of water within the state; to provide a method of review of public service commission orders relating thereto; and to prescribe penalties for the violation hereof,"

section 1 as amended by Act No. 258 of the Public Acts of 1986, being sections 486.551, 486.553, 486.554, 486.555, 486.556, and 486.567 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Sections 1, 3, 4, 5, 6, and 17 of Act No. 19 of
2 the Public Acts of 1967, section 1 as amended by Act No. 258 of
3 the Public Acts of 1986, being sections 486.551, 486.553,
4 486.554, 486.555, 486.556, and 486.567 of the Michigan Compiled
5 Laws, are amended to read as follows:

1 Sec. 1. As used in this act:

2 (a) "Water company" means ~~any~~ A person, firm, association,
3 cooperative association, or corporation having 75 customers or
4 more, except cities, villages, townships, counties, and other
5 governmental entities, ~~which now~~ THAT owns ~~or may hereafter~~
6 ~~own, operate, manage, or control~~ OPERATES, MANAGES, OR CONTROLS
7 any equipment or facilities for the production, transmission,
8 delivery, or furnishing of water for compensation. Water company
9 does not include a person, firm, association, cooperative associ-
10 ation, or corporation that ~~otherwise would be considered a water~~
11 ~~company if both of the following circumstances exist:~~ SUPPLIES
12 WATER FOR COMPENSATION ONLY INCIDENTALLY TO A PACKAGE OF SERVICES
13 PROVIDED AS THE RESULT OF THE FORMATION OF A RESIDENTIAL HOME
14 OWNERSHIP ASSOCIATION OR AS PART OF A CONTRACT FOR THE RENTAL OF
15 A UNIT AT AN APARTMENT COMPLEX, SHOPPING MALL, CAMPGROUND, OFFICE
16 BUILDING, MARINA, MOBILE HOME PARK, OR OTHER RENTAL PROPERTY,
17 WHETHER OR NOT THE CHARGE FOR WATER IS INCLUDED WITHIN A RESIDEN-
18 TIAL HOME OWNERSHIP ASSOCIATION ASSESSMENT OR A RENTAL CHARGE OR
19 SEPARATELY BILLED AT A FIXED OR METERED RATE.

20 ~~(i) The person, firm, association, cooperative association,~~
21 ~~or corporation owns or operates a mobile home park and purchases~~
22 ~~water for that mobile home park from a nonaffiliated water com-~~
23 ~~pany, or a city, village, township, county, or other governmental~~
24 ~~entity.~~

25 ~~(ii) The person, firm, association, cooperative association,~~
26 ~~or corporation described in subparagraph (i) allocates the cost~~
27 ~~of the water purchased through the use of submeters and does not~~

~~1 charge a resident of a mobile home park an amount that exceeds~~
~~2 the charge for the resident's metered usage of water derived by~~
~~3 applying the rate charged to the owner or operator of the mobile~~
~~4 home park by the water company or city, village, township,~~
~~5 county, or other governmental entity to such metered usage.~~

6 (b) "Commission" means the public service commission.

7 (c) "Mobile home park" ~~has the meaning ascribed to it in~~
 8 MEANS THAT TERM AS DEFINED IN SECTION 2 OF the mobile home com-
 9 mission act, Act No. ~~419~~ 96 of the Public Acts of ~~1976~~ 1987,
 10 being ~~sections 125.1101 to 125.1147~~ SECTION 125.2302 of the
 11 Michigan Compiled Laws.

12 ~~(d) "Mobile home park resident" means a person who leases~~
 13 ~~or owns a site within a mobile home park.~~

14 Sec. 3. (1) ~~No~~ A water company shall ~~hereafter~~ NOT
 15 begin the construction or operation of any plant or system for
 16 the production, transmission, delivery, or furnishing of water ~~—~~
 17 ~~nor shall it~~ OR render any service for the purpose of transact-
 18 ing or carrying on a local business either directly or indirectly
 19 by serving any other utility or agency so engaged in such local
 20 business in any locality not previously served by the water com-
 21 pany until the water company obtains from the commission a cer-
 22 tificate that public convenience and necessity require ~~or will~~
 23 ~~require~~ the construction, operation, service, or extension.

24 ~~No~~ A WATER COMPANY SHALL NOT DISCONTINUE OR ABANDON service to
 25 any area of the state ~~—~~ or facilities used in the providing of
 26 the service ~~— shall be discontinued or abandoned by any water~~
 27 ~~company,~~ until the water company obtains from the commission a

1 certificate that public convenience and necessity permit the
2 discontinuance or abandonment.

3 (2) A WATER COMPANY THAT HAS NOT BEEN ISSUED A CERTIFICATE
4 OF PUBLIC CONVENIENCE AND NECESSITY BEFORE THE EFFECTIVE DATE OF
5 THE AMENDATORY ACT THAT ADDED THIS SUBSECTION, BUT THAT HAS PAID
6 THE MOST RECENT ASSESSMENT DUE UNDER SECTION 2 OF ACT NO. 299 OF
7 THE PUBLIC ACTS OF 1972, BEING SECTION 460.112 OF THE MICHIGAN
8 COMPILED LAWS, IS CONSIDERED TO HAVE BEEN ISSUED A CERTIFICATE OF
9 PUBLIC CONVENIENCE AND NECESSITY COMMENSURATE WITH ITS OPERATIONS
10 ON THE DATE THE ASSESSMENT WAS PAID.

11 (3) THE COMMISSION MAY ISSUE A CERTIFICATE OF PUBLIC CONVE-
12 NIENCE AND NECESSITY UNDER THIS SECTION WITHOUT A HEARING AND MAY
13 ESTABLISH BY RULE OR ORDER PROCEDURES FOR THE FILING OF APPLICA-
14 TIONS AND THE ISSUANCE OF CERTIFICATES OF PUBLIC CONVENIENCE AND
15 NECESSITY.

16 Sec. 4. ~~All~~ EACH water ~~companies~~ COMPANY shall furnish
17 reasonably adequate service and facilities. All rates and
18 charges by A water ~~companies~~ COMPANY shall be just and
19 reasonable. ~~, and every unjust or unreasonable rate or charge~~
20 ~~is prohibited and declared to be unlawful.~~ The commission ~~shall~~
21 ~~have power to~~ MAY make, alter, amend, or abolish any rate or
22 charge for any service REGULATED UNDER THIS ACT, and may regulate
23 by ~~rules or orders~~ RULE OR ORDER any RATE, CHARGE, service, or
24 facility REGULATED UNDER THIS ACT. THE COMMISSION BY RULE OR
25 ORDER MAY ESTABLISH MAXIMUM STATEWIDE OR REGIONAL RATES AND
26 CHARGES FOR WATER SERVICE AND MAY ADOPT UNIFORM RULES FOR
27 SERVICES PROVIDED BY A WATER COMPANY. MAXIMUM STATEWIDE OR

1 REGIONAL RATES AND CHARGES OR UNIFORM RULES FOR SERVICES PROVIDED
2 BY A WATER COMPANY AND ADOPTED BY THE COMMISSION BY RULE OR ORDER
3 PURSUANT TO THIS SECTION SHALL NOT BE RECEIVED INTO EVIDENCE IN A
4 CONTESTED CASE PROCEEDING TO SUPPORT OR OPPOSE THE ESTABLISHMENT
5 OF NEW RATES FOR THE WATER COMPANY.

6 Sec. 5. ~~Within 60 days after the effective date of this~~
7 ~~act, all water companies which have not heretofore filed with the~~
8 ~~commission a schedule of rates and charges and rules relating to~~
9 ~~the rendering of water service shall file a schedule of rates and~~
10 ~~charges and rules, which shall be the rates and charges and rules~~
11 ~~in effect on the effective date of this act. Thereafter, no~~
12 ~~rates, charges or rules shall be changed by any water company~~
13 ~~without application to the commission, notice thereof to the~~
14 ~~municipalities affected by the change and approval of the~~
15 ~~commission.~~

16 (1) A WATER COMPANY SHALL FILE WITH THE COMMISSION A COM-
17 PLETE SCHEDULE OF ITS CURRENT RATES, CHARGES, AND RULES AS
18 APPROVED BY THE COMMISSION PURSUANT TO SECTION 7 OF ACT NO. 419
19 OF THE PUBLIC ACTS OF 1919, BEING SECTION 460.57 OF THE MICHIGAN
20 COMPILED LAWS. ONCE FILED WITH AND APPROVED BY THE COMMISSION, A
21 WATER COMPANY SHALL NOT CHANGE A RATE, CHARGE, OR RULE OF THE
22 WATER COMPANY WITHOUT APPLICATION TO THE COMMISSION, NOTICE TO
23 ITS CUSTOMERS AND ANY GOVERNMENTAL ENTITY TO BE AFFECTED BY THE
24 PROPOSED CHANGE, AND APPROVAL BY THE COMMISSION.

25 (2) A RATE OR CHARGE FILED PURSUANT TO THIS SECTION BY A
26 WATER COMPANY THAT OBTAINS A CERTIFICATE OF PUBLIC CONVENIENCE
27 AND NECESSITY FROM THE COMMISSION AFTER THE EFFECTIVE DATE OF THE

1 AMENDATORY ACT THAT ADDED THIS SUBSECTION IS CONSIDERED APPROVED
2 BY THE COMMISSION IF THE RATE OR CHARGE IS EQUAL TO OR LESS THAN
3 A MAXIMUM STATEWIDE OR REGIONAL RATE OR CHARGE APPROVED BY THE
4 COMMISSION PURSUANT TO SECTION 4 BEFORE THE RATE OR CHARGE IS
5 FILED. A RULE FILED PURSUANT TO THIS SECTION BY A WATER COMPANY
6 THAT OBTAINS A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY
7 FROM THE COMMISSION AFTER THE EFFECTIVE DATE OF THE AMENDATORY
8 ACT THAT ADDED THIS SUBSECTION IS CONSIDERED APPROVED BY THE COM-
9 MISSION IF THE RULE IS CONSISTENT WITH A UNIFORM RULE OF SERVICE
10 ADOPTED BY THE COMMISSION PURSUANT TO SECTION 4 BEFORE THE RULE
11 OF SERVICE IS FILED BY THE WATER COMPANY.

12 (3) THE COMMISSION MAY WITHOUT A HEARING APPROVE A CHANGE TO
13 AN EXISTING RATE OR CHARGE OR A NEW RATE OR CHARGE PROPOSED BY A
14 WATER COMPANY THAT OBTAINED A CERTIFICATE OF PUBLIC CONVENIENCE
15 AND NECESSITY FROM THE COMMISSION BEFORE THE EFFECTIVE DATE OF
16 THE AMENDATORY ACT THAT ADDED THIS SUBSECTION IF THE PROPOSED
17 RATE OR CHARGE IS EQUAL TO OR LESS THAN A MAXIMUM STATEWIDE OR
18 REGIONAL RATE OR CHARGE APPROVED BY THE COMMISSION PURSUANT TO
19 SECTION 4 BEFORE THE APPLICATION FOR APPROVAL IS FILED. THE COM-
20 MISSION MAY WITHOUT A HEARING APPROVE A NEW OR REVISED RULE PRO-
21 POSED BY A WATER COMPANY THAT OBTAINED A CERTIFICATE OF PUBLIC
22 CONVENIENCE AND NECESSITY FROM THE COMMISSION BEFORE THE EFFEC-
23 TIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SUBSECTION IF THE
24 PROPOSED RULE IS CONSISTENT WITH A UNIFORM RULE OF SERVICE
25 ADOPTED BY THE COMMISSION PURSUANT TO SECTION 4 BEFORE THE RULE
26 OF SERVICE IS FILED BY THE WATER COMPANY.

1 Sec. 6. ~~No~~ EXCEPT AS PROVIDED IN SECTIONS 4 AND 5, THE
2 COMMISSION SHALL NOT APPROVE AN INCREASE IN A rate or charge
3 ~~shall be increased~~ OF A WATER COMPANY without a hearing ~~having~~
4 ~~been had thereon as provided in~~ HELD IN THE SAME MANNER AS A
5 HEARING FOR A GAS, TELEPHONE, OR ELECTRIC UTILITY REQUESTING AN
6 INCREASE IN A RATE OR CHARGE UNDER section 6a of Act No. 3 of the
7 Public Acts of 1939, as amended, being section 460.6a of the
8 MICHIGAN Compiled Laws. ~~of 1948.~~

9 Sec. 17. The commission may ~~adopt~~ PROMULGATE rules ~~and~~
10 ~~regulations~~ for the regulation of the business of water com-
11 panies and for regulating procedure before the commission
12 PURSUANT TO THE ADMINISTRATIVE PROCEDURES ACT OF 1969, ACT
13 NO. 306 OF THE PUBLIC ACTS OF 1969, BEING SECTIONS 24.201 TO
14 24.328 OF THE MICHIGAN COMPILED LAWS.