

SENATE BILL No. 558

October 24, 1991, Introduced by Senator VAN REGENMORTER
and referred to the Committee on Technology and Energy.

A bill to amend section 6a 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. 212 of the Public Acts of 1982, being
section 460.6a of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 Section 1. Section 6a of Act No. 3 of the Public Acts of
2 1939, as amended by Act No. 212 of the Public Acts of 1982, being

1 section 460.6a of the Michigan Compiled Laws, is amended to read
2 as follows:

3 Sec. 6a. (1) ~~When any~~ IF A GAS, TELEPHONE, OR ELECTRIC
4 UTILITY PETITIONS OR APPLIES TO THE COMMISSION FOR A finding or
5 order ~~is sought by any gas, telephone or electric utility to~~
6 increase its rates and charges or to ~~alter, change or amend~~
7 ~~any rate~~ ITS RATES or rate schedules, the effect of which ~~will~~
8 ~~be to~~ MAY increase the cost of services to its customers, THE
9 UTILITY SHALL GIVE PUBLIC notice ~~shall be given~~ OF THE APPLICA-
10 TION OR PETITION within the service area to be affected. ~~When~~
11 ~~such~~ THE UTILITY SHALL PUBLISH THE NOTICE IN A NEWSPAPER OF GEN-
12 ERAL CIRCULATION IN THE SERVICE AREA TO BE AFFECTED WITHIN A REA-
13 SONABLE TIME PERIOD AFTER THE APPLICATION OR PETITION IS FILED
14 WITH THE COMMISSION, AND SHALL INCLUDE THE NOTICE IN OR ON THE
15 BILL OF EACH AFFECTED CUSTOMER OF THE UTILITY IN THE NEXT BILLING
16 AFTER THE APPLICATION OR PETITION IS FILED WITH THE COMMISSION.
17 IF THE UTILITY IS A COOPERATIVELY OWNED ELECTRIC UTILITY THAT
18 BILLS ITS CUSTOMERS BY POSTCARD, THE UTILITY MAY INCLUDE THE
19 NOTICE IN A PUBLICATION DISTRIBUTED BY THE UTILITY TO ITS CUSTOM-
20 ERS INSTEAD OF NOTICE ON THE BILL.

21 (2) THE NOTICE REQUIRED BY SUBSECTION (1) SHALL BE WRITTEN
22 IN PLAIN, NONTECHNICAL, AND EASILY UNDERSTOOD TERMS AND SHALL
23 CONTAIN A TITLE THAT INCLUDES THE NAME OF THE UTILITY AND THE
24 WORDS "NOTICE OF POSSIBLE RATE INCREASE". THE NOTICE PUBLISHED
25 IN A NEWSPAPER OR BY A COOPERATIVELY OWNED ELECTRIC UTILITY SHALL
26 BE PRINTED IN NOT LESS THAN 12-POINT BOLDFACED TYPE AND THE BODY
27 OF THE NOTICE SHALL BE SURROUNDED BY A BLACK BORDER THAT IS NOT

1 LESS THAN 1/2 OF AN INCH FROM THE BODY OF THE NOTICE. A UTILITY
2 THAT COMPLIES WITH THIS SUBSECTION IS NOT REQUIRED TO INCLUDE
3 ADDITIONAL INFORMATION IN THE NOTICE. THE NOTICE SHALL CONTAIN
4 AT LEAST ALL OF THE FOLLOWING INFORMATION:

5 (A) A STATEMENT THAT THE CUSTOMER'S RATE MAY INCREASE IF THE
6 COMMISSION GRANTS THE RATE INCREASE OR OTHER REQUEST OF THE
7 UTILITY.

8 (B) AN ESTIMATE OF THE AMOUNT OF THE ANNUAL INCREASE FOR THE
9 TYPICAL RESIDENTIAL CUSTOMER THAT WOULD RESULT IF THE APPLICATION
10 OR PETITION IS APPROVED BY THE COMMISSION. THE ESTIMATE SHALL BE
11 PRINTED IN A TYPE STYLE AND SIZE THAT ARE DISTINCT FROM AND
12 LARGER THAN THE TYPE STYLE AND SIZE OF THE BODY OF THE NOTICE.
13 AS USED IN THIS SUBDIVISION, "TYPICAL RESIDENTIAL CUSTOMER" MEANS
14 THE CUSTOMER WHOSE RATE FALLS WITHIN THE MEDIAN OF THE RATES OF
15 ALL RESIDENTIAL CUSTOMERS IN THE AFFECTED SERVICE AREA, ASSUMING
16 NORMAL USAGE PATTERNS.

17 (C) A STATEMENT THAT A CUSTOMER WHO DESIRES TO COMMENT ON
18 THE APPLICATION OR PETITION OR WHO DESIRES THE COMPLETE DETAILS
19 OF THE APPLICATION OR PETITION MAY CALL OR WRITE THE COMMISSION.
20 THE STATEMENT REQUIRED UNDER THIS SUBDIVISION SHALL ALSO INCLUDE
21 THE TELEPHONE NUMBER AND ADDRESS OF THE COMMISSION AND A STATE-
22 MENT THAT COMPLETE DETAILS OF THE APPLICATION OR PETITION WILL BE
23 PROVIDED FREE OF CHARGE TO THE CUSTOMER AND AT THE EXPENSE OF THE
24 UTILITY.

25 (3) IF A utility ~~shall have~~ HAS placed in evidence BEFORE
26 THE COMMISSION facts relied upon to support its petition or
27 application to ~~so~~ increase its rates and charges, or to ~~so~~

1 ~~alter, change or amend~~ any rate or rate ~~schedules~~ SCHEDULE,
 2 the commission, pending the submission of all proofs by any
 3 interested parties, may ~~in its discretion and~~ upon written
 4 motion by ~~such~~ THE utility make a finding and enter an order
 5 granting partial and immediate relief. ~~after first having~~
 6 ~~given~~ BEFORE MAKING A FINDING AND ENTERING AN ORDER, THE COMMIS-
 7 SION SHALL GIVE notice to the interested parties within the serv-
 8 ice area to be affected ~~in the manner ordered by the commission,~~
 9 ~~and after having afforded to such~~ AND GIVE THE interested par-
 10 ties A reasonable opportunity for a full and complete hearing.
 11 ~~Provided, That no such finding or order shall be authorized~~
 12 ~~or approved~~ THE COMMISSION SHALL NOT MAKE A FINDING OR ENTER AN
 13 ORDER UNDER THIS SECTION ex parte ~~,~~ nor until the commission's
 14 technical staff has made an investigation and report. ~~And~~
 15 ~~provided further, That any alteration or amendment~~ THE COMMIS-
 16 SION MAY APPROVE A CHANGE in ~~rates~~ A RATE or rate ~~schedules~~
 17 SCHEDULE applied for by any public utility ~~which~~ THAT will NOT
 18 result in ~~no~~ AN increase in the cost of service to its custom-
 19 ers ~~may be authorized and approved~~ without any notice or
 20 hearing. ~~There shall be no~~

21 (4) THE COMMISSION SHALL NOT APPROVE AN increase in rates
 22 based upon changes in cost of fuel or purchased gas unless notice
 23 has been given within the service area to be affected ~~,~~ and
 24 there has been an opportunity for a full and complete hearing on
 25 the cost of fuel or purchased gas. The rates charged by ~~any~~ A
 26 utility pursuant to an automatic fuel or purchased gas adjustment
 27 clause ~~on the effective date of the amendatory act that added~~

1 ~~this sentence~~ shall not be ~~altered,~~ changed ~~,~~ or ~~amended~~
 2 unless notice has been given within the service area to be
 3 affected ~~,~~ and there has been an opportunity for a full and
 4 complete hearing on the cost of the fuel or purchased gas.

5 (5) ~~(2)~~ The commission shall adopt ~~such~~ rules and proce-
 6 dures for the filing, investigation, and hearing of petitions or
 7 applications to increase or decrease utility rates and charges as
 8 the commission finds necessary or appropriate to enable it to
 9 reach a final decision with respect to ~~such petitions or~~
 10 ~~applications~~ A PETITION OR APPLICATION within ~~a period of~~ 9
 11 months ~~from the filing thereof~~ AFTER THE PETITION OR APPLICA-
 12 TION IS FILED. On and after ~~the effective date of the amenda-~~
 13 ~~tory act that added this sentence~~ NOVEMBER 22, 1982, the commis-
 14 sion shall not ~~have the power to~~ authorize or approve adjust-
 15 ment clauses that operate without notice and an opportunity for a
 16 full and complete hearing, and all such clauses ~~shall be~~ ARE
 17 abolished. The commission may hold a full and complete hearing
 18 to determine the cost of fuel, purchased gas, or purchased power
 19 ~~,~~ separately from a full and complete hearing on general rate
 20 case. ~~such a~~ A separate hearing may be held concurrently
 21 with a general rate case. The commission shall authorize a util-
 22 ity to recover the cost of fuel, purchased gas, or purchased
 23 power only to the extent that the purchases are reasonable and
 24 prudent. As used in this ~~section~~ SUBSECTION: ~~,~~ ~~"general~~

25 (A) "GENERAL rate case" means a proceeding initiated by a
 26 utility in an application filed with the commission that alleges
 27 a revenue deficiency and requests an increase in the schedule of

1 rates or charges based on the utility's total cost of providing
2 service. ~~As used in this section, a "full~~

3 (B) "FULL and complete hearing" means a hearing ~~which~~ THAT
4 provides interested parties a reasonable opportunity to present
5 and cross-examine evidence and present arguments relevant to the
6 specific element or elements of ~~such~~ THE request ~~which~~ THAT
7 are the subject of the hearing.

8 (6) ~~(3)~~ If a final decision has not been reached upon a
9 petition or application to increase or decrease utility rates
10 within the 9-month period REQUIRED UNDER SUBSECTION (5), the com-
11 mission shall give priority to ~~such~~ THE case and shall take
12 ~~such~~ other action as it finds necessary or appropriate to expe-
13 dite a final decision. If the commission fails to reach a final
14 decision with respect to a petition or application to increase or
15 decrease utility rates within the 9-month period ~~following the~~
16 ~~filing of such petition or application~~ REQUIRED UNDER
17 SUBSECTION (5), the commission, within 15 days AFTER THE END OF
18 THE 9-MONTH PERIOD, shall submit a written report to the governor
19 and to the president AND THE MAJORITY LEADER of the senate and
20 the speaker of the house of representatives stating the reasons a
21 decision was not reached within the 9-month period ~~—~~ and the
22 actions being taken to expedite ~~such~~ THE decision. The commis-
23 sion shall submit ~~a further~~ AN ADDITIONAL report TO THE GOVER-
24 NOR, THE PRESIDENT AND THE MAJORITY LEADER OF THE SENATE, AND THE
25 SPEAKER OF THE HOUSE OF REPRESENTATIVES upon reaching a final
26 decision providing full details with respect to the conduct of

1 the case, including the time required for issuance of the
2 commission's decision following the conclusion of hearings.