

SENATE BILL NO. 1241

September 15, 1998, Introduced by Senator SCHUETTE and referred to the Committee on Technology and Energy.

A bill to prohibit certain methods, acts, and practices in providing electric services; to prescribe the powers and duties of certain state agencies and officials; and to prescribe penalties and civil sanctions and provide remedies.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. As used in this act:

2 (a) "Commission" means the Michigan public service commis-
3 sion in the department of consumer and industry services.

4 (b) "Consumer" or "customer" means an end-user of
5 electricity.

6 (c) "Electricity distributor" or "distributor" means a
7 person or their lessees, trustees, and receivers, owning or oper-
8 ating equipment or facilities for delivering electricity to the
9 public for compensation.

1 (d) "Electricity generator" or "generator" means a person in
2 this state having generating capability to produce at least 1
3 megawatt of electricity for distribution to 1 or more persons not
4 affiliated with the generator.

5 (e) "Electricity supplier" or "supplier" means a person that
6 sells electricity and related services to electricity distribu-
7 tors or at retail to customers located in the service territories
8 of electricity distributors.

9 (f) "Person" means an individual, partnership, corporation,
10 association, governmental entity, or other legal entity.

11 Sec. 2. Unfair, unconscionable, or deceptive methods, acts,
12 or practices in providing electric services by an electricity
13 distributor, generator, or supplier are unlawful. Prohibited
14 methods, acts, or practices include, but are not limited to, all
15 of the following:

16 (a) Causing a probability of confusion or misunderstanding
17 as to the source, sponsorship, approval, or certification of
18 electric services.

19 (b) Using deceptive representations or deceptive designa-
20 tions of geographic origin in connection with electric services.

21 (c) Representing that electric services have sponsorship,
22 approval, characteristics, uses, benefits, or quantities that
23 they do not have or that a person has sponsorship, approval,
24 status, affiliation, or connection that he or she does not have.

25 (d) Representing that electric services are of a particular
26 standard, quality, or grade if they are of another.

1 (e) Disparaging the electric services, business, or
2 reputation of another by false or misleading representation of
3 fact.

4 (f) Advertising or representing electric services with
5 intent not to provide those services as advertised or
6 represented.

7 (g) Advertising electric services with intent not to supply
8 reasonably expectable customer demand.

9 (h) Representing to a person to whom electric services are
10 supplied that the services are being supplied in response to a
11 request made by or on behalf of the person, when they are not.

12 (i) Causing a probability of confusion or of misunderstand-
13 ing as to the legal rights, obligations, or remedies of a person
14 to a transaction.

15 (j) Failing to reveal a material fact, the omission of which
16 tends to mislead or deceive the consumer, and which fact could
17 not reasonably be known by the consumer.

18 (k) Entering into a consumer transaction in which the con-
19 sumer waives or purports to waive a right, benefit, or immunity
20 provided by law, unless the waiver is clearly stated and the con-
21 sumer has specifically consented to it.

22 (l) Taking advantage of the consumer's inability reasonably
23 to protect his or her interests by reason of disability, illiter-
24 acy, or inability to understand the language of an agreement
25 presented by the other person to the transaction who knows or
26 reasonably should know of the consumer's inability.

1 (m) Gross discrepancies between the oral representations of
2 the electricity provider and the written agreement covering the
3 same transaction or failure of the other person to the transac-
4 tion to provide the electric services.

5 (n) Causing coercion and duress as the result of the time
6 and nature of a transaction.

7 (o) Making a representation of fact or statement of fact
8 material to the transaction such that a person reasonably
9 believes the represented or suggested state of affairs to be
10 other than it actually is.

11 Sec. 3. If after notice and hearing the commission finds a
12 person has violated this act, the commission shall order remedies
13 and penalties to protect and make whole any persons who have suf-
14 fered an economic loss as a result of the violation, including,
15 but not limited to, 1 or more of the following:

16 (a) The person to pay a fine for the first offense of not
17 less than \$1,000.00 nor more than \$20,000.00 per day that the
18 person is in violation of this act, and for each subsequent
19 offense, a fine of not less than \$2,000.00 nor more than
20 \$40,000.00 per day.

21 (b) A refund to the customers of any collected excessive
22 rates.

23 (c) Cease and desist orders.

24 (d) If the person is certified or registered under this or
25 any other act, revoke the person's certificate or registration.