

HOUSE BILL No. 4741

May 27, 1999, Introduced by Reps. Richardville, Birkholz, Faunce, Julian, Green, Shackleton, Bishop, Toy, Bisbee, Caul, Bovin, Jacobs, Lemmons, DeRossett, Van Woerkom, Sanborn, Patterson, Howell, Mortimer, Hager, Gosselin, Prusi, Kuipers, Frank, Kowall, Woronchak, Richner, LaSata, Mead, Gilbert, Allen, Ehardt, Bradstreet, Pappageorge, Byl, Vander Roest, Spade, Wojno, Rivet, O'Neil, DeHart, LaForge, Shulman, Vear, Schermesser, Rocca, Garcia, Clarke, Cassis and Tabor and referred to the Committee on Energy and Technology.

A bill to prohibit the switching of a customer's electric supplier or distributor and the adding of optional services without the customer's authorization; to prescribe the powers and duties of certain state agencies and officials; and to provide penalties and other 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) "Customer" means an end-user of electricity.

5 (c) "Electric distributor" or "distributor" means a person
6 that physically delivers electricity to retail customers.

7 (d) "Electric supplier" or "supplier" means a person that
8 sells electricity at retail to customers located in the service
9 territories of electric distributors.

1 (e) "Electric utility" means a public utility that provided
2 electric service before the effective date of this act.

3 (f) "Person" means an individual, partnership, corporation,
4 association, governmental entity, or any other legal entity.

5 Sec. 2. (1) A customer of an electric supplier or distribu-
6 tor shall not be switched to another supplier or distributor
7 without the authorization of the customer.

8 (2) The commission shall issue orders to ensure that a cus-
9 tomer of an electric supplier or distributor is not switched to
10 another supplier or distributor without the customer's oral
11 authorization, written confirmation, confirmation through an
12 independent third party, or other verification procedures subject
13 to commission approval, confirming the customer's intent to make
14 a switch and that the customer has approved the specific details
15 of the switch.

16 (3) An electric supplier or distributor shall not unreason-
17 ably delay or refuse to switch a customer to another supplier or
18 distributor if properly authorized.

19 Sec. 3. (1) An electric supplier or distributor shall not
20 include or add optional services in a customer's service package
21 or bill for additional services without the authorization of the
22 customer.

23 (2) The commission shall issue orders to ensure that an
24 electric supplier or distributor does not include or add optional
25 services in a customer's service package without the customer's
26 oral authorization, written confirmation, confirmation through an
27 independent third party, or other verification procedures

1 approved by the commission, confirming the customer's intent to
2 receive the optional services.

3 Sec. 4. (1) The commission shall establish minimum stan-
4 dards for the form and content of all disclosures, explanations,
5 or sales information disseminated by an electric supplier or dis-
6 tributor to ensure that the supplier or distributor provides ade-
7 quate, accurate, and understandable information about the service
8 that enables a customer to make an informed decision relating to
9 the source and type of electric service purchased. The standards
10 shall be developed to do all of the following:

11 (a) Not be unduly burdensome.

12 (b) Not unnecessarily delay or inhibit the initiation and
13 development of competition among electric suppliers or distribu-
14 tors in any market.

15 (c) Establish different requirements for disclosures, expla-
16 nations, or sales information relating to different services or
17 similar services to different electric supply classes of custom-
18 ers, whenever such different requirements are appropriate to
19 carry out the provisions of this act.

20 (2) The commission, before the commencement of direct access
21 to electric suppliers or distributors, shall carry out an educa-
22 tional program for customers to do all of the following:

23 (a) Inform customers of the changes in the provision of
24 electric service, including, but not limited to, the availability
25 of electric suppliers and distributors.

1 (b) Inform customers of the requirements relating to
2 disclosures, explanations, or sales information for electric
3 suppliers or distributors.

4 (c) Provide assistance to customers in understanding and
5 using the information to make reasonably informed choices about
6 which service to purchase and from whom to purchase it.

7 (3) The commission may adopt rules under the administrative
8 procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, it
9 considers necessary to implement this act and to protect retail
10 customers from fraud and other unfair and deceptive business
11 practices.

12 Sec. 5. (1) A customer is entitled to obtain all data and
13 information from the customer's electric distributor and supplier
14 relating to the customer's billing history and energy usage over
15 the previous 12 months.

16 (2) Upon receipt of a written request from the customer, the
17 customer's electric distributor or supplier shall provide the
18 information described in subsection (1) to the customer within 10
19 business days from the date the request was received.

20 (3) The distributor or supplier is entitled to charge a fee
21 under this act not greater than the actual cost of providing the
22 information described in subsection (1). The fee allowed under
23 this subsection shall be approved by the commission.

24 (4) An electric distributor or supplier may not release the
25 information described in subsection (1) to a third party unless
26 the customer has provided written consent for the release of the
27 information.

1 (5) Not less than once annually, the electric distributor
2 and supplier shall provide the means for a customer to grant con-
3 sent for the release of the information described in subsection
4 (1).

5 (6) The electric distributor is responsible for the accurate
6 metering and billing of its customers. Each bill shall identify
7 the name of the customer's electric supplier or distributor and
8 provide the supplier's or distributor's address and telephone
9 number.

10 Sec. 6. An electric distributor or supplier shall not know-
11 ingly provide information that is required by this act that is
12 false or inaccurate.

13 Sec. 7. If after notice and hearing the commission finds a
14 person has violated this act, the commission shall order remedies
15 and penalties to protect and make whole another person who has
16 suffered an economic loss as a result of the violation, includ-
17 ing, but not limited to, 1 or more of the following:

18 (a) The person to pay a fine for the first offense of not
19 less than \$10,000.00 nor more than \$20,000.00 per day that the
20 person is in violation of this act, and for each subsequent
21 offense, a fine of not less than \$20,000.00 nor more than
22 \$40,000.00 per day.

23 (b) The unauthorized supplier or distributor to refund to
24 the customer any amount greater than the customer would have paid
25 to an authorized supplier or distributor.

- 1 (c) If the person is a licensed supplier or distributor
- 2 under the jurisdiction of the commission, the revocation of the
- 3 supplier's or distributor's license.
- 4 (d) Cease and desist orders.