

**NATURAL GAS SHUTOFF
PROTECTION**

House Bill 4485
Sponsor: Rep. Randy Richardville
Committee: Energy and Technology

Complete to 3-16-01

A SUMMARY OF HOUSE BILL 4485 AS INTRODUCED 3-15-01

Public Act 141 of 2000, among other things, added a section (section 10t) to the Public Service Commission enabling act (Public Act 3 of 1939) that provides some shutoff protection for certain “eligible customers” under certain circumstances. The bill would add a new section to the act to provide similar shutoff provisions for natural gas customers, though without certain provisions that allow customers to file a complaint disputing the utility’s claims and that allow for a hearing.

More specifically, the bill would amend the act to prohibit natural gas distributors or suppliers from terminating service to “eligible customers” during the heating season for nonpayment of a delinquent account if the customer were an “eligible senior citizen customer” or if the customer paid a monthly amount equal to five percent of the estimated annual bill and demonstrated, within 14 days of requesting shutoff protection, that he or she had applied for state or federal heating assistance. As in Public Act 141 of 2000, the bill would define “eligible customer” to mean either an “eligible low income customer” or an “eligible senior citizen customer.” The bill would define “eligible low income customer” to mean a customer whose household income did not exceed 175 percent (instead of, as currently in the act for electric shutoff protection, 150 percent) of the federal poverty level, or who received assistance from a state emergency relief program, food stamps, or Medicaid. “Eligible senior citizen customer” would mean a natural gas “distributor or supplier customer who [was] 65 years of age or older and who advise[d] the distributor or supplier of his or her eligibility.”

Service shutoffs. Also, as in the new shutoff provisions applying to electric utilities and suppliers, the bill would allow natural gas distributors or suppliers to terminate service under two conditions: (1) If, when an eligible natural gas customer applied for shutoff protection during the heating season, the customer owed money from past gas bills, the distributor or supplier would have to let the customer to pay the arrearage in equal monthly installments between the date of application and the start of the subsequent heating season. However, the natural gas distributor or supplier could shut off service to eligible low-income customers (though not, presumably, eligible senior citizen customers) who did not pay the required monthly installments once the distributor or supplier gave notice in the manner required under the bill. (See below.) The distributor or supplier also would not be required to offer a settlement agreement to an eligible low-income customer who failed to make the required monthly payments. (2) If a customer failed to comply with the bill’s terms and conditions, a distributor or supplier could terminate service after giving the customer notice, by personal service or first-class mail, that contained all of the following information:

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- That the customer had defaulted;
- The nature of the default;
- That unless the customer made the past due payments within ten days of the date of mailing, the natural gas distributor or supplier could shut off service;
- The date after which the natural gas distributor or supplier could terminate service, unless the customer took “appropriate” action;
- The telephone number and address of the natural gas distributor or supplier (electric utility shutoff provisions add “where the customer may make inquiry, enter into a settlement agreement, or file a complaint”);
- That the customer should contact a social services agency immediately if the customer believed he or she might be eligible for emergency economic assistance;
- That the natural gas distributor or supplier would postpone termination of service if a medical emergency existed at the customer's residence;
- That the natural gas distributor or supplier might require a deposit and “restoration charge” if the distributor or supplier shut off service for nonpayment of a delinquent account.

(Note: The bill would omit the electric shutoff provisions that give customers the right to file complaints, request hearings, and have representation at the hearing, as well as a provision guaranteeing that the electric utility or supplier will not shut off service pending the resolution of a complaint filed under the act. Finally, unlike Public Act 141 of 2000, the bill would not require the Public Service Commission to establish an education program to ensure that eligible customers were informed of the bill’s requirements and benefits.)

MCL 460.9

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