

# HOUSE BILL No. 4485

March 15, 2001, Introduced by Reps. Richardville, Raczkowski, Pappageorge, Gilbert, Birkholz, Middaugh, Voorhees, Sanborn, Van Woerkom, Woronchak, Bradstreet, Julian, Schauer, Kooiman, Vander Veen, Toy, Allen, Ruth Johnson, Vander Roest, Shackleton, Faunce, Wojno and Garcia and referred to the Committee on Energy and Technology.

A bill to amend 1939 PA 3, entitled

"An act to provide for the regulation and control of public utilities and other services affected with a public interest within this state; to provide for alternative energy suppliers; to provide for licensing; to include municipally owned utilities and other providers of energy under certain provisions of this act; 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 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 certain rate increases without notice and hearing; to qualify residential energy conservation programs permitted under state law for certain federal exemption; to create a fund; to provide for a restructuring of the manner in which energy is provided in this state; to encourage the utilization of resource recovery facilities; to prohibit certain acts and practices of providers of energy; to allow for the securitization of stranded costs; to reduce rates; to provide for appeals; to provide appropriations; to declare the effect and purpose of this act; to prescribe remedies and penalties; and to repeal acts and parts of acts,"

(MCL 460.1 to 460.10cc) by adding section 9.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

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1        SEC. 9. (1) A NATURAL GAS DISTRIBUTOR OR SUPPLIER SHALL NOT  
2 TERMINATE SERVICE TO AN ELIGIBLE CUSTOMER DURING THE HEATING  
3 SEASON FOR NONPAYMENT OF A DELINQUENT ACCOUNT IF THE CUSTOMER IS  
4 AN ELIGIBLE SENIOR CITIZEN CUSTOMER OR IF THE CUSTOMER PAYS TO  
5 THE DISTRIBUTOR OR SUPPLIER A MONTHLY AMOUNT EQUAL TO 5% OF THE  
6 ESTIMATED ANNUAL BILL FOR THE ELIGIBLE CUSTOMER AND THE ELIGIBLE  
7 CUSTOMER DEMONSTRATES, WITHIN 14 DAYS OF REQUESTING SHUTOFF PRO-  
8 TECTION, THAT HE OR SHE HAS APPLIED FOR STATE OR FEDERAL HEATING  
9 ASSISTANCE. IF AN ARREARAGE EXISTS AT THE TIME AN ELIGIBLE CUS-  
10 TOMER APPLIES FOR PROTECTION FROM SHUTOFF OF SERVICE DURING THE  
11 HEATING SEASON, THE DISTRIBUTOR OR SUPPLIER SHALL PERMIT THE CUS-  
12 TOMER TO PAY THE ARREARAGE IN EQUAL MONTHLY INSTALLMENTS BETWEEN  
13 THE DATE OF APPLICATION AND THE START OF THE SUBSEQUENT HEATING  
14 SEASON.

15        (2) A NATURAL GAS DISTRIBUTOR OR SUPPLIER MAY TERMINATE  
16 SERVICE TO AN ELIGIBLE LOW-INCOME CUSTOMER WHO DOES NOT PAY THE  
17 MONTHLY AMOUNTS REQUIRED UNDER SUBSECTION (1) AFTER GIVING NOTICE  
18 IN THE MANNER REQUIRED UNDER SUBSECTION (3). THE DISTRIBUTOR OR  
19 SUPPLIER IS NOT REQUIRED TO OFFER A SETTLEMENT AGREEMENT TO AN  
20 ELIGIBLE LOW-INCOME CUSTOMER WHO FAILS TO MAKE THE MONTHLY PAY-  
21 MENTS REQUIRED UNDER SUBSECTION (1).

22        (3) IF A CUSTOMER FAILS TO COMPLY WITH THE TERMS AND CONDI-  
23 TIONS OF THIS SECTION, A DISTRIBUTOR OR SUPPLIER MAY TERMINATE  
24 SERVICE AFTER GIVING THE CUSTOMER NOTICE, BY PERSONAL SERVICE OR  
25 FIRST-CLASS MAIL, THAT CONTAINS ALL OF THE FOLLOWING  
26 INFORMATION:

1 (A) THAT THE CUSTOMER HAS DEFAULTED.

2 (B) THE NATURE OF THE DEFAULT.

3 (C) THAT UNLESS THE CUSTOMER MAKES THE PAYMENTS THAT ARE  
4 PAST DUE WITHIN 10 DAYS OF THE DATE OF MAILING, THE DISTRIBUTOR  
5 OR SUPPLIER MAY SHUT OFF SERVICE.

6 (D) THE DATE ON OR AFTER WHICH THE DISTRIBUTOR OR SUPPLIER  
7 MAY TERMINATE SERVICE, UNLESS THE CUSTOMER TAKES APPROPRIATE  
8 ACTION.

[ (E) THAT THE CUSTOMER HAS THE RIGHT TO FILE A COMPLAINT  
DISPUTING THE CLAIM OF THE DISTRIBUTOR OR SUPPLIER BEFORE THE DATE  
OF THE PROPOSED SHUTOFF OF SERVICE.

(F) THAT THE CUSTOMER HAS THE RIGHT TO REQUEST A HEARING BEFORE  
A HEARING OFFICER IF THE COMPLAINT CANNOT BE OTHERWISE RESOLVED AND  
THAT THE CUSTOMER SHALL PAY TO THE DISTRIBUTOR OR SUPPLIER THAT  
PORTION OF THE BILL THAT IS NOT IN DISPUTE WITHIN 3 DAYS OF THE DATE  
THAT THE CUSTOMER REQUESTS A HEARING.

(G) THAT THE CUSTOMER HAS THE RIGHT TO REPRESENT HIMSELF OR  
HERSELF, TO BE REPRESENTED BY AN ATTORNEY, OR TO BE ASSISTED BY ANY  
OTHER PERSON OF HIS OR HER CHOICE IN THE COMPLAINT PROCESS.

(H) THAT THE DISTRIBUTOR OR SUPPLIER WILL NOT SHUT OFF SERVICE  
PENDING THE RESOLUTION OF A COMPLAINT THAT IS FILED WITH THE UTILITY  
IN ACCORDANCE WITH THIS SECTION.]

9 [(I)] THE TELEPHONE NUMBER AND ADDRESS OF THE DISTRIBUTOR OR  
10 SUPPLIER.

11 [(J)] THAT THE CUSTOMER SHOULD CONTACT A SOCIAL SERVICES  
12 AGENCY IMMEDIATELY IF THE CUSTOMER BELIEVES HE OR SHE MIGHT BE  
13 ELIGIBLE FOR EMERGENCY ECONOMIC ASSISTANCE.

14 [(K)] THAT THE DISTRIBUTOR OR SUPPLIER WILL POSTPONE TERMINA-  
15 TION OF SERVICE IF A MEDICAL EMERGENCY EXISTS AT THE CUSTOMER'S  
16 RESIDENCE.

17 [(L)] THAT THE DISTRIBUTOR OR SUPPLIER MAY REQUIRE A DEPOSIT  
18 AND RESTORATION CHARGE IF THE DISTRIBUTOR OR SUPPLIER SHUTS OFF  
19 SERVICE FOR NONPAYMENT OF A DELINQUENT ACCOUNT.

[(4) A NATURAL GAS DISTRIBUTOR IS NOT REQUIRED TO SHUT OFF  
SERVICE UNDER THIS SECTION TO AN ELIGIBLE CUSTOMER FOR NONPAYMENT TO  
AN ALTERNATIVE NATURAL GAS SUPPLIER.

(5) THE COMMISSION SHALL ESTABLISH AN EDUCATIONAL PROGRAM TO  
ENSURE THAT ELIGIBLE CUSTOMERS ARE INFORMED OF THE REQUIREMENTS AND  
BENEFITS OF THIS SECTION.]

20 [(6)] AS USED IN THIS SECTION:

21 (A) "ELIGIBLE CUSTOMER" MEANS EITHER AN ELIGIBLE LOW-INCOME  
22 CUSTOMER OR AN ELIGIBLE SENIOR CITIZEN CUSTOMER.

23 (B) "ELIGIBLE LOW-INCOME CUSTOMER" MEANS A CUSTOMER WHOSE  
24 HOUSEHOLD INCOME DOES NOT EXCEED 175% OF THE POVERTY LEVEL, AS  
25 PUBLISHED BY THE UNITED STATES DEPARTMENT OF HEALTH AND HUMAN  
26 SERVICES, OR WHO RECEIVES ANY OF THE FOLLOWING:

- 1        (i) ASSISTANCE FROM A STATE EMERGENCY RELIEF PROGRAM.
- 2        (ii) FOOD STAMPS.
- 3        (iii) MEDICAID.
- 4        (C) "ELIGIBLE SENIOR CITIZEN CUSTOMER" MEANS A DISTRIBUTOR
- 5 OR SUPPLIER CUSTOMER WHO IS 65 YEARS OF AGE OR OLDER AND WHO
- 6 ADVISES THE DISTRIBUTOR OR SUPPLIER OF HIS OR HER ELIGIBILITY.