

# HOUSE BILL No. 5003

July 10, 2001, Introduced by Reps. Birkholz, Howell, Vander Veen, Bradstreet, Voorhees, Richardville, Hart and Jansen 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,"

by amending section 10q (MCL 460.10q), as added by 2000 PA 141.

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

1       Sec. 10q. (1) A person shall not engage in the business of  
2 an alternative electric supplier in this state unless the person  
3 obtains and maintains a license issued under section 10a.

4       (2) In addition to any other information required by the  
5 commission in connection with a licensing application, the appli-  
6 cant ~~shall be~~ IS required to do ~~both~~ ALL of the following:

7       (a) Provide information, including information as to the  
8 applicant's safety record and its history of service quality and  
9 reliability, as to the applicant's technical ability, as defined  
10 under regulations of the commission, to safely and reliably gen-  
11 erate or otherwise obtain and deliver electricity and provide any  
12 other proposed services.

13       (b) Demonstrate that the employees of the applicant that  
14 will be installing, operating, and maintaining generation or  
15 transmission facilities within this state, or any entity with  
16 which the applicant has contracted to perform those functions  
17 within this state, have the requisite knowledge, skills, and com-  
18 petence to perform those functions in a safe and responsible  
19 manner in order to provide safe and reliable service.

20       (c) NOTIFY THE COMMISSION, PRIOR TO SOLICITING ANY CUSTOM-  
21 ERS, OF WHICH CITIES, VILLAGES, AND TOWNSHIPS THE ALTERNATIVE  
22 ELECTRIC SUPPLIER INTENDS TO PROVIDE SERVICE. THE COMMISSION  
23 SHALL POST THE INFORMATION REQUIRED UNDER THIS SUBDIVISION ON ITS  
24 INTERNET WEBSITE. IF REQUESTED BY A CITY, VILLAGE, OR TOWNSHIP,  
25 THE COMMISSION SHALL, ON A SEMIANNUAL BASIS, PROVIDE IN WRITING  
26 NOTICE OF ANY ALTERNATIVE ELECTRIC SUPPLIER THAT HAS INDICATED IT

1 INTENDS TO PROVIDE SERVICE TO THE CITY, VILLAGE, OR TOWNSHIP.

2 THIS SUBDIVISION DOES NOT APPLY AFTER JANUARY 1, 2004.

3       (3) The commission shall order the applicant to post a bond  
4 or provide a letter of credit or other financial guarantee in a  
5 reasonable amount established by the commission of not less than  
6 \$40,000.00, if the commission finds after an investigation and  
7 review that the requirement of a bond would be in the public  
8 interest.

9       (4) Only investor-owned, cooperative, or municipal electric  
10 utilities shall own, construct, or operate electric distribution  
11 facilities or electric meter equipment used in the distribution  
12 of electricity in this state. This subsection does not prohibit  
13 a self-service power provider from owning, constructing, or oper-  
14 ating electric distribution facilities or electric metering  
15 equipment for the sole purpose of providing or utilizing  
16 self-service power. This act does not affect the current rights,  
17 if any, of a nonutility to construct or operate a private distri-  
18 bution system on private property or private easements. This  
19 does not preclude crossing of public rights-of-way.

20       (5) The commission shall not prohibit an electric utility  
21 from metering and billing its customers for services provided by  
22 the electric utility.