

# SENATE BILL No. 413

April 24, 2001, Introduced by Senators STILLE, GOUGEON and HAMMERSTROM and referred to the Committee on Technology and Energy.

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:**

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  
4 PAYS TO THE DISTRIBUTOR OR SUPPLIER A MONTHLY AMOUNT EQUAL TO 2%  
5 OF THE ESTIMATED ANNUAL BILL FOR THE ELIGIBLE CUSTOMER AND THE  
6 ELIGIBLE CUSTOMER DEMONSTRATES, WITHIN 14 DAYS OF REQUESTING  
7 SHUTOFF PROTECTION, THAT HE OR SHE HAS APPLIED FOR STATE OR FED-  
8 ERAL HEATING ASSISTANCE. IF AN ARREARAGE EXISTS AT THE TIME AN  
9 ELIGIBLE CUSTOMER APPLIES FOR PROTECTION FROM SHUTOFF OF SERVICE  
10 DURING THE HEATING SEASON, THE DISTRIBUTOR OR SUPPLIER SHALL  
11 PERMIT THE CUSTOMER TO PAY THE ARREARAGE IN EQUAL MONTHLY  
12 INSTALLMENTS BETWEEN THE DATE OF APPLICATION AND THE START OF THE  
13 SUBSEQUENT HEATING SEASON SUBJECT TO THE 2% REQUIREMENT OF THIS  
14 SUBSECTION.

15        (2) A NATURAL GAS DISTRIBUTOR OR SUPPLIER MAY TERMINATE  
16 SERVICE TO AN ELIGIBLE CUSTOMER WHO DOES NOT PAY THE MONTHLY  
17 AMOUNTS REQUIRED UNDER SUBSECTION (1) AFTER GIVING NOTICE IN THE  
18 MANNER REQUIRED UNDER SUBSECTION (3). THE DISTRIBUTOR OR SUP-  
19 PLIER IS NOT REQUIRED TO OFFER A SETTLEMENT AGREEMENT TO AN ELI-  
20 GIBLE CUSTOMER WHO FAILS TO MAKE THE MONTHLY PAYMENTS REQUIRED  
21 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.
- 9 (E) THE TELEPHONE NUMBER AND ADDRESS OF THE DISTRIBUTOR OR  
10 SUPPLIER.
- 11 (F) 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 (G) THAT THE DISTRIBUTOR OR SUPPLIER WILL POSTPONE TERMINA-  
15 TION OF SERVICE IF A MEDICAL EMERGENCY EXISTS AT THE CUSTOMER'S  
16 RESIDENCE.
- 17 (H) 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.
- 20 (4) AS USED IN THIS SECTION, "ELIGIBLE CUSTOMER" MEANS A  
21 PERSON WHO WAS RECENTLY ON PUBLIC ASSISTANCE AND PARTICIPATED IN  
22 THE POSITIVE BILLING PROGRAM OFFERED BY THE FAMILY INDEPENDENCE  
23 AGENCY BUT WHO IS NO LONGER RECEIVING PUBLIC ASSISTANCE.