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Senate Bill 612 (as reported without amendment)
Sponsor: Senator Laura M. Toy
Committee: Technology and Energy

CONTENT

The bill would amend the Customer Choice and Electricity Reliability Act to do the following:

- Make an exception to electric utilities' code of conduct, under certain circumstances, for a utility's repair and servicing program.
- Require the Public Service Commission (PSC) to ensure that the regulated rates of a regulated utility did not subsidize programs offered by the utility for the repair and servicing of heating and cooling systems or other appliances.
- Prohibit a regulated utility from promoting such service programs through use of utility bill inserts or other promotional materials included in customer utility bills.

Public Act 141 of 2000 required the PSC to develop a code of conduct that applies to all electric utilities, and includes measures to prevent cross-subsidization, information sharing, and preferential treatment between a utility's regulated and unregulated services. (According to the code of conduct, a service is "regulated" if the PSC has the authority to set the price for the service.) Under the bill, the code of conduct would not apply to a utility's repair and servicing program if the utility had less than 30% of the market share for the repair and servicing of heating and cooling systems or other appliances within the utility's service area. The bill specifies that, for purposes of its provisions, a subsidy would not exist if the revenues of the repair and servicing program exceeded the incremental costs of the program and the program revenues were credited to utility customers in general rate cases.

MCL 460.10a

Legislative Analyst: Julie Koval

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Date Completed: 10-23-03

Fiscal Analyst: Maria Tyszkiewicz