



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536

BILL



ANALYSIS

Telephone: (517) 373-5383
Fax: (517) 373-1986
TDD: (517) 373-0543

House Bill 4660 (Substitute H-1 as passed by the House)

Sponsor: Representative John Garfield

House Committee: Energy and Technology

Senate Committee: Technology and Energy

Date Completed: 10-29-03

CONTENT

The bill would amend the Public Service Commission law to require an electric or gas service provider to provide shut-off protection to a qualifying customer who experienced a reduction in household income as the result of a call to active duty status in the military.

The bill would define "qualifying customer" as all of the following:

- A residential household where the income was reduced because the customer of record, or the customer's spouse, was called to full-time active military service by the President of the United States or the Governor of Michigan during a time of declared national or State emergency or war.
- Assistance was needed by the residential household to maintain electric and gas service.
- The residential household notified the provider of the need for assistance and, if required, provided verification of the call to active duty status.

The bill would prohibit an electric or gas service provider from discontinuing service to the residence of a qualifying customer who filed for shut-off protection. In addition to protection provided under the Michigan Military Act, a qualifying customer could apply for shut-off protection by notifying the provider that he or she was in need of assistance because of a reduction in household income as the result of a call to active duty status. (Under the Michigan Military Act, an officer or enlisted personnel on active State service for more than seven days, or his or her immediate household, may not be deprived of or denied heat, water, electricity, or gas service by any public utility during the first 90 days of military service by reason of unpaid bills.)

A qualifying customer could receive shut-off protection for up to 90 days. Upon application, the provider could grant one or more extensions. A qualifying customer would have to notify the provider of the end of the call to active duty status as soon as the status was known.

The bill specifies that shut-off protection would not void or limit the customer's obligation to pay for electric or gas service received during the assistance period, unless waived by the provider.

A provider would have to do all of the following:

- Establish a payment plan requiring minimum monthly payments that allowed the qualifying customer to pay any past due amounts over a reasonable time period not to exceed one year.
- Provide a qualifying customer with information regarding any governmental, provider, or other assistance programs.

-- Provide qualifying customers with access to existing information on ways to minimize or conserve their service usage.

The bill specifies that it would not affect or amend any Michigan Public Service Commission (PSC) rules or orders pertaining to billing standards. If a qualifying customer did not follow the terms and conditions of the repayment plan, the provider could follow the procedures in the PSC's rules on consumer standards and billing practices for electric and gas residential service.

Proposed MCL 460.9c

Legislative Analyst: Julie Koval

FISCAL IMPACT

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

Fiscal Analyst: Maria Tyszkiewicz