

SENATE BILL No. 1335

July 1, 2004, Introduced by Senators OLSHOVE, HAMMERSTROM and BERNERO 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,"

by amending section 10h (MCL 460.10h), as added by 2000 PA 142.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 10h. As used in this act:

1 (a) "Assignee" means an individual, corporation, or other
2 legally recognized entity to which an interest in securitization
3 property is transferred.

4 (b) "Commission" means the Michigan public service
5 commission. ~~in the department of consumer and industry~~
6 ~~services.~~

7 (c) "Electric utility" means that term as defined in
8 section 2 of the electric transmission line certification act,
9 1995 PA 30, MCL 460.562.

10 (d) "Financing order" means an order of the commission
11 approving the issuance of securitization bonds and the creation
12 of securitization charges and any corresponding utility rate
13 reductions.

14 (e) "Financing party" means a holder of securitization bonds,
15 including trustees, collateral agents, and other persons acting
16 for the benefit of the holder.

17 (f) "Nonbypassable charge" means a charge in a financing
18 order payable by a customer to an electric utility or its
19 assignees or successors regardless of the identity of the
20 customer's electric generation supplier.

21 (g) "Qualified costs" means an electric utility's regulatory
22 assets as determined by the commission, adjusted by the
23 applicable portion of related investment tax credits, plus any
24 costs that the commission determines that the electric utility
25 would be unlikely to collect in a competitive market, including,
26 but not limited to, retail open access implementation costs,
27 ~~and its capital and operating and maintenance costs of~~

1 complying with all federal or state government laws, rules,
2 regulations, and standards, regarding emissions from its
3 electrical power generating facilities, the costs of a commission
4 approved restructuring, buyout or buy-down of a power purchase
5 contract, together with the costs of issuing, supporting, and
6 servicing securitization bonds and any costs of retiring and
7 refunding the electric utility's existing debt and equity
8 securities in connection with the issuance of securitization
9 bonds. Qualified costs include taxes related to the recovery of
10 securitization charges.

11 (h) "Securitization bonds" means bonds, debentures, notes,
12 certificates of participation, certificates of a beneficial
13 interest, certificates of ownership, or other evidences of
14 indebtedness that are issued by an electric utility, its
15 successors, or an assignee under a financing order, that have a
16 term of not more than 15 years, and that are secured by or
17 payable from securitization property. If certificates of
18 participation, certificates of beneficial interest, or
19 certificates of ownership are issued, references in this act to
20 principal, interest, or premium shall refer to comparable amounts
21 under those certificates.

22 (i) "Securitization charges" means nonbypassable amounts to
23 be charged for the use or availability of electric services,
24 approved by the commission under a financing order to fully
25 recover qualified costs, that shall be collected by an electric
26 utility, its successors, an assignee, or other collection agents
27 as provided for in the financing order.

1 (j) "Securitization property" means the property described in
2 section 10j.

3 Enacting section 1. This amendatory act does not take
4 effect unless all of the following bills of the 92nd Legislature
5 are enacted into law:

6 (a) Senate Bill No. 1331.

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8 (b) Senate Bill No. 1336.

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10 (c) Senate Bill No. 1333.

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12 (d) Senate Bill No. 1334.

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14 (e) Senate Bill No. 1332.

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