

SENATE BILL No. 1336

July 1, 2004, Introduced by Senators BERNERO, OLSHOVE 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 10ee.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 **Sec. 10ee. (1) An electric utility may apply to the**

1 commission to recover its capital and operating and maintenance
2 costs of complying with all laws, rules, regulations, and
3 standards enacted or promulgated by the federal or state
4 government regarding emissions from its electrical power
5 generating facilities in this state through an environmental
6 compliance recovery surcharge.

7 (2) The commission shall require that notice of the
8 application filed under subsection (1) be published by the
9 electric utility within 30 days from the date the application was
10 filed.

11 (3) The commission shall issue an order approving the
12 environmental compliance surcharge if it determines that the
13 costs allowed under this section were reasonably and prudently
14 incurred. In its order, the commission shall designate a period
15 for recovery of the environmental compliance costs, including a
16 reasonable return on the unamortized balance, over a period not
17 to exceed the remaining economic life of the affected facility.
18 The environmental compliance surcharge shall never be less than
19 zero.

20 (4) An order the commission issues approving an environmental
21 compliance surcharge shall be issued within 180 days from the
22 date the electric utility filed its application under subsection
23 (1). In its initial application, the electric utility shall
24 state the laws, rules, regulations, or standards of the federal
25 or state government that required the costs to be incurred, the
26 costs that were incurred broken down by project, evidence
27 concerning the reasonableness and prudence of its expenditures,

1 and its calculation of the environmental compliance surcharge.

2 (5) The environmental compliance surcharge approved by the
3 commission shall be a nonbypassable surcharge payable by every
4 customer receiving a distribution service from the electric
5 utility regardless of the identity of the customer's electric
6 generation supplier.

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

10 (a) Senate Bill No. 1335.

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12 (b) Senate Bill No. 1331.

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14 (c) Senate Bill No. 1333.

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16 (d) Senate Bill No. 1334.

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18 (e) Senate Bill No. 1332.

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