



Senate Fiscal Agency  
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**BILL ANALYSIS**

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House Bill 6358 (Substitute H-2 as discharged)  
Sponsor: Representative John Proos  
House Committee: Energy and Technology  
Senate Committee: Technology and Energy

**CONTENT**

The bill would amend the Michigan Public Service Commission (PSC) law to require the parties to an agreement for the purchase or sale of a regulated utility's assets or the controlling interest in a regulated utility, to file with the PSC specified information regarding the transaction for the PSC's review.

The PSC would have 30 days after it received all of the required or requested materials to determine whether any investigations or hearings were necessary to review the proposed transaction. At the end of the 30-day period, the Commission would have to issue either advisory comments that could include any proposed recommendations, modifications, or changes to the structure of the proposed transaction based on specified factors, or a written statement that review was completed and no further comment was necessary. The PSC could extend the time required for the review and the issuance of its advisory comments for up to 120 days from the date it received all of the required or requested material.

The bill would apply to the purchase or sale, or other acquisition or disposition, of the following:

- At least 51% of the then-outstanding shares of a regulated utility's stock, or of a controlling interest in a regulated utility.
- All or a substantial part of a regulated utility's existing and operating assets used or useful at the time of the transaction in providing regulated service in Michigan.

The bill would not apply to the acquisition or transfer of assets acquired or sold in the normal course of business, or to a transaction subject to a written agreement entered into before the bill's effective date.

The PSC would have to promulgate rules for the administration of these provisions.

Proposed MCL 460.6r

Legislative Analyst: Julie Cassidy

**FISCAL IMPACT**

The bill would increase the expenses of the Public Service Commission by an unknown amount. The requirements in the bill for rule-making and review of substantial acquisitions and dispositions of public utility stock or assets would tend to increase the PSC's costs. Expenses also would increase if the Commission determined it was necessary to conduct investigations or hearings or issue an advisory opinion. The administration of the PSC is funded primarily by public utility assessments, which are established at a level to recover the PSC's public utility regulatory expenses.

Date Completed: 12-13-06

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