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**BILL ANALYSIS**

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Senate Bill 426 (as introduced 4-24-07)
Sponsor: Senator Jason E. Allen
Committee: Energy Policy and Public Utilities

Date Completed: 9-12-07

CONTENT

The bill would amend Public Act 3 of 1939, the Public Service Commission law, to require electric utilities, four months after the bill's effective date, to offer their residential customers a rate that included distribution, billing, and collection for energy service rendered by an alternative electric supplier at the same distribution charge paid by full-service customers.

The amounts collected would have to be remitted to the alternative electric supplier based on the rate it charged times the customer's electric consumption. The amount remitted could be reduced by the percentage of bad debt related to recovery of the cost of generation experienced by the electric utility with bundled service customers, to the extent that the utility could prove that the bad debt had not been included in the distribution charge.

Alternative electric suppliers would have to deliver power to the electric utility for its customers' use in amounts dictated by the load profiles used by utilities to estimate consumption for their own residential customers.

These requirements would apply to electric utilities serving more than 200,000 residential customers in the State.

MCL 460.6n

Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

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

Fiscal Analyst: Elizabeth Pratt
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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.