

SENATE BILL No. 428

April 24, 2007, Introduced by Senators McMANUS, KUIPERS and ALLEN and referred to the Committee on Energy Policy and Public Utilities.

A bill to amend 1939 PA 3, entitled

"An act to provide for the regulation and control of public and certain private 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 amending the title, as amended by 2005 PA 190, and by adding section 6q.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

TITLE

An act to provide for the regulation and control of public and certain private 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 PROVIDE FOR DELIVERY OF POWER TO CUSTOMERS PURCHASING POWER FROM SOURCES OTHER THAN REGULATED UTILITIES;** 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.

SEC. 6Q. (1) A REGULATED ELECTRIC UTILITY SERVING MORE THAN 750,000 CUSTOMERS IN THIS STATE WHICH HAS SOLD ITS INTEREST IN A

1 GENERATING PLANT FINANCED PURSUANT TO SECTION 10I OR WHICH THE
2 COMMISSION HAS DETERMINED HAS NO STRANDED COSTS SHALL, AT NO
3 ADDITIONAL CHARGE, DELIVER EACH MONTH TO CUSTOMERS PURCHASING
4 ELECTRICITY FROM SUPPLIERS OTHER THAN THE REGULATED UTILITY OR, AT
5 THE OPTION OF THE CUSTOMER, TO THE ALTERNATIVE SUPPLIER OF THE
6 CUSTOMER, ELECTRICITY EQUAL TO THAT WHICH COULD HAVE BEEN PURCHASED
7 BY THE CUSTOMER FROM THE UTILITY AT AVERAGE RETAIL RATES FOR
8 GENERATION WITH THE AMOUNT PAID FOR ALL REGULATED ELECTRIC UTILITY
9 NONDISTRIBUTION CHARGES INCLUDING, BUT NOT LIMITED TO, AUTHORIZED
10 SECURITIZATION CHARGES PURSUANT TO SECTION 10H.

11 (2) CUSTOMERS RECEIVING ELECTRICITY UNDER THIS SECTION SHALL
12 PAY RETAIL DISTRIBUTION CHARGES AND TRANSMISSION COSTS APPLICABLE
13 TO THE ELECTRICITY ACQUIRED FROM THE REGULATED ELECTRIC UTILITY.

14 (3) AS USED IN THIS SECTION:

15 (A) "DISTRIBUTION CHARGES" INCLUDES THE DIRECT COSTS OF
16 DISTRIBUTION SERVICE AND A PRO RATA SHARE OF THE IMPLEMENTATION
17 COSTS OF CUSTOMER CHOICE UNDER SECTIONS 10 TO 10CC.

18 (B) "TRANSMISSION COSTS" INCLUDES ALL INCREMENTAL, OUT-OF-
19 POCKET COSTS ACTUALLY INCURRED BY THE REGULATED ELECTRIC UTILITY TO
20 TRANSMIT THIS ELECTRICITY TO THE CUSTOMER.