

Legislative Analysis



REGULATED UTILITIES & AESs: REMEDIES FOR VIOLATIONS OF SHUTOFF PROTECTIONS

Mitchell Bean, Director
Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

House Bill 4387 (Substitute H-1)
Sponsor: Rep. Dan Scripps
Committee: Energy and Technology

Complete to 3-31-09

A SUMMARY OF HOUSE BILL 4387 AS REPORTED FROM COMMITTEE 3-26-

House Bill 4387 would add a new Section 9h to the Public Service Commission Law to authorize the Public Service Commission to review alleged violations of the following sections of the law:

- Section 9d (in House Bill 4384, requires providers to tell customers about shutoff protection and assistance programs at least twice a year).
- Section 9f (in House Bill 4391, requires refunds of improperly assessed fees in shutoff and restoration situations).
- Section 9j (in House Bill 4662, requires providers to comply with shutoff protection for senior citizen and low income customers found in commission rules).
- Section 9l (in House Bill 4661, requires providers to try to identify senior citizen customers).

If the commission found that a provider had violated one of these sections, it could order any remedies and penalties found in Section 5 of Public Act 419 of 1919, MCL 460.55.

[Among other things, Section 5 allows the commission to require public utilities to make reports and supply data and authorizes the commission to adopt and enforce rules and regulations. That section subjects companies failing to make required reports or failing to obey commission rules to a penalty of at least \$100 but not more than \$1,000. In addition, the officer or individual in default is considered guilty of a misdemeanor subject to a penalty of at least \$10 but not more than \$1,000, imprisonment in a county jail for not more than six months, or both.]

Fines assessed under this section would be deposited into the Low Income and Energy Efficiency Fund.

Covered providers. In this section, "provider" would mean (1) an electric utility, (2) a cooperative utility, (3) an alternative electric supplier, or (4) an investor-owned natural gas utility with regulated rates. This section would not apply to municipal electric utilities.

FISCAL IMPACT:

A fiscal analysis is in process.

POSITIONS:

The Public Service Commission testified in support of the entire shutoff protection package of bills. (3-24-09)

The Attorney General indicated support of the entire package. (3-26-09)

The Department of Human Services indicated support of the entire package. (3-26-09)

ACORN (Michigan) indicated support of the entire package. (3-24-09)

The Center for Civil Justice indicated support of the entire package. (3-24-09)

Clean Water Action testified in support of the entire package, and submitted a letter of support dated 3-24-09, but would also like to see shutoff protections during hot summer weather and a ban on foreclosures due to non-payment of utility bills. (3-24-09)

Consumers Energy indicated support of the entire package. (3-24-09)

DTE Energy indicated support of the entire package. (3-26-09)

Elder Law of Michigan indicated support of the entire package. (3-24-09)

Indiana Michigan Power indicated support of the entire package. (3-26-09)

Michigan Advocacy Project indicated support of the entire package. (3-24-09)

The Michigan Catholic Conference indicated support of the entire package. (3-24-09)

The Michigan Electric Cooperative Association indicated support of the entire package. (3-24-09)

The Michigan Electric and Gas Association indicated support of the entire package. (3-26-09)

Michigan Citizen Action indicated support of the entire package. (3-24-09)

The Michigan Municipal Electric Association testified in support of the entire package. (3-26-09)

SEMCO Energy indicated support of the entire package. (3-26-09)

The AARP opposes House Bill 4390 and House Bill 4392, but is supportive of the rest of the package, including this bill. (3-24-09)

Legislative Analyst: Shannan Kane
Fiscal Analyst: Mark Wolf

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.