



Senate Fiscal Agency  
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Senate Bill 557 (Substitute S-1 as reported by the Committee of the Whole)  
Sponsor: Senator Bruce Patterson  
Committee: Energy Policy and Public Utilities

### **CONTENT**

The bill would amend Public Act 3 of 1939, the Public Service Commission (PSC) law, to:

- Require a municipally owned electric or natural gas utility to establish a complaint resolution process for its customers to resolve any allegations of violations of the Act that did not result in a death or serious injury.
- Allow the Attorney General, on his or her own motion or upon a referral from the PSC in a case of serious injury or death, or a customer to bring a civil action for injunctive relief or imposition of a civil fine against a municipally owned electric or natural gas utility that failed to meet the applicable requirements of the Act.

Before an action was filed, the parties would have to meet and make a good faith attempt to determine if there was a credible basis for the action. If they agreed that there was, the prospective defendant would have to take all reasonable and prudent steps necessary to comply with the applicable requirements of the Act within 10 days of the meeting and could enter into a compliance agreement, which could include payment of a civil fine.

In issuing a final order in an action brought under the bill, a court could award costs of litigation to the prevailing or substantially prevailing party and order a utility to pay a civil fine of at least \$1,000 but not more than \$20,000 for the first offense, at least \$2,000 but not more than \$40,000 for a second offense, and at least \$5,000 but not more than \$50,000 for a third or subsequent offense. A civil fine would have to be deposited in the Low Income and Energy Efficiency Fund.

Nothing in the bill could be construed to prevent a party from pursuing any other legal or equitable remedy available to the party.

Proposed MCL 460.9p

Legislative Analyst: Julie Cassidy

### **FISCAL IMPACT**

The bill could have an indeterminate fiscal impact on the Department of Attorney General depending on the increase in caseload that could result from any lawsuits brought under the bill. However, the costs could be neutral if the Attorney General were awarded litigation costs, which could include attorney fees and the costs of expert witnesses.

Date Completed: 10-7-09

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