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Senate Bill 557 (as introduced 5-7-09)
Sponsor: Senator Bruce Patterson
Committee: Energy Policy and Public Utilities

Date Completed: 9-17-09

CONTENT

The bill would amend Public Act 3 of 1939, the Public Service Commission (PSC) law, to allow the Attorney General or a customer to bring a civil action against a municipally owned electric utility that failed to meet the Act's requirements.

Specifically, 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 any customer of a municipally owned electric utility, could commence a civil action for injunctive relief against the utility if it failed to meet the applicable requirements.

An action would have to be commenced in the circuit court for the circuit in which the principal office of the utility was located. An action could not be filed unless the prospective plaintiff had given the prospective defendant at least 60 days' written notice of his or her intent to sue, the basis for the suit, and the relief sought. Within 30 days after the prospective defendant received the notice, the parties would have to meet and make a good faith attempt to determine if there was a credible basis for the action. If the parties 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 90 days of the meeting.

In issuing a final order in an action brought under the bill, a court could award costs of litigation, including reasonable attorney and expert witness fees, to the prevailing or substantially prevailing party.

A municipally owned electric utility or a customer would be subject to the Act only as expressly provided in it. Nothing in the Act would give the PSC the power to regulate a municipally owned electric utility.

Proposed MCL 460.9p

Legislative Analyst: Suzanne Lowe

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.

Fiscal Analyst: Joe Carrasco

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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.