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House Bill 4387 (Substitute H-1 as passed by the House)  
Sponsor: Representative Dan Scripps  
House Committee: Energy and Technology  
Senate Committee: Energy Policy and Public Utilities

Date Completed: 4-2-09

### **CONTENT**

The bill would amend Public Act 3 of 1939, the Public Service Commission (PSC) law, to allow the PSC, upon a complaint or its own motion, to review allegations of violations of proposed Section 9d, 9e, 9f, 9j, or 9l (described below) of the Act. If the Commission found that a provider had violated any of those sections, it could order any remedies and penalties set forth in Section 5 of Public Act 419 of 1919. Any fine assessed under the bill would have to be deposited in the Low Income and Energy Efficiency Fund.

(Public Act 419 of 1919 vests certain authority in the PSC over public utilities, excluding municipally owned utilities. Under Section 5, any corporation, joint stock company, association, or individual refusing or neglecting to obey rules and regulations prescribed by the Commission for conducting the business of public utilities, or refusing or neglecting to make any required report, is liable for a penalty of at least \$100 but not more than \$1,000, and the officer or individual in default is guilty of a misdemeanor and subject to a fine of at least \$10 but not more than \$1,000, and/or imprisonment for up to six months.)

"Provider" would mean an electric utility, cooperative electric utility, or alternative electric supplier, or an investor-owned natural gas utility whose rates are regulated by the PSC.

(House Bill 4384 (H-1) would add Section 9d to require a provider to comply with PSC rules regarding shut-off protections for senior citizens and low-income customers. Section 9e would be added by House Bill 4385 (H-1), which would require a provider to include with any shut-off notice the energy assistance telephone line number at the Department of Human Services or an operable 2-1-1 system telephone number. House Bill 4391 (H-1) would add Section 9f to require a municipally owned electric or natural gas utility to refund any late fees, fines, or payments related to a shut-off if they were assessed improperly because of the utility's failure to provide notice as required by the law or in accordance with PSC rules. Section 9j would be added by House Bill 4662 (H-1), which would require a provider to supply to its customers twice per year information regarding various shutoff protections. House Bill 4661 (H-1) would add Section 9l to require a provider to make ongoing efforts to identify customers who were senior citizens.)

Proposed MCL 460.9h

Legislative Analyst: Julie Cassidy

## **FISCAL IMPACT**

The bill would allow the PSC to impose fines for noncompliance that would be deposited into the Low Income and Energy Efficiency Fund. This Fund provides assistance to low income customers to help with utility costs, and also funds some energy efficiency programs. For FY 2008-09, the Department of Energy, Labor, and Economic Growth budget bill, Public Act 251 of 2008, includes a \$93.2 million appropriation to this Fund to provide these services. Current revenue to the Fund comes from an assessment placed on DTE and Consumers Energy.

The bill would have an indeterminate fiscal impact on local government. There are no data to indicate how many offenders would be convicted of violating the proposed public utilities-related requirements. To the extent that the bill would increase convictions, local governments would incur the costs of misdemeanor probation and incarceration in local facilities, which vary by county. Additional penal fine revenue would benefit public libraries.

Fiscal Analyst: Lindsay Hollander  
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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.