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House Bill 4659 (Substitute H-3 as passed by the House)

Sponsor: Representative Joel Sheltrown 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 law, to prescribe the conditions under which a municipally owned electric or natural gas utility (a "provider") could shut off service. The bill would do the following:

- -- Allow a temporary shut-off for health or safety reasons or in an emergency.
- -- Specify the reasons for which service to a residential customer could be shut off.
- -- Require a provider to give a customer at least 10 days' notice by first-class mail or personal delivery before shutting off service.
- -- Require the notice to include specified information, including that the customer had the right to enter into a payment plan, and that the provider would postpone the shut-off if a certified medical emergency existed or if the customer were an eligible low-income customer.
- -- Provide that shut-off could occur only between 8 a.m. and 4 p.m.
- -- Require a provider to make at least two attempts to contact a customer at least one day before an involuntary shut-off.
- -- Require a provider to restore service, within one working day as a rule, upon a customer's request when the cause of the shut-off had been cured or a satisfactory credit arrangement had been made.

The bill would take effect on November 1, 2009.

Temporary Shut-Off

The bill would allow a provider to shut off service temporarily for reasons of health or safety or in a State or national emergency. When a provider shut-off service for health or safety reasons, it would have to leave a notice at the premises.

Residential Shut-Off

Subject to the requirements of the Act, a provider could shut off or terminate service to a residential customer for any of the following reasons:

- -- The customer had not paid a delinquent account that accrued within the last six years.
- -- The customer had failed to provide a deposit or guarantee as required by the provider.
- -- The customer had engaged in unauthorized use of a provider's service.

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- -- The customer had failed to comply with the terms and conditions of a payment plan entered into with the provider in accordance with its rules.
- -- The customer had refused to arrange access at reasonable times for the purpose of inspection, meter reading, maintenance, or replacement of equipment that was installed upon the premises or for the removal of a meter.
- -- The customer misrepresented his or her identity for the purpose of obtaining a provider service, or put service in another person's name without that person's permission.
- -- The customer had violated any rules of the provider so as to affect adversely the safety of the customer or other people or the integrity of the provider's system.

A provider also could shut off or terminate service to a residential customer if a person living in the customer's residence had a delinquent account for service with the provider within the past three years that remained unpaid, and the customer lived in the person's residence when all or part of the debt was incurred. The provider could transfer a prorated amount of the debt to the customer's account, based upon the length of time that he or she resided at the person's residence. This provision would not apply if the customer were a minor while living in the person's residence.

Notice

A provider could not shut off service unless it sent a notice to the customer by first-class mail or personally served the notice at least 10 days before the date of the proposed shut-off. The provider would have to maintain a record of the date the notice was sent.

The notice would have to contain all of the following:

- -- The customer's name and address, and the address at which service was provided, if different.
- -- A clear and concise statement of the reason for the proposed shut-off.
- -- The date on or after which the provider could shut-off service, unless the customer took appropriate action.
- -- That the customer had the right to enter into a payment plan with the provider if the claim were for an amount that was not in dispute and the customer were presently unable to pay in full.
- -- The provider's telephone number and address where the customer could inquire, enter into a payment plan, or file a complaint.

The notice also would have to state that the provider would postpone the shut-off if a certified medical emergency existed at the customer's residence and the customer informed and provided documentation to the provider of that medical emergency.

In addition, the notice would have to state that the provider would postpone shut-off if a customer were an eligible low-income customer and provided documentation that he or she was actively seeking emergency assistance from an energy assistance program.

Date & Time of Shut-Off

Subject to the requirements of the Act, a provider could shut-off service to a customer on a date specified in the notice of shut-off or at a reasonable time following that date. If a provider did not shut off service and mailed a subsequent notice, the provider could not shut off service before the date specified in the subsequent notice.

Shut-off could occur only between the hours of 8 a.m. and 4 p.m.

A provider could not shut off service on a day, or a day immediately before a day, when its services were not available to the general public for the purpose of restoring service.

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Contact with Customer

For an involuntary shut-off, at least one day before shutting off service, the provider would have to make at least two attempts to contact the customer by one or more of the following methods:

- -- A personal or automated telephone call where direct contact was made with a member of the customer's household or a message was recorded on an answering machine or voice mail.
- -- First-class mail.
- -- A personal visit to the customer.
- -- A written notice left at or on the customer's door.
- -- Any other method approved by the Public Service Commission.

Immediately before the shut-off, an employee of the provider who was designated to perform that function could identify himself or herself to the customer or another responsible person at the premises, and announce the purpose of his or her presence.

When a provider employee shut off service, he or she would have to leave a notice stating that service had been shut off and giving the address and telephone number of the provider where the customer could arrange to have the service restored.

Remote Shut-Off

For an involuntary shut-off using meters with remote shut-off and restoration ability, at least one day before shut-off, the provider would have to make at least two attempts to contact the customer by one of the methods listed above. Any notice would have to state that the disconnection of service would be done remotely and that a provider representative would not return to the premises before disconnection. The provider would have to document all attempts to contact the customer.

If it contacted the customer or other responsible person in his or her household by telephone on the day service was to be shut off, the provider would have to inform the customer or other person that shut-off was imminent and inform him or her of the steps necessary to avoid shut-off. Unless the customer presented evidence reasonably demonstrating that the claim was satisfied or was in dispute, or the customer made payment, the employee could shut off service.

If the provider complied with these notice requirements, no further customer contact would be required on the day service was to be shut off and the provider could shut off the service.

Shut-Off at Other Premises

A provider could not shut off service because the customer had not paid for concurrent service received at a separate metering point, residence, or location.

A provider could not shut off service because the customer had not paid for service at a premises occupied by another person, but could shut off service under any of the following circumstances if proper notice had been given:

- -- The customer supplied a written, notarized statement that the premises were unoccupied.
- -- The premises were occupied and the occupant agreed, in writing, to the shut-off.

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-- It was not feasible to provide service to the occupant as a customer without a major revision of existing distribution facilities.

Service Restoration

After a provider had shut off service, it would have to restore service upon the customer's request when the cause had been cured or a credit arrangement satisfactory to the provider had been made.

When a provider was required to restore service at the customer's meter manually, the provider would have to make reasonable efforts to restore service on the day the customer requested restoration. Except for reasons beyond its control, the provider would have to restore service by the first working day after the customer's request.

For providers using meter technology with remote shut-off and restoration capability, service would have to be restored on the first working day after the customer requested restoration, except in the case of documented equipment failure.

The provider could assess the customer a charge for restoring service or relocating his or her meter.

Proposed MCL 460.9q

Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Fiscal Analyst: Elizabeth Pratt

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