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House Bill 4673 (Substitute H-3 as passed by the House)  
Sponsor: Representative Jeff Mayes  
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 do the following:**

- Prohibit a municipally owned electric utility from shutting off service to certain senior citizen and low-income customers during the heating season if they applied for heating assistance and paid any arrearages in monthly installments.**
- Allow the utility to shut off service to a low-income customer who did not pay the monthly installments.**
- Allow the utility to shut off service to a noncompliant customer after giving a notice containing specified information.**

Specifically, a municipally owned electric utility could not shut off service to an eligible customer during the heating season (November 1 through March 31) for nonpayment of a delinquent account if the customer were an eligible senior citizen customer or if he or she paid to the utility a monthly amount equal to 7% of his or her estimated annual bill and demonstrated within 14 days of requesting shut-off protection that he or she had applied for State or Federal heating assistance. If an arrearage existed when an eligible customer applied for protection from shut-off of service during the heating season, the utility would have to permit him or her to pay the arrearage in equal monthly installments between the date of application and the start of the subsequent heating season.

("Eligible customer" would mean either an eligible low-income customer or an eligible senior citizen customer who demonstrates to the utility his or her eligibility. "Eligible low-income customer" would mean a customer whose household income does not exceed 150% of the poverty level, as published by the U.S. Department of Health and Human Services, or who receives assistance from a State emergency relief program, food stamps, or Medicaid. "Eligible senior citizen customer" would mean a utility customer who is at least 65 years old and who advises the utility of his or her eligibility.)

A municipally owned electric utility could shut off service to an eligible low-income customer who did not pay the required monthly amounts after notifying him or her. The utility would not have to offer a payment plan to an eligible low-income customer who failed to make the monthly payments.

If a customer failed to comply with the terms and conditions of the bill, the utility could shut off service after giving the customer a notice, by personal service or first-class mail, that contained all of the following information:

- That he or she had defaulted on the winter protection payment plan.
- The nature of the default.
- That unless he or she made the payments that were past due within 10 days of the mailing date, the utility could shut off service.
- The date on or after which the utility could shut off service, unless the customer took appropriate action.
- That the customer could petition the utility in accordance with its rules disputing the claim before the proposed shut-off date, or bring an action pursuant to proposed Section 9p.
- That the utility would not shut off service pending the resolution of a dispute that was filed with the utility in accordance with the bill.
- The telephone number and address of the utility where the customer could make inquiry, enter into a payment plan, or file a complaint.
- That the customer should contact a social services agency immediately if he or she believed he or she might be eligible for emergency economic assistance.
- That the utility would postpone the shut-off if a medical emergency existed at the customer's residence.
- That the utility could require a deposit and restoration charge if the supplier shut off service for nonpayment of a delinquent account.

(House Bill 4656 (H-2) would add Section 9p to allow the Attorney General or a customer of a municipally owned utility to bring a civil action for injunctive relief or a civil fine against a utility that failed to meet applicable requirements of the PSC law.)

Proposed MCL 460.9r

Legislative Analyst: Julie Cassidy

### **FISCAL IMPACT**

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

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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.