

**SUBSTITUTE FOR  
HOUSE BILL NO. 4673**

A bill to amend 1939 PA 3, entitled

"An act to provide for the regulation and control of public and certain private utilities and other services affected with a public interest within this state; to provide for alternative energy suppliers; to provide for licensing; to include municipally owned utilities and other providers of energy under certain provisions of this act; to create a public service commission and to prescribe and define its powers and duties; to abolish the Michigan public utilities commission and to confer the powers and duties vested by law on the public service commission; to provide for the continuance, transfer, and completion of certain matters and proceedings; to abolish automatic adjustment clauses; to prohibit certain rate increases without notice and hearing; to qualify residential energy conservation programs permitted under state law for certain federal exemption; to create a fund; to provide for a restructuring of the manner in which energy is provided in this state; to encourage the utilization of resource recovery facilities; to prohibit certain acts and practices of providers of energy; to allow for the securitization of stranded costs; to reduce rates; to provide for appeals; to provide appropriations; to declare the effect and purpose of this act; to prescribe remedies and penalties; and to repeal acts and parts of acts,"

(MCL 460.1 to 460.11) by adding section 9r.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

**1            SEC. 9R. (1) A MUNICIPALLY OWNED ELECTRIC UTILITY SHALL NOT**

1 SHUT OFF SERVICE TO AN ELIGIBLE CUSTOMER DURING THE HEATING SEASON  
2 FOR NONPAYMENT OF A DELINQUENT ACCOUNT IF THE CUSTOMER IS AN  
3 ELIGIBLE SENIOR CITIZEN CUSTOMER OR IF THE CUSTOMER PAYS TO THE  
4 UTILITY A MONTHLY AMOUNT EQUAL TO 7% OF THE ESTIMATED ANNUAL BILL  
5 FOR THE ELIGIBLE CUSTOMER AND THE ELIGIBLE CUSTOMER DEMONSTRATES,  
6 WITHIN 14 DAYS OF REQUESTING SHUT-OFF PROTECTION, THAT HE OR SHE  
7 HAS APPLIED FOR STATE OR FEDERAL HEATING ASSISTANCE. IF AN  
8 ARREARAGE EXISTS AT THE TIME AN ELIGIBLE CUSTOMER APPLIES FOR  
9 PROTECTION FROM SHUTOFF OF SERVICE DURING THE HEATING SEASON, THE  
10 UTILITY SHALL PERMIT THE CUSTOMER TO PAY THE ARREARAGE IN EQUAL  
11 MONTHLY INSTALLMENTS BETWEEN THE DATE OF APPLICATION AND THE START  
12 OF THE SUBSEQUENT HEATING SEASON.

13 (2) A MUNICIPALLY OWNED ELECTRIC UTILITY MAY SHUT OFF SERVICE  
14 TO AN ELIGIBLE LOW-INCOME CUSTOMER WHO DOES NOT PAY THE MONTHLY  
15 AMOUNTS REQUIRED UNDER SUBSECTION (1) AFTER GIVING NOTICE TO THE  
16 CUSTOMER. THE MUNICIPALLY OWNED ELECTRIC UTILITY IS NOT REQUIRED TO  
17 OFFER A PAYMENT PLAN TO AN ELIGIBLE LOW-INCOME CUSTOMER WHO FAILS  
18 TO MAKE THE MONTHLY PAYMENTS REQUIRED UNDER SUBSECTION (1).

19 (3) IF A CUSTOMER FAILS TO COMPLY WITH THE TERMS AND  
20 CONDITIONS OF THIS SECTION, A MUNICIPALLY OWNED ELECTRIC UTILITY  
21 MAY SHUT OFF SERVICE AFTER GIVING THE CUSTOMER A NOTICE, BY  
22 PERSONAL SERVICE OR FIRST-CLASS MAIL, THAT CONTAINS ALL OF THE  
23 FOLLOWING INFORMATION:

24 (A) THAT THE CUSTOMER HAS DEFAULTED ON THE WINTER PROTECTION  
25 PAYMENT PLAN.

26 (B) THE NATURE OF THE DEFAULT.

27 (C) THAT UNLESS THE CUSTOMER MAKES THE PAYMENTS THAT ARE PAST

1 DUE WITHIN 10 DAYS OF THE DATE OF MAILING, THE MUNICIPALLY OWNED  
2 ELECTRIC UTILITY MAY SHUT OFF SERVICE.

3 (D) THE DATE ON OR AFTER WHICH THE MUNICIPALLY OWNED ELECTRIC  
4 UTILITY MAY SHUT OFF SERVICE, UNLESS THE CUSTOMER TAKES APPROPRIATE  
5 ACTION.

6 (E) THAT THE CUSTOMER MAY PETITION THE MUNICIPALLY OWNED  
7 ELECTRIC UTILITY IN ACCORDANCE WITH THE UTILITY'S RULES DISPUTING  
8 THE CLAIM BEFORE THE DATE OF THE PROPOSED SHUTOFF OF SERVICE, OR  
9 BRING AN ACTION PURSUANT TO SECTION 9P.

10 (F) THAT THE UTILITY WILL NOT SHUT OFF SERVICE PENDING THE  
11 RESOLUTION OF A DISPUTE THAT IS FILED WITH THE UTILITY IN  
12 ACCORDANCE WITH THIS SECTION.

13 (G) THE TELEPHONE NUMBER AND ADDRESS OF THE UTILITY WHERE THE  
14 CUSTOMER MAY MAKE INQUIRY, ENTER INTO A PAYMENT PLAN, OR FILE A  
15 COMPLAINT.

16 (H) THAT THE CUSTOMER SHOULD CONTACT A SOCIAL SERVICES AGENCY  
17 IMMEDIATELY IF THE CUSTOMER BELIEVES HE OR SHE MIGHT BE ELIGIBLE  
18 FOR EMERGENCY ECONOMIC ASSISTANCE.

19 (I) THAT THE UTILITY WILL POSTPONE SHUTOFF OF SERVICE IF A  
20 MEDICAL EMERGENCY EXISTS AT THE CUSTOMER'S RESIDENCE.

21 (J) THAT THE UTILITY MAY REQUIRE A DEPOSIT AND RESTORATION  
22 CHARGE IF THE SUPPLIER SHUTS OFF SERVICE FOR NONPAYMENT OF A  
23 DELINQUENT ACCOUNT.

24 (4) AS USED IN THIS SECTION:

25 (A) "ELIGIBLE CUSTOMER" MEANS EITHER AN ELIGIBLE LOW-INCOME  
26 CUSTOMER OR AN ELIGIBLE SENIOR CITIZEN CUSTOMER WHO DEMONSTRATES TO  
27 THE UTILITY HIS OR HER ELIGIBILITY.

1           (B) "ELIGIBLE LOW-INCOME CUSTOMER" MEANS A CUSTOMER WHOSE  
2   HOUSEHOLD INCOME DOES NOT EXCEED 150% OF THE POVERTY LEVEL, AS  
3   PUBLISHED BY THE UNITED STATES DEPARTMENT OF HEALTH AND HUMAN  
4   SERVICES, OR WHO RECEIVES ANY OF THE FOLLOWING:

5           (i) ASSISTANCE FROM A STATE EMERGENCY RELIEF PROGRAM.

6           (ii) FOOD STAMPS.

7           (iii) MEDICAID.

8           (C) "ELIGIBLE SENIOR CITIZEN CUSTOMER" MEANS A UTILITY  
9   CUSTOMER WHO IS 65 YEARS OF AGE OR OLDER AND WHO ADVISES THE  
10   UTILITY OF HIS OR HER ELIGIBILITY.

11          (D) "HEATING SEASON" MEANS NOVEMBER 1 THROUGH MARCH 31.

12          Enacting section 1. This amendatory act takes effect November  
13   1, 2009.