

HOUSE BILL No. 5109

October 29, 2013, Introduced by Rep. Kurtz and referred to the Committee on Tourism.

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,"

by amending section 10q (MCL 460.10q), as added by 2000 PA 141.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 10q. (1) A person shall not engage in the business of an
2 alternative electric supplier in this state unless the person
3 obtains and maintains a license issued under section 10a.

4 (2) In addition to any other information required by the
5 commission in connection with a licensing application, the
6 applicant shall be required to do both of the following:

7 (a) Provide information, including information as to the
8 applicant's safety record and its history of service quality and
9 reliability, as to the applicant's technical ability, as defined
10 under regulations of the commission, to safely and reliably
11 generate or otherwise obtain and deliver electricity and provide
12 any other proposed services.

13 (b) Demonstrate that the employees of the applicant that will
14 be installing, operating, and maintaining generation or
15 transmission facilities within this state, or any entity with which
16 the applicant has contracted to perform those functions within this
17 state, have the requisite knowledge, skills, and competence to
18 perform those functions in a safe and responsible manner in order
19 to provide safe and reliable service.

20 (3) The commission shall order the applicant to post a bond or
21 provide a letter of credit or other financial guarantee in a
22 reasonable amount established by the commission of not less than
23 \$40,000.00, if the commission finds after an investigation and
24 review that the requirement of a bond would be in the public
25 interest.

1 (4) Only investor-owned, cooperative, or municipal electric
2 utilities shall own, construct, or operate electric distribution
3 facilities or electric meter equipment used in the distribution of
4 electricity in this state. This subsection does not prohibit a
5 self-service power provider from owning, constructing, or operating
6 electric distribution facilities or electric metering equipment for
7 the sole purpose of providing or utilizing self-service power. This
8 act does not affect the current rights, if any, of a nonutility to
9 construct or operate a private distribution system on private
10 property or private easements. This does not preclude crossing of
11 public rights-of-way.

12 **(5) THE SALE OF ELECTRICITY BY A CAMPGROUND OR MARINA TO ITS**
13 **CUSTOMERS WHEN THE CAMPGROUND OR MARINA PROVIDES SEPARATE METERS TO**
14 **THOSE CUSTOMERS IS CONSIDERED A REIMBURSEMENT TO THE CAMPGROUND OR**
15 **MARINA.**

16 (6) ~~(5)~~The commission shall not prohibit an electric utility
17 from metering and billing its customers for services provided by
18 the electric utility.

19 **(7) AS USED IN THIS SECTION:**

20 **(A) "CAMPGROUND" MEANS THAT TERM AS DEFINED IN SECTION 12501**
21 **OF THE PUBLIC HEALTH CODE, 1978 PA 368, MCL 333.12501.**

22 **(B) "MARINA" MEANS THAT TERM AS DEFINED IN SECTION 78101 OF**
23 **THE NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION ACT, 1994 PA**
24 **451, MCL 324.78101.**

25 **(C) "REIMBURSEMENT" MEANS THE ELECTRIC RATE INVOICED BY A**
26 **CAMPGROUND OR MARINA TO ITS CUSTOMERS FOR ELECTRIC SERVICE THAT**
27 **DOES NOT EXCEED THE PRICE PAID FOR THAT ELECTRIC SERVICE BY THE**

1 CAMPGROUND OR MARINA.