

# HOUSE BILL No. 5865

September 30, 2014, Introduced by Reps. MacMaster and Kelly and referred to the Committee on Energy and Technology.

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 sections 9r and 10t (MCL 460.9r and 460.10t), section

9r as added by 2009 PA 174 and section 10t as added by 2000 PA 141.

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

1           Sec. 9r. (1) A municipally owned electric utility shall not  
2 shut off service to ~~an eligible~~ **A** customer during the heating  
3 season for nonpayment of a delinquent account if the customer is an  
4 eligible senior citizen customer or if the ~~eligible~~ customer enters  
5 into a winter protection payment plan to pay to the utility a  
6 monthly amount equal to 7% of the estimated annual bill for the  
7 ~~eligible~~ customer or the ~~eligible~~ customer and the utility mutually  
8 agree upon a winter protection payment plan with different terms.  
9 ~~and the eligible customer demonstrates, within 14 days of~~  
10 ~~requesting shut-off protection, that he or she has applied for~~  
11 ~~state or federal heating assistance.~~ If an arrearage exists at the  
12 time ~~an eligible~~ **A** customer applies for protection from shutoff of  
13 service during the heating season, the utility shall permit the  
14 customer to pay the arrearage in equal monthly installments between  
15 the date of application and the start of the subsequent heating  
16 season.

17           (2) If a customer fails to comply with the terms and  
18 conditions of a winter protection payment plan, a municipally owned  
19 electric utility may shut off service after giving the customer a  
20 notice, by personal service or first-class mail, that contains all  
21 of the following information:

22           (a) That the customer has defaulted on the winter protection  
23 payment plan.

24           (b) The nature of the default.

25           (c) That unless the customer makes the payments that are past

1 due within 10 days of the date of **THE** mailing **OR PERSONAL SERVICE**,  
2 the municipally owned 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~~**UNDER** 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) The energy assistance telephone line number at the  
17 department of human services or an operating 2-1-1 system telephone  
18 number.

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 (3) 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 (A) ~~(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 (B) ~~(d)~~ "Heating season" means ~~November 1~~ **DECEMBER 1** through  
 12 March 31.

13 Sec. 10t. (1) An electric utility or alternative electric  
 14 supplier shall not shut off service to ~~an eligible~~ **A** customer  
 15 during the heating season for nonpayment of a delinquent account if  
 16 the customer is an eligible senior citizen customer or if the  
 17 customer pays to the utility or supplier a monthly amount equal to  
 18 7% of the estimated annual bill for the ~~eligible~~ customer. ~~and the~~  
 19 ~~eligible customer demonstrates, within 14 days of requesting~~  
 20 ~~shutoff protection, that he or she has applied for state or federal~~  
 21 ~~heating assistance.~~ If an arrearage exists at the time an eligible  
 22 customer applies for protection from shutoff of service during the  
 23 heating season, the utility or supplier shall permit the customer  
 24 to pay the arrearage in equal monthly installments between the date  
 25 of application and the start of the subsequent heating season.

26 (2) An electric utility or alternative electric supplier may  
 27 shut off service to ~~an eligible low income~~ **A** customer who does not

1 pay the monthly amounts required under subsection (1) after giving  
2 notice in the manner required by rules. The utility or supplier is  
3 not required to offer a settlement agreement to ~~an eligible low-~~  
4 ~~income~~ A customer who fails to make the monthly payments required  
5 under subsection (1).

6 (3) If a customer fails to comply with the terms and  
7 conditions of this section, an electric utility may shut off  
8 service on its own behalf or on behalf of an alternative electric  
9 supplier after giving the customer a notice, by personal service or  
10 first-class mail, that contains all of the following information:

11 (a) That the customer has defaulted on the winter protection  
12 plan.

13 (b) The nature of the default.

14 (c) That unless the customer makes the payments that are past  
15 due within 10 days of the date of **THE mailing OR PERSONAL SERVICE**,  
16 the utility or supplier may shut off service.

17 (d) The date on or after which the utility or supplier may  
18 shut off service, unless the customer takes appropriate action.

19 (e) That the customer has the right to file a complaint  
20 disputing the claim of the utility or supplier before the date of  
21 the proposed shutoff of service.

22 (f) That the customer has the right to request a hearing  
23 before a hearing officer if the complaint cannot be otherwise  
24 resolved and that the customer shall pay to the utility or supplier  
25 that portion of the bill that is not in dispute within 3 days of  
26 the date that the customer requests a hearing.

27 (g) That the customer has the right to represent himself or

1 herself, to be represented by an attorney, or to be assisted by any  
2 other person of his or her choice in the complaint process.

3 (h) That the utility or supplier will not shut off service  
4 pending the resolution of a complaint that is filed with the  
5 utility in accordance with this section.

6 (i) The telephone number and address of the utility or  
7 supplier where the customer may make inquiry, enter into a  
8 settlement agreement, or file a complaint.

9 (j) That the customer should contact a social services agency  
10 immediately if the customer believes he or she might be eligible  
11 for emergency economic assistance.

12 (k) That the utility or supplier will postpone shutoff of  
13 service if a medical emergency exists at the customer's residence.

14 (l) That the utility or supplier may require a deposit and  
15 restoration charge if the supplier shuts off service for nonpayment  
16 of a delinquent account.

17 (4) An electric utility is not required to shut off service  
18 under this section to ~~an eligible~~ **A** customer for nonpayment to an  
19 alternative electric supplier.

20 (5) The commission shall establish an educational program to  
21 ensure that ~~eligible~~ customers are informed of the requirements and  
22 benefits of this section.

23 (6) As used in this section:

24 ~~— (a) "Eligible customer" means either an eligible low income~~  
25 ~~customer or an eligible senior citizen customer.~~

26 ~~— (b) "Eligible low income customer" means a customer whose~~  
27 ~~household income does not exceed 150% of the poverty level, as~~

1 ~~published by the United States department of health and human~~  
2 ~~services, or who receives any of the following:~~

3 ~~—— (i) Assistance from a state emergency relief program.~~

4 ~~—— (ii) Food stamps.~~

5 ~~—— (iii) Medicaid.~~

6 (A) ~~(e)~~—"Eligible senior citizen customer" means a utility or  
7 supplier customer who is 65 years of age or older and who advises  
8 the utility of his or her eligibility.

9 (B) "HEATING SEASON" MEANS DECEMBER 1 THROUGH MARCH 31.