

# HOUSE BILL NO. 5217

October 24, 2023, Introduced by Reps. Scott and Neeley and referred to the Committee on Energy, Communications, 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 powers and duties of certain state governmental officers and entities; 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 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 10t and 11 (MCL 460.10t and 460.11), as amended by 2016 PA 341.

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

1       Sec. 10t. (1) An electric utility or alternative electric  
2       supplier shall not shut off service to an eligible customer during  
3       the heating season for nonpayment of a delinquent account if the  
4       customer is an eligible senior citizen customer or if the customer  
5       pays to the utility or supplier a monthly amount equal to 7% of the  
6       estimated annual bill for the eligible customer and the eligible  
7       customer demonstrates, within 14 days of requesting shutoff  
8       protection, that he or she has applied for state or federal heating  
9       assistance. If an arrearage exists at the time an eligible customer  
10      applies for protection from shutoff of service during the heating  
11      season, the utility or supplier shall permit the customer to pay  
12      the arrearage in equal monthly installments between the date of  
13      application and the start of the subsequent heating season.

14      (2) An electric utility or alternative electric supplier may  
15      shut off service to a customer as provided in part 7 of the clean  
16      and renewable energy and energy waste reduction act, 2008 PA 295,  
17      MCL 460.1201 to 460.1211, or to an eligible low-income customer who  
18      does not pay the monthly amounts required under subsection (1)  
19      after giving notice in the manner required by rules. The utility or  
20      supplier is not required to offer a settlement agreement to an

1 eligible low-income customer who fails to make the monthly payments  
2 required under subsection (1).

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

8 (a) That the customer has not paid the per-meter charge  
9 described in section 205 of the clean and renewable energy and  
10 energy waste reduction act, 2008 PA 295, MCL 460.1205, or the  
11 customer has defaulted on the winter protection plan.

12 (b) The nature of the default.

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

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

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

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

26 (g) That the customer has the right to represent himself or  
27 herself, to be represented by an attorney, or to be assisted by any  
28 other person of his or her choice in the complaint process.

29 (h) That the utility or supplier will not shut off service

1 pending the resolution of a complaint that is filed with the  
2 utility in accordance with this section.

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

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

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

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

14 (4) An electric utility is not required to shut off service  
15 under this section to an eligible customer for nonpayment to an  
16 alternative electric supplier.

17 **(5) The commission, in consultation with utilities, the state**  
18 **housing development agency, and the department of health and human**  
19 **services shall develop a pilot program as described in this section**  
20 **based on recommendations from the low-income workgroup. The**  
21 **commission shall designate a disadvantaged community to operate the**  
22 **pilot program until June 1, 2025. The program must do all of the**  
23 **following:**

24 **(a) Identify eligible fixed income households to opt into the**  
25 **program.**

26 **(b) Give eligible fixed income households that participate in**  
27 **the program the option to participate in MI-Hope, HEEHRA, and WAP**  
28 **to weatherize the eligible fixed income household's home and become**  
29 **a priority in the program.**

(c) Create 2 groups that will be monitored in the program as follows:

(i) One group that receives emergency shut-off assistance before utility service is shut off.

(ii) One group that receives a lump sum payment to be distributed over the year to lower the effective rate per billing cycle.

(d) Before shutting off service to a customer, a utility shall contact the department of health and human services to determine if the customer is enrolled in the program. If the customer is enrolled in the program, the program shall do either of the following:

(i) If the customer is enrolled in the emergency shut-off assistance group, provide that assistance to the utility.

(ii) If the customer is enrolled in the lump sum payment group, enter into an agreement with the utility to make a lump sum payment to last over 12 months, effectively lowering the rate of pay for the eligible fixed income household.

(6) At the conclusion of the pilot program under subsection (5), the commission must provide a report to the legislature.

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

(8) ~~(6)~~—As used in this section:

(a) "Eligible customer" means either an eligible low-income customer or an eligible senior citizen customer.

(b) "Eligible fixed income household" means a utility customer whose household income does not exceed 150% of the poverty level, as published by the United States Department of Health and Human

1 **Services, or who receives any of the following:**

2 (i) **Assistance from a state emergency relief program.**

3 (ii) **Home heating credits.**

4 (iii) **Food stamps.**

5 (iv) **Michigan energy assistance.**

6 (v) **Medicaid.**

7 (c) ~~(b)~~—"Eligible low-income customer" means a customer whose  
8 household income does not exceed 150% of the poverty level, as  
9 published by the United States Department of Health and Human  
10 Services, or who receives any of the following:

11 (i) Assistance from a state emergency relief program.

12 (ii) Food stamps.

13 (iii) Medicaid.

14 (d) ~~(e)~~—"Eligible senior citizen customer" means a utility or  
15 supplier customer who is 65 years of age or older and who advises  
16 the utility of his or her eligibility.

17 Sec. 11. (1) Except as otherwise provided in this subsection,  
18 the commission shall ensure the establishment of electric rates  
19 equal to the cost of providing service to each customer class. In  
20 establishing cost of service rates, the commission shall ensure  
21 that each class, or sub-class, is assessed for its fair and  
22 equitable use of the electric grid. If the commission determines  
23 that the impact of imposing cost of service rates on customers of  
24 an electric utility would have a material impact on customer rates,  
25 the commission may approve an order that implements those rates  
26 over a suitable number of years. The commission shall ensure that  
27 the cost of providing service to each customer class is based on  
28 the allocation of production-related costs based on using the 75-0-  
29 25 method of cost allocation and transmission costs based on using

1 the 100% demand method of cost allocation. The commission may  
 2 modify this method if it determines that this method of cost  
 3 allocation does not ensure that rates are equal to the cost of  
 4 service.

5 (2) Notwithstanding any other provision of this act, the  
 6 commission ~~may~~**shall** establish eligible low-income customer, ~~or~~  
 7 eligible senior citizen customer, **and eligible person with a**  
 8 **disability customer** rates. Upon filing of a rate increase request,  
 9 a utility shall include proposed eligible low-income customer, ~~and~~  
 10 eligible senior citizen customer, **and eligible person with a**  
 11 **disability customer** rates and a method to allocate the revenue  
 12 shortfall attributed to the implementation of those rates ~~upon~~**on**  
 13 all customer classes. As used in this subsection, "eligible low-  
 14 income customer" and "eligible senior citizen customer" mean those  
 15 terms as defined in section 10t.

16 (3) Notwithstanding any other provision of this section, the  
 17 commission shall establish rate schedules that ensure that public  
 18 and private schools, universities, and community colleges are  
 19 charged retail electric rates that reflect the actual cost of  
 20 providing service to those customers. Electric utilities regulated  
 21 under this section shall file with the commission tariffs to ensure  
 22 that public and private schools, universities, and community  
 23 colleges are charged electric rates as provided in this subsection.

24 Enacting section 1. This amendatory act does not take effect  
 25 unless all of the following bills of the 102nd Legislature are  
 26 enacted into law:

27 (a) Senate Bill No. \_\_\_\_ or House Bill No. 5216 (request no.  
 28 04427'23 \*).

29 (b) Senate Bill No. \_\_\_\_ or House Bill No. 5222 (request no.

1 04428'23 \*).

2 (c) Senate Bill No.\_\_\_\_ or House Bill No. 5220 (request no.  
3 04429'23 \*).

4 (d) Senate Bill No.\_\_\_\_ or House Bill No. 5221 (request no.  
5 04430'23 \*).

6 (e) Senate Bill No.\_\_\_\_ or House Bill No.\_\_\_\_ (request no.  
7 04646'23 \*).

8 (f) Senate Bill No.\_\_\_\_ or House Bill No. 5219 (request no.  
9 04648'23 \*).