

TRANSMISSION OF ELECTRICITY (EXCERPT)
Act 106 of 1909

460.557 Investigation of complaints; notice; hearing; fixing of rates; rates as just and reasonable; rate-making subject to electric transmission line certification act; rules; review of order or decree.

Sec. 7. (1) The commission shall investigate each complaint against an electric utility submitted in writing by a consumer or a city, village, or township concerning the price of the electricity sold and delivered, the service rendered, or any other matter of complaint. The commission's agents, examiners, inspectors, engineers, and accountants may inspect the system and method used in transmitting and supplying electricity and examine the electric utility's books and papers pertaining to transmitting and supplying electricity, services rendered, or any other matter of complaint.

(2) The commission shall cause a notice of the complaint with a copy of the complaint to be served on the electric utility complained of or affected by the complaint. The electric utility has the right to a hearing in respect to the complaint. After investigation and hearing, the commission may by order fix the price of electricity to be charged by the electric utility within lawful limits. The electric utility shall receive notice of the price fixed by the commission and shall charge that fixed price until the commission changes the fixed price. The commission may establish by order rules and conditions of service that are just and reasonable. In determining the price, the commission shall consider and give due weight to all lawful elements necessary to determine the price to be fixed for supplying electricity, including cost, reasonable return on the fair value of all property used in the service, depreciation, obsolescence, risks of business, value of service to the consumer, the connected load, the hours of the day when used, and the quantity used each month. However, the commission shall not change or alter the price fixed in or regulated by or under a franchise granted by a city, village, or township.

(3) If identical or substantially identical rates are established in 2 or more contiguous cities, villages, townships, or communities served or whose inhabitants are served by the same electric utility, the territory served shall be treated as a unit for fixing rates. A rate shall not be changed with respect to 1 or more of the cities, villages, townships, or communities so as to establish a rate difference within the territory served, unless it is shown that the continuance of the identical or substantially identical rate or rates will work substantial hardship to a city, village, township, person, firm, or corporation affected or unless otherwise provided by law.

(4) The rates of an electric utility shall be just and reasonable and a consumer shall not be charged more or less than other consumers are charged for like contemporaneous service rendered under similar circumstances and conditions. An electric utility doing business within this state shall not, directly or indirectly by a special rate, rebate, draw-back, or other device, charge, demand, collect, or receive from a person, partnership, or corporation, a greater or lesser compensation for a service rendered than the electric utility charges, demands, collects, or receives from any other person, partnership, or corporation for rendering, a like contemporaneous service.

A person, partnership, or corporation shall not, directly or indirectly, ask, demand, or accept a rebate, draw-back, or other device by which the person, partnership, or corporation shall obtain electric service for a rate less than that charged others in like circumstances.

(5) Rate-making pursuant to this act is subject to the electric transmission line certification act.

(6) The commission may promulgate rules for the conduct of its business and the proper discharge of its functions under this act, pursuant to the administrative procedures act of 1969, Act No. 306 of the Public Acts of 1969, being sections 24.201 to 24.328 of the Michigan Compiled Laws. A person dealing with the commission or interested in a matter or proceeding pending before the commission is bound by those rules.

(7) An order or decree of the commission is subject to review as provided in section 26 of Act No. 300 of the Public Acts of 1909, being section 462.26 of the Michigan Compiled Laws.

History: 1909, Act 106, Eff. Sept. 1, 1909;—CL 1915, 4848;—Am. 1921, Act 274, Eff. Aug. 18, 1921;—Am. 1923, Act 108, Eff. Aug. 30, 1923;—CL 1929, 11099;—CL 1948, 460.557;—Am. 1987, Act 8, Eff. Apr. 1, 1987;—Am. 1995, Act 33, Imd. Eff. May 17, 1995.

Compiler's note: For provisions of Act 419 of 1919, referred to in this section, see MCL 460.51 et seq. For provisions of Act 300 of 1909, referred to in this section, see MCL 462.2 et seq.

Section 2 of Act No. 497 of the Public Acts of 1982, which act amended this section, provided that this "amendatory act shall not take effect unless House Bill No. 5719 (request no. 02467 '81) of the 81st Legislature is enacted into law." House Bill No. 5719 was not enacted into law during the 1982 Regular Session.

Administrative rules: R 460.511 et seq.; R 460.2011 et seq.; R 460.2101 et seq.; R 460.2601 et seq.; and R 460.3101 et seq. of the Michigan Administrative Code.