

MICHIGAN PUBLIC SERVICE COMMISSION (EXCERPT)
Act 3 of 1939

460.6b Gas utility rates based upon cost of purchased natural gas; authority of commission; acceptance of employment with utility by member of legislature.

Sec. 6b. If the rates of any gas utility shall be based, among other considerations, upon the cost of natural gas purchased by said gas utility which is in turn distributed by said gas utility to the public served by it, and the cost for such gas is regulated by the federal energy regulatory commission, the Michigan public service commission shall have the authority set forth in this section. In any proceeding to increase the rates and charges or to alter, change or amend any rate or rate schedule of a gas utility, the Michigan public service commission shall be permitted to and shall receive in evidence the rates, charges, classifications and schedules on file with the federal energy regulatory commission whereby the cost of gas purchased or received by such gas utility is fixed and determined. If, while such proceeding is pending before the Michigan public service commission, a proceeding shall be instituted or be pending before said federal energy regulatory commission, or on appeal therefrom in a court having jurisdiction, with respect to or affecting the cost of gas payable by such gas utility, said Michigan public service commission shall consider as an item of operating expense to said gas utility the cost of gas set forth in said rates, charges, classifications and schedules on file with the federal energy regulatory commission. If the cost of gas payable by said gas utility shall be reduced by the final order of the federal energy regulatory commission or the final decree of the court, if appealed thereto, and the Michigan public service commission shall have entered an order approving rates to said gas utility as aforesaid based upon the cost of gas set forth in the rates, charges, classifications and schedules on file with the federal energy regulatory commission which were later reduced as above set forth, the Michigan public service commission upon its own motion or upon complaint and after notice and hearing may proceed to order refund to the gas utility's customers of any sums refunded to the said gas utility for the period subsequent to the effective date of the Michigan public service commission order approving rates for the gas utility as above set forth. No member of this 81st Legislature shall accept an employment position with any utility in this state within 2 years after vacating his or her legislative office.

History: Add. 1952, Act 272, Imd. Eff. June 16, 1952;—Am. 1982, Act 304, Imd. Eff. Oct. 13, 1982;—Am. 1982, Initiated Law, Eff. Dec. 2, 1982;—Am. 1982, Act 212, Eff. Nov. 22, 1982.

Constitutionality: In In re Proposals D & H (Michigan State Chamber of Commerce v. State of Michigan), 417 Mich 409 (1983), the Michigan Supreme Court held that Proposal H (Act 212 of 1982) prevails in its entirety over Proposal D. The Court declared further that Proposal H was not repealed by the enactment of Act 304 of 1982.