

**HOUSE SUBSTITUTE FOR
SENATE BILL NO. 284**

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,"

(MCL 460.1 to 460.11) by adding section 9t.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 9T. (1) THE LOW-INCOME ENERGY ASSISTANCE FUND IS CREATED
2 WITHIN THE STATE TREASURY.

3 (2) THE STATE TREASURER MAY RECEIVE MONEY OR OTHER ASSETS FROM
4 ANY SOURCE FOR DEPOSIT INTO THE FUND. THE STATE TREASURER SHALL
5 DIRECT THE INVESTMENT OF THE FUND. THE STATE TREASURER SHALL CREDIT
6 TO THE FUND INTEREST AND EARNINGS FROM FUND INVESTMENTS.

7 (3) MONEY IN THE FUND AT THE CLOSE OF THE FISCAL YEAR SHALL
8 REMAIN IN THE FUND AND SHALL NOT LAPSE TO THE GENERAL FUND.

9 (4) THE DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS SHALL
10 BE THE ADMINISTRATOR OF THE FUND FOR AUDITING PURPOSES.

11 (5) SUBJECT TO THE LIMITATIONS IMPOSED IN THIS SECTION, THE
12 DEPARTMENT OF HUMAN SERVICES SHALL EXPEND MONEY FROM THE FUND, UPON
13 APPROPRIATION, AS PROVIDED IN THE MICHIGAN ENERGY ASSISTANCE ACT,
14 2012 PA 615, MCL 400.1231 TO 400.1236. THE DEPARTMENT OF HUMAN
15 SERVICES, IN CONSULTATION WITH THE PUBLIC SERVICE COMMISSION, SHALL
16 ENSURE THAT ALL MONEY COLLECTED FOR THE FUND FROM A GEOGRAPHIC AREA
17 IS RETURNED, TO THE EXTENT POSSIBLE, TO THAT GEOGRAPHIC AREA.

18 (6) SUBJECT TO THE LIMITATIONS IMPOSED IN THIS SUBSECTION, THE
19 PUBLIC SERVICE COMMISSION MAY, AFTER AN OPPORTUNITY TO COMMENT,
20 ANNUALLY APPROVE A LOW-INCOME ENERGY ASSISTANCE FUNDING FACTOR NO
21 LATER THAN JULY 31 OF EACH YEAR FOR THE SUBSEQUENT FISCAL YEAR. THE
22 LOW-INCOME ENERGY ASSISTANCE FUNDING FACTOR SHALL BE THE SAME
23 ACROSS ALL CUSTOMER CLASSES AND SHALL NOT EXCEED \$1.00. THE AMOUNT
24 USED BY THE PUBLIC SERVICE COMMISSION TO CALCULATE A LOW-INCOME
25 ENERGY ASSISTANCE FUNDING FACTOR DURING EACH FISCAL YEAR SHALL NOT
26 EXCEED \$50,000,000.00 MINUS BOTH THE AMOUNT APPROPRIATED FROM THE

1 GENERAL FUND IN THAT FISCAL YEAR FOR HOME ENERGY ASSISTANCE AND THE
2 AMOUNT REMAINING IN THE FUND FROM THE PRIOR FISCAL YEAR. AN
3 ELECTRIC UTILITY, MUNICIPALLY OWNED ELECTRIC UTILITY, OR
4 COOPERATIVE ELECTRIC UTILITY THAT COLLECTS MONEY UNDER THIS
5 SUBSECTION SHALL REMIT THAT MONEY TO THE STATE TREASURER FOR
6 DEPOSIT IN THE FUND ON A MONTHLY BASIS NO LATER THAN 30 DAYS AFTER
7 THE LAST DAY IN EACH CALENDAR MONTH. THE ELECTRIC UTILITY,
8 MUNICIPALLY OWNED ELECTRIC UTILITY, OR COOPERATIVE ELECTRIC UTILITY
9 SHALL LIST THE LOW-INCOME ENERGY ASSISTANCE FUNDING FACTOR AS A
10 SEPARATE LINE ITEM ON EACH CUSTOMER'S BILL.

11 (7) AN ELECTRIC UTILITY, MUNICIPALLY OWNED ELECTRIC UTILITY,
12 OR COOPERATIVE ELECTRIC UTILITY MAY ELECT TO NOT COLLECT A LOW-
13 INCOME ENERGY ASSISTANCE FUNDING FACTOR UNDER THIS SECTION BY
14 ANNUALLY FILING A NOTICE WITH THE PUBLIC SERVICE COMMISSION BY JULY
15 1. NOTWITHSTANDING ANY OTHER PROVISION OF THIS ACT, AN ELECTRIC
16 UTILITY, MUNICIPALLY OWNED ELECTRIC UTILITY, OR COOPERATIVE
17 ELECTRIC UTILITY THAT ELECTS TO NOT COLLECT A LOW-INCOME ENERGY
18 ASSISTANCE FUNDING FACTOR UNDER THIS SECTION SHALL NOT SHUT OFF
19 SERVICE TO ANY RESIDENTIAL CUSTOMER FROM NOVEMBER 1 TO APRIL 15 FOR
20 NONPAYMENT OF A DELINQUENT ACCOUNT.

21 (8) AN ELECTRIC UTILITY, MUNICIPALLY OWNED ELECTRIC UTILITY,
22 OR COOPERATIVE ELECTRIC UTILITY THAT DOES NOT OPT OUT UNDER
23 SUBSECTION (7), OR AN ASSOCIATION REPRESENTING A MUNICIPALLY OWNED
24 ELECTRIC UTILITY OR COOPERATIVE ELECTRIC UTILITY THAT DOES NOT OPT
25 OUT UNDER SUBSECTION (7), SHALL ANNUALLY PROVIDE TO THE PUBLIC
26 SERVICE COMMISSION BY JULY 1 THE NUMBER OF RETAIL BILLING METERS IT
27 SERVES IN THIS STATE THAT ARE SUBJECT TO THE LOW-INCOME ENERGY

1 ASSISTANCE FUNDING FACTOR.

2 (9) NOTHING IN THIS ACT GIVES THE PUBLIC SERVICE COMMISSION
3 THE POWER TO REGULATE A MUNICIPALLY OWNED ELECTRIC UTILITY.

4 (10) AS USED IN THIS SECTION:

5 (A) "FUND" MEANS THE LOW-INCOME ENERGY ASSISTANCE FUND CREATED
6 IN SUBSECTION (1).

7 (B) "LOW-INCOME ENERGY ASSISTANCE FUNDING FACTOR" MEANS A
8 NONBYPASSABLE SURCHARGE ON EACH RETAIL BILLING METER PAYABLE
9 MONTHLY BY EVERY CUSTOMER RECEIVING A RETAIL DISTRIBUTION SERVICE
10 FROM AN ELECTRIC UTILITY, MUNICIPALLY OWNED ELECTRIC UTILITY, OR
11 COOPERATIVE ELECTRIC UTILITY THAT DOES NOT OPT OUT UNDER SUBSECTION
12 (7), REGARDLESS OF THE IDENTITY OF THE CUSTOMER'S ELECTRIC
13 GENERATION SUPPLIER. THE LOW-INCOME ENERGY ASSISTANCE FUNDING
14 FACTOR SHALL NOT BE CHARGED ON MORE THAN 1 RESIDENTIAL METER PER
15 RESIDENTIAL SITE.