

# Legislative Analysis

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## **GRANT PSC POWER TO SET RATES OF DETROIT WATER/SEWERAGE DEPT.**

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### **House Bill 6105**

**Sponsor: Rep. Tory Rocca**

**Committee: Local Government and Urban Policy**

**Complete to 6-9-06**

### **A REVISED SUMMARY OF HOUSE BILL 6105 AS INTRODUCED 5-24-06**

Under Public Act 3 of 1939, the Public Service Commission is vested with the power and jurisdiction to regulate public utilities, except municipally owned utilities.

House Bill 6105 would amend the act by adding Section 6q to vest the Public Service Commission with the power and jurisdiction to regulate all rates, fares, fees and charges of any water or sewerage system that provides water supply service and/or sewerage service to more than twenty-five percent of the population of the state. (This is understood to apply to the City of Detroit Water and Sewerage Department.)

(The bill would specifically include municipally owned water and sewer systems among the public utilities the PSC could regulate and would limit the current restriction on regulating municipally owned utilities to a "municipally owned electric or natural gas utility.")

MCL 460.6

### **FISCAL IMPACT:**

This bill would increase State of Michigan expenditures, specifically for the Michigan Public Service Commission (MPSC). The Department estimates that two to three additional FTEs would be required. Rate cases involving water and sewer issues follow similar procedures as all other utility rate cases, so the expertise to handle expanded water and sewer regulation exists within the MPSC. However, current staffing is not sufficient to handle the increased responsibilities resulting from this bill.

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