

MUNICIPAL UTILITIES: WINTER PROTECTION PAYMENT PLANS FOR ELECTRIC CUSTOMERS

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Senate Bill 535 as passed by the Senate

Sponsor: Sen. James Barcia

House Committee: Energy and Technology

Senate Committee: Energy Policy and Public Utilities

Complete to 10-19-09

A SUMMARY OF SENATE BILL 535 AS PASSED BY THE SENATE 10-8-09

The bill would add a new Section 9t to the Public Service Commission Law to prohibit a municipally-owned electric utility from shutting off the electric service of eligible customers (senior citizen customers aged 65 and older and low-income customers) who had delinquent accounts during the winter heating season, November 1 through March 1. Low-income customers would have to enter into a winter protection payment plan and apply for state or federal heating assistance to qualify.

Prohibited winter shutoffs. A municipal electric utility could not shut off the service of (1) an eligible senior citizen customer or (2) an eligible low-income customer who entered into a winter protection payment plan for nonpayment of a delinquent account during the heating season, November 1 to March 31

Winter protection payment plans. To qualify for shutoff protection, an eligible customer (except for a senior citizen customer) would have to pay either a monthly amount equal to seven percent of the customer's estimated or the customer or other terms agreed upon by the customer and the utility. In addition, the customer would have to demonstrate that he or she had applied for state or federal heating assistance within 14 days of requesting shut-off protection.

Arrearages. If an eligible customer who applied for winter shut-off protection had an existing arrearage, the utility would have to allow the customer to pay the arrearage in equal monthly installments between the date of the application and the start of the subsequent heating season.

Permitted shutoffs. If a customer failed to comply with the terms and conditions of a winter protection payment plan, the utility could shut off service after giving the customer notice, by personal service or first-class mail, containing all of the following information:

- That the customer has defaulted on the winter protection payment plan.
- The nature of the default.

- That unless the customer made the past due payments within 10 days of the mailing date, service could be shut off.
- The date on or after which the utility could shut off service unless the customer took appropriate action.
- That the customer could file a petition under the utility's rules disputing the claim before the date of the proposed shutoff, or bring an action under Section 9p (found in House Bill 4656 or Senate Bill 557).
- That the utility would not shut off service pending resolution of a dispute that is filed with the utility in accordance with this section.
- The telephone number and address of the utility where the customer could make an inquiry, enter into a payment plan, or file a complaint.
- The energy assistance telephone line number at the Department of Human Services or an operating 2-1-1 system telephone number.
- That the utility would postpone a service shutoff if a medical emergency existed at the customer's residence.
- That the utility could require a deposit and restoration charge if the supplier shuts off service for nonpayment of a delinquent account.

Eligible customers. In this section, "**eligible customer**" would mean either an eligible low-income customer or an eligible senior citizen customer who has demonstrated eligibility to the utility. An "**eligible low-income customer**" would mean a customer whose household income does not exceed 150 percent of the federal poverty level or who receives any of the following: (1) assistance from a state emergency relief program, (2) food stamps, or (3) Medicaid. An "**eligible senior citizen customer**" would mean a utility customer who is 65 years of age or older and who advises the utility of his or her eligibility.

Effective date. The bill would take effect on November 1, 2009

MCL 460.9t

FISCAL IMPACT:

The bill would have no fiscal impact on the state or on local units of government.

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