HOUSE SUBSTITUTE FOR

SENATE BILL NO. 1456

A bill to provide for the preservation of certain economic development rates or contracts; to provide for the adoption of certain rate-making policies for certain electric utilities; to prescribe the powers and duties of certain state agencies and officials; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

Sec. 1. This act shall be known and may be cited as the "energy for economic development act of 2010".

Sec. 3. As used in this act:

(a) "Commission" means the Michigan public service commission created in section 1 of 1939 PA 3, MCL 460.1.

(b) "Electric utility" means that term as defined in section 2 of the electric transmission line certification act, 1995 PA 30, MCL 460.562.

Sec. 5. (1) If an electric utility has executed a written contract with an industrial customer providing for an increase in connected load at a single premises of at least 70,200,000 kilowatt hours over 12 consecutive months pursuant to an economic development tariff provision approved by the commission as of October 6, 2008, the commission shall not take any action that would alter the rates, terms, conditions, duration, or enforceability of that tariff. Such prohibited actions include, but are not limited to, an order that would eliminate, phase out, or otherwise modify the economic development tariff provision in a manner that would allow or require an electric utility to alter the rates, terms, conditions, duration, or enforceability of a contract entered into pursuant to the economic development tariff.

(2) If an electric utility has executed a written contract with a customer as described in subsection (1), the commission shall, after the effective date of this act, allow the utility to fully recover in a general rate case using a projected test year from all of its other electric ratepayers in all classes the full amount of the difference, if any, between the total projected revenue pursuant to the economic development tariff and the utility's cost to provide service to that customer pursuant to the economic development tariff, both as determined by the commission using the method in the most recent general rate case for the utility. The utility's recovery of that difference shall be based

on the cost allocation method identified in section 11(1) of 1939 PA 3, MCL 460.11.

(3) If there is a conflict between this act and any other act of this state, this act controls.

(4) This act is repealed effective December 1, 2015.