

# SENATE BILL No. 120

January 28, 2009, Introduced by Senators CLARK-COLEMAN, CHERRY, HUNTER, CLARKE, SCOTT, BASHAM, BRATER and JACOBS and referred to the Committee on Energy Policy and Public Utilities.

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,"

by amending section 10t (MCL 460.10t), as added by 2000 PA 141.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 10t. (1) An electric utility or alternative electric  
2   supplier shall not shut off service to an eligible customer during  
3   the heating season for nonpayment of a delinquent account if the  
4   customer is an eligible senior citizen customer or if the customer  
5   pays to the utility or supplier a monthly amount equal to 7% of the  
6   estimated annual bill for the eligible customer and the eligible  
7   customer demonstrates, within 14 days of requesting shutoff  
8   protection, that he or she has applied for state or federal heating  
9   assistance. If an arrearage exists at the time an eligible customer  
10   applies for protection from shutoff of service during the heating  
11   season, the utility or supplier shall permit the customer to pay  
12   the arrearage in equal monthly installments between the date of  
13   application and the start of the subsequent heating season.

14           (2) An electric utility or alternative electric supplier may  
15   shut off service to an eligible low-income customer who does not  
16   pay the monthly amounts required under subsection (1) after giving  
17   notice in the manner required by rules. The utility or supplier is  
18   not required to offer a settlement agreement to an eligible low-  
19   income customer who fails to make the monthly payments required  
20   under subsection (1).

21           (3) If a customer fails to comply with the terms and  
22   conditions of this section, an electric utility may shut off  
23   service on its own behalf or on behalf of an alternative electric  
24   supplier after giving the customer a notice, by personal service or  
25   first-class mail, that contains all of the following information:

26           (a) That the customer has defaulted on the winter protection

1 plan.

2 (b) The nature of the default.

3 (c) That unless the customer makes the payments that are past  
4 due within 10 days of the date of mailing, the utility or supplier  
5 may shut off service.

6 (d) The date on or after which the utility or supplier may  
7 shut off service, unless the customer takes appropriate action.

8 (e) That the customer has the right to file a complaint  
9 disputing the claim of the utility or supplier before the date of  
10 the proposed shutoff of service.

11 (f) That the customer has the right to request a hearing  
12 before a hearing officer if the complaint cannot be otherwise  
13 resolved and that the customer shall pay to the utility or supplier  
14 that portion of the bill that is not in dispute within 3 days of  
15 the date that the customer requests a hearing.

16 (g) That the customer has the right to represent himself or  
17 herself, to be represented by an attorney, or to be assisted by any  
18 other person of his or her choice in the complaint process.

19 (h) That the utility or supplier will not shut off service  
20 pending the resolution of a complaint that is filed with the  
21 utility in accordance with this section.

22 (i) The telephone number and address of the utility or  
23 supplier where the customer may make inquiry, enter into a  
24 settlement agreement, or file a complaint.

25 (j) That the customer should contact a social services agency  
26 immediately if the customer believes he or she might be eligible  
27 for emergency economic assistance.

1 (k) That the utility or supplier will postpone shutoff of  
2 service if a medical emergency exists at the customer's residence.

3 (l) That the utility or supplier may require a deposit and  
4 restoration charge if the supplier shuts off service for nonpayment  
5 of a delinquent account.

6 (4) An electric utility is not required to shut off service  
7 under this section to an eligible customer for nonpayment to an  
8 alternative electric supplier.

9 (5) IF AN ELECTRIC UTILITY PROVIDES A RESIDENTIAL ELECTRIC  
10 RATE DISCOUNT PROGRAM FOR ELIGIBLE SENIOR CITIZENS, THAT PROGRAM  
11 SHALL NOT ESTABLISH VARIABLE RATES THAT REQUIRE A PARTICIPATING  
12 SENIOR CITIZEN TO PAY A HIGHER RATE FOR SERVICE THAT EXCEEDS A  
13 DESIGNATED AMOUNT OF ELECTRIC SERVICE.

14 (6) ~~(5)~~—The commission shall establish an educational program  
15 to ensure that eligible customers are informed of the requirements  
16 and benefits of this section.

17 (7) ~~(6)~~—As used in this section:

18 (a) "Eligible customer" means either an eligible low-income  
19 customer or an eligible senior citizen customer.

20 (b) "Eligible low-income customer" means a customer whose  
21 household income does not exceed 150% of the poverty level, as  
22 published by the United States department of health and human  
23 services, or who receives any of the following:

24 (i) Assistance from a state emergency relief program.

25 (ii) Food stamps.

26 (iii) Medicaid.

27 (c) "Eligible senior citizen customer" means a utility or

- 1 supplier customer who is 65 years of age or older and who advises
- 2 the utility of his or her eligibility.