

**Michigan Office of Administrative Hearings and Rules**  
**Administrative Rules Division (ARD)**

611 W. Ottawa Street  
Lansing, MI 48909  
Phone: 517-335-8658 Fax: 517-335-9512

**REQUEST FOR RULEMAKING (RFR)**

**1. Department:**

Licensing and Regulatory Affairs

**2. Bureau:**

Public Service Commission

**3. Promulgation type:**

Full Process

**4. Title of proposed rule set:**

Consumer Standards and Billing Practices for Electric and Natural Gas Service

**5. Rule numbers or rule set range of numbers:**

R 460.101 - R 460.169

**6. Estimated time frame:**

12 months

**Name of person filling out RFR:**

Jana Bachman

**E-mail of person filling out RFR:**

BachmanJ2@michigan.gov

**Phone number of person filling out RFR:**

517-284-8088

**Address of person filling out RFR:**

PO Box 30221 Lansing, MI 48909

**7. Describe the general purpose of these rules, including any problems the changes are intended to address.**

The general purpose of the Consumer Standards and Billing Practices for Electric and Natural Gas Service (Billing Rules) is to provide a regulatory framework with which utilities must comply and that customers may refer to if they are dissatisfied with a utility's actions or wish to learn what their rights are and/or a utility's responsibilities are.

**8. Please cite the specific promulgation authority for the rules (i.e. department director, commission, board, etc.).**

The Public Service Commission has the authority to promulgate the rules. The Public Service Commission decided to evaluate and revise the Consumer Standards and Billing Practices for Electric and Natural Gas Service. There are two additional rulesets involved in the proposed changes. See answers to questions, below, and RFR 2021-76-LR Service Quality and Reliability Standards for Electric Distribution Systems, and RFR 2021-77-LR Technical Standards for Electric Service.

**A. Please list all applicable statutory references (MCLs, Executive Orders, etc.).**

Section 7 of 1909 PA 106, section 2 of 1909 PA 300, section 5 of 1919 PA 419, sections 4 and 6 of 1939 PA 3, and sections 3, 9, and 231 of 1965 PA 380, MCL 460.557, MCL 462.2(12), MCL 460.55, MCL 460.4, MCL 460.6, MCL 16.103, MCL 16.109, MCL 16.331, and Executive Reorganization Order Nos. 1996-2, 2003-1, 2008-4, and 2011-4, MCL 445.2001, MCL 445.2011, MCL 445.2025, and MCL 445.2030.

**B. Are the rules mandated by any applicable constitutional or statutory provision? If so, please explain.**

No, the Billing Rules are not mandated by any constitutional or statutory provision.

**9. Please describe the extent to which the rules conflict with or duplicate similar rules, compliance requirements, or other standards adopted at the state, regional, or federal level.**

There is no conflict or duplication. The Commission is proposing to process three rulemakings at the same time: 2021-3-LR, 2021-76-LR, and 2021-77-LR as follows: The Commission is proposing to rescind R 460.3309 from the Technical Standards for Electric Service (Technical Standards - RFR 2021-77-LR) and recodify the same rule in the Billing Rules (RFR 2021-3-LR). The Commission is proposing to rescind R 460.702(b), (d), (e), (j), and (k), 460.724 (a), (b), (c), and 460.732 (a), (b), (c) from the Service Quality and Reliability Standards for Electric Distribution Systems (Service Quality RFR 2021-76-LR) and recodify the same rules in the Billing Rules (2021-3-LR).

**10. Is the subject matter of the rules currently contained in any guideline, handbook, manual, instructional bulletin, form with instructions, or operational memoranda?**

Yes, the rules are contained in the Michigan Administrative Code, Consumer Standards and Billing Practices for Electric and Natural Gas Service, the Technical Standards for Electric Service, and the Service Quality and Reliability Standards for Electric Distribution Systems. The Commission is proposing to rescind R 460.3309 from the Technical Standards for Electric Service (Technical Standards - RFR 2021-77-LR) and recodify the same rule in the Billing Rules (RFR 2021-3-LR). The Commission is proposing to rescind R 460.702(b), (d), (e), (j), and (k), 460.724 (a), (b), (c), and 460.732 (a), (b), (c) from the Service Quality and Reliability Standards for Electric Distribution Systems (Service Quality RFR 2021-76-LR) and recodify the same rules in the Billing Rules (2021-3-LR).

**11. Are the rules listed on the department's annual regulatory plan as rules to be processed for the current year?**

Yes.

**12. Will the proposed rules be promulgated under Section 44 of the Administrative Procedures Act, 1969 PA 306, MCL 24.244, or under the full rulemaking process?**

Full Process

**13. Please describe the extent to which the rules exceed similar regulations, compliance requirements, or other standards adopted at the state, regional, or federal level.**

The rules do not exceed any regulations, compliance requirements, or standards.

**14. Do the rules incorporate the recommendations received from the public regarding any complaints or comments regarding the rules? If yes, please explain.**

No, the Public Service Commission has not received any public complaint or comment about the rules that would indicate the rules need to be changed in the manner that the Commission is proposing. The Commission Staff (Staff) has observed that the rules proposed, above, to be rescinded from the Technical Standards and Service Quality rules, are more applicable to the Billing Rules. Therefore, the Staff recommended that the Commission propose to rescind R 460.3309 from the Technical Standards for Electric Service (Technical Standards - RFR 2021-77-LR) and recodify the same rule in the Billing Rules (RFR 2021-3-LR), and that the Commission propose to rescind R 460.702(b), (d), (e), (j), and (k), 460.724 (a), (b), (c), and 460.732 (a), (b), (c) from the Service Quality and Reliability Standards for Electric Distribution Systems (Service Quality RFR 2021-76-LR) and recodify the same rules in the Billing Rules (2021-3-LR). Recodifying the stated rules in the Billing Rules will permit utility customers to find all rules that pertain to consumer standards and billing for utility service in one ruleset, rather than the customer having to search three rulesets.

**15. If amending an existing rule set, please provide the date of the last evaluation of the rules and the degree, if any, to which technology, economic conditions, or other factors have changed the regulatory activity covered by the rules since the last evaluation.**

The Billing Rules were last evaluated and revised effective December 2017. In the interim, the Staff has observed that the proposed changes to the rulesets would facilitate the effectiveness of the Billing Rules because R 460.3309, currently codified in the Technical Standards, and R 460.702(b), (d), (e), (j), and (k), 460.724 (a), (b), (c), and 460.732 (a), (b), (c), currently codified in the Service Quality rules, pertain to consumer standards and customer billing and, if recodified in the Billing Rules, would permit utility customers to search one ruleset for applicable consumer standards and billing rules, rather than three rulesets. Accordingly, the rules Commission is proposing that the rules be recodified in the Consumer Standards and Billing Practices for Electric and Natural Gas Service. In addition, the Staff has observed that some rules currently codified in the Billing Standards (R 460.102(t), R 460.115, R 460.143, R 460.151, R 460.154(4)) should be amended to facilitate clarity in the meaning of the rules and to address that Advanced Metering Infrastructure (AMI) is in much wide application now than in December 2017. The wider application of AMI has increased the possibility of remote shutoff for customers' service and that should be addressed in the rules.

**16. Are there any changes or developments since implementation that demonstrate there is no continued need for the rules, or any portion of the rules?**

No.

**17. Is there an applicable decision record (as defined in MCL 24.203(6) and required by MCL 24.239(2))? If so, please attach the decision record.**

No