



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
LANSING

ORLENE HAWKS
DIRECTOR

Memorandum

VIA E-MAIL

DATE: September 17, 2021

TO: Representative Luke Meerman, Chairperson, JCAR
Senator Jon Bumstead, Alternate Chairperson, JCAR
Jimmy Biehl, House Republican Policy Office
Jonathan Shiflett, Senate Majority Policy Office
Tim Reeves, Counsel, JCAR
Elizabeth Edberg, Counsel, JCAR

FROM: Derek Sova, Office of Policy and Legislative Affairs

SUBJECT: Joint Committee on Administrative Rules (JCAR) Briefing Memo for Rule Set 2019-137 LR Preservation of Records of Electric, Gas, and Steam Utilities Mich Admin Code, R 460.2501 through R 460.2582

Rules Primer

The rules that govern the preservation of records are intended to ensure that utilities regulated by the Michigan Public Service Commission retain business records that may be needed by the Public Service Commission in performing its regulatory duties as defined by various Michigan statutes. The rules were last amended during or about 1980, prior to the widespread adoption of computers and cloud storage.

The current rules require climate-controlled brick and mortar storage of physical documents and include references to antiquated business documents such as punch cards.

Summary of the Final Proposed Rule

The proposed rule revisions will:

- Eliminate references to antiquated methods of record keeping and permit secure electronic storage of documents.
- Shorten time frames to reflect modern approaches to record keeping.

- Add requirements for manufactured gas plant remediation records.

Stakeholder Engagement

Michigan utilities requested the Michigan Public Service Commission modernize the rules to permit safe, secure, computerized retention of records. Prior to the public hearing, no utility made specific recommendations or requests regarding the working of rules.

Public Engagement and Public Hearing/Comment/Information

A public hearing was conducted on March 24, 2021. A representative of DTE Energy attended and commented that the rule addressing the retention of records for the remediation of manufactured gas plants was overly broad. No other utility representative or member of the general public attended.

The comment period began on March 24, 2021 and ended on 5:00 p.m. on April 7, 2021. The Public Service Commission received two comments. DTE Energy reiterated its comment made at the public hearing and Consumers Energy commented that the rule addressing gas plant remediation records (R 460.2568a) was burdensome to utilities.

Modifications Made Due to Public Comment

The rule addressing records related to the remediation of manufactured gas plants (R 460.2568a) added wording to specify which records should be retained. The Public Service Commission believes the change addresses concerns that the rule was overly broad and burdensome.

Significant Issues Not Incorporated in the Final Proposed Rules

None.

cc/att: Orlene Hawks, Director, LARA
Kim Gaedeke, Chief Deputy Director, LARA
Adam Sandoval, Deputy Director, LARA
Courtney Pendleton, Deputy Director, LARA
Hon. Daniel C. Scripps, Chair, Michigan Public Service Commission
Elizabeth Arasim, Regulatory Affairs Officer, LARA