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House Bills 4192 through 4196 (as reported without amendment)**Sponsor:** Representative H. Lynn Jondahl**House Committee:** Public Utilities**Senate Committee:** Energy**Date Completed:** 3-27-87**RATIONALE**

In December of 1986, Public Act 312 was enacted to change the Public Service Commission (PSC) appellate process specified in the common carrier (or "railroad") Act. Public Act 312 authorized all appeals of PSC orders (except those concerning water utilities and existing commission rules, tariffs, or rate schedules) to be reviewed directly by the Court of Appeals and not by the Ingham County Circuit Court, as previously had been the case. An accompanying set of bills amending several Acts that would have completed revision of the PSC appeals process in all the major areas of PSC regulation (electricity, natural gas, telecommunications, and motor carriers) also had been introduced, but did not pass both houses of the Legislature. It has been suggested that these Acts should be made consistent with the streamlined appeals process permitted by Public Act 312.

CONTENT

House Bills 4192 through 4195 would amend four separate acts to require that appeals of Public Service Commission (PSC) orders be made in compliance with procedures established by Public Act 312 of 1986, which provides that appeals may be filed in the Court of Appeals, if filed within 30 days after an order was issued. House Bill 4196 would amend the section of the common carrier Act amended by Public Act 312 of 1986 to exempt the appeals process provisions of three statutes (the gas safety standard Act, the water carrier Act, and the public utilities local assessment Act).

House Bill 4192 would amend Public Act 106 of 1909 (which regulates electric utilities); House Bill 4193 would amend the Motor Carrier Act; House Bill 4194 would amend Public Act 144 of 1909 (which regulates public utilities securities); and House Bill 4195 would amend Public Act 69 or 1929 (which regulates public utilities certificates of necessity and convenience). The bills would take effect on April 1, 1987.

MCL 460.557 (House Bill 4192)
479.20 (House Bill 4193)
460.301 (House Bill 4194)
460.506 (House Bill 4195)
462.26 (House Bill 4196)

FISCAL IMPACT

The bills would have no fiscal impact on State or local government.

ARGUMENTS**Supporting Argument**

New procedures for appealing final PSC orders pertaining to common carriers already have been established by Public Act 312 of 1986, and are scheduled to take effect

on April 1, 1987. The bills comprise a technical cleanup package to implement fully the substantive procedural changes authorized in Public Act 312. In addition, House Bill 4196 would specifically add three more exemptions to the existing exemption of water companies from the appeals provisions of the Act. These exemptions include portions of the gas safety standard Act and acts governing water carriers and local assessment appeals. These sections of the law are not rate cases and neither the utilities, the Attorney General, nor the courts requested their transfer of jurisdiction from the Circuit Court to the Appeals Court.

House Bill 4194 would amend the public utilities securities Act, which was the only statute not included in last year's package of auxiliary bills. The treatment of securities had not been considered a problem because those issuances already were handled before the Appeals Court, and the law never required Circuit Court jurisdiction of securities. Although current law actually authorizes Supreme Court jurisdiction of security sales by bonding houses, after initial approval or disapproval by the PSC, in practice those cases have been handled as though the Appeals Court, not the Supreme Court, was the first level of appeal from PSC decisions. The bill would amend the public securities statute to provide for direct appeals to the appellate court in line with all the rate case appeals.

House Bill 4195 would provide for direct appeals of PSC orders regarding utility certificates of necessity and convenience to the Court of Appeals, rather than to the Circuit Court as current law provides. House Bills 4192 and 4193 would make the same change for electric utilities and motor carrier appeals.

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.

H.B. 4192-4196 (3-27-87)