

**SUBSTITUTE FOR
SENATE BILL NO. 535**

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,"

(MCL 460.1 to 460.11) by adding section 9t.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 9T. (1) A MUNICIPALLY OWNED ELECTRIC UTILITY SHALL NOT
2 SHUT OFF SERVICE TO AN ELIGIBLE CUSTOMER DURING THE HEATING SEASON
3 FOR NONPAYMENT OF A DELINQUENT ACCOUNT IF THE CUSTOMER IS AN
4 ELIGIBLE SENIOR CITIZEN CUSTOMER OR IF THE ELIGIBLE CUSTOMER ENTERS
5 INTO A WINTER PROTECTION PAYMENT PLAN TO PAY TO THE UTILITY A
6 MONTHLY AMOUNT EQUAL TO 7% OF THE ESTIMATED ANNUAL BILL FOR THE
7 ELIGIBLE CUSTOMER OR THE ELIGIBLE CUSTOMER AND THE UTILITY MUTUALLY
8 AGREE UPON A WINTER PROTECTION PAYMENT PLAN WITH DIFFERENT TERMS
9 AND THE ELIGIBLE CUSTOMER DEMONSTRATES, WITHIN 14 DAYS OF
10 REQUESTING SHUT-OFF PROTECTION, THAT HE OR SHE HAS APPLIED FOR
11 STATE OR FEDERAL HEATING ASSISTANCE. IF AN ARREARAGE EXISTS AT THE
12 TIME AN ELIGIBLE CUSTOMER APPLIES FOR PROTECTION FROM SHUTOFF OF
13 SERVICE DURING THE HEATING SEASON, THE UTILITY SHALL PERMIT THE
14 CUSTOMER TO PAY THE ARREARAGE IN EQUAL MONTHLY INSTALLMENTS BETWEEN
15 THE DATE OF APPLICATION AND THE START OF THE SUBSEQUENT HEATING
16 SEASON.

17 (2) IF A CUSTOMER FAILS TO COMPLY WITH THE TERMS AND
18 CONDITIONS OF A WINTER PROTECTION PAYMENT PLAN, A MUNICIPALLY OWNED
19 ELECTRIC UTILITY MAY SHUT OFF SERVICE AFTER GIVING THE CUSTOMER A
20 NOTICE, BY PERSONAL SERVICE OR FIRST-CLASS MAIL, THAT CONTAINS ALL
21 OF THE FOLLOWING INFORMATION:

22 (A) THAT THE CUSTOMER HAS DEFAULTED ON THE WINTER PROTECTION
23 PAYMENT PLAN.

24 (B) THE NATURE OF THE DEFAULT.

25 (C) THAT UNLESS THE CUSTOMER MAKES THE PAYMENTS THAT ARE PAST
26 DUE WITHIN 10 DAYS OF THE DATE OF MAILING, THE MUNICIPALLY OWNED
27 ELECTRIC UTILITY MAY SHUT OFF SERVICE.

1 (D) THE DATE ON OR AFTER WHICH THE MUNICIPALLY OWNED ELECTRIC
2 UTILITY MAY SHUT OFF SERVICE, UNLESS THE CUSTOMER TAKES APPROPRIATE
3 ACTION.

4 (E) THAT THE CUSTOMER MAY PETITION THE MUNICIPALLY OWNED
5 ELECTRIC UTILITY IN ACCORDANCE WITH THE UTILITY'S RULES DISPUTING
6 THE CLAIM BEFORE THE DATE OF THE PROPOSED SHUTOFF OF SERVICE, OR
7 BRING AN ACTION PURSUANT TO SECTION 9P.

8 (F) THAT THE UTILITY WILL NOT SHUT OFF SERVICE PENDING THE
9 RESOLUTION OF A DISPUTE THAT IS FILED WITH THE UTILITY IN
10 ACCORDANCE WITH THIS SECTION.

11 (G) THE TELEPHONE NUMBER AND ADDRESS OF THE UTILITY WHERE THE
12 CUSTOMER MAY MAKE INQUIRY, ENTER INTO A PAYMENT PLAN, OR FILE A
13 COMPLAINT.

14 (H) THE ENERGY ASSISTANCE TELEPHONE LINE NUMBER AT THE
15 DEPARTMENT OF HUMAN SERVICES OR AN OPERATING 2-1-1 SYSTEM TELEPHONE
16 NUMBER.

17 (I) THAT THE UTILITY WILL POSTPONE SHUTOFF OF SERVICE IF A
18 MEDICAL EMERGENCY EXISTS AT THE CUSTOMER'S RESIDENCE.

19 (J) THAT THE UTILITY MAY REQUIRE A DEPOSIT AND RESTORATION
20 CHARGE IF THE SUPPLIER SHUTS OFF SERVICE FOR NONPAYMENT OF A
21 DELINQUENT ACCOUNT.

22 (3) AS USED IN THIS SECTION:

23 (A) "ELIGIBLE CUSTOMER" MEANS EITHER AN ELIGIBLE LOW-INCOME
24 CUSTOMER OR AN ELIGIBLE SENIOR CITIZEN CUSTOMER WHO DEMONSTRATES TO
25 THE UTILITY HIS OR HER ELIGIBILITY.

26 (B) "ELIGIBLE LOW-INCOME CUSTOMER" MEANS A CUSTOMER WHOSE
27 HOUSEHOLD INCOME DOES NOT EXCEED 150% OF THE POVERTY LEVEL, AS

1 PUBLISHED BY THE UNITED STATES DEPARTMENT OF HEALTH AND HUMAN
2 SERVICES, OR WHO RECEIVES ANY OF THE FOLLOWING:

3 (i) ASSISTANCE FROM A STATE EMERGENCY RELIEF PROGRAM.

4 (ii) FOOD STAMPS.

5 (iii) MEDICAID.

6 (C) "ELIGIBLE SENIOR CITIZEN CUSTOMER" MEANS A UTILITY
7 CUSTOMER WHO IS 65 YEARS OF AGE OR OLDER AND WHO ADVISES THE
8 UTILITY OF HIS OR HER ELIGIBILITY.

9 (D) "HEATING SEASON" MEANS NOVEMBER 1 THROUGH MARCH 31.

10 Enacting section 1. This amendatory act takes effect November
11 1, 2009.