

# HOUSE BILL No. 4748

June 2, 1999, Introduced by Reps. Kowall, Bishop, Pappageorge, Gosselin, Bradstreet, Vear, Byl, Woronchak, Mortimer, Howell, Patterson, LaSata, Richner, Vander Roest, Spade, Wojno, Rivet, O'Neil, Frank, Prusi, Godchaux, DeHart, Schermesser, Rocca, Clarke, Garcia, Kuipers, Tabor, Ehardt, Law, Faunce, Bob Brown, Price, Green, Hager, Gilbert, Sanborn, Toy, DeVuyst, LaForge, Birkholz and Lemmons and referred to the Committee on Energy and Technology.

A bill to prohibit the switching of a customer's natural gas supplier or distributor and the adding of optional services without the customer's authorization; to prescribe the powers and duties of certain state agencies and officials; and to provide penalties and other remedies.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 1. As used in this act:

2       (a) "Commission" means the Michigan public service commis-  
3 sion in the department of consumer and industry services.

4       (b) "Customer" means an end-user of natural gas.

5       (c) "Natural gas distributor" or "distributor" means a  
6 person that physically delivers natural gas to retail customers.

7       (d) "Natural gas supplier" or "supplier" means a person who  
8 sells natural gas to natural gas retail customers located in this  
9 state.

1 (e) "Natural gas utility" means a public utility that  
2 provided natural gas service before the effective date of this  
3 act.

4 Sec. 2. (1) A customer of a natural gas supplier or dis-  
5 tributor shall not be switched to another supplier or distributor  
6 without the authorization of the customer.

7 (2) The commission shall issue orders to ensure that a cus-  
8 tomer of a natural gas supplier or distributor is not switched to  
9 another supplier or distributor without the customer's oral  
10 authorization, written confirmation, confirmation through an  
11 independent third party, or other verification procedures subject  
12 to commission approval, confirming the customer's intent to make  
13 a switch and that the customer has approved the specific details  
14 of the switch.

15 (3) A natural gas supplier or distributor shall use reason-  
16 able efforts to switch a customer to another supplier or distrib-  
17 utor if properly authorized by the customer in accordance with  
18 the agreement between the supplier or distributor and the cus-  
19 tomer as provided under subsection (2).

20 Sec. 3. (1) A natural gas supplier or distributor shall not  
21 include or add optional services in a customer's service package  
22 or bill for additional services without the authorization of the  
23 customer.

24 (2) The commission shall issue orders to ensure that a natu-  
25 ral gas supplier or distributor does not include or add optional  
26 services in a customer's service package without the customer's  
27 oral authorization, written confirmation, confirmation through an

1 independent third party, or other verification procedures  
2 approved by the commission confirming the customer's intent to  
3 receive the optional services.

4       Sec. 4. (1) The commission shall establish minimum stan-  
5 dards for the form and content of all disclosures, explanations,  
6 or sales information relating to the sale of a natural gas com-  
7 modity and disseminated by a natural gas supplier or distributor  
8 to ensure that the disclosures, explanations, and sales informa-  
9 tion contain accurate and understandable information and enable a  
10 customer to make an informed decision relating to the purchase of  
11 a natural gas commodity. The standards shall be developed to do  
12 all of the following:

13       (a) Not be unduly burdensome.

14       (b) Not unnecessarily delay or inhibit the initiation and  
15 development of competition among natural gas suppliers or dis-  
16 tributors in any market.

17       (c) Establish different requirements for disclosures, expla-  
18 nations, or sales information relating to different services or  
19 similar services to different natural gas supply classes of cus-  
20 tomers, whenever such different requirements are appropriate to  
21 carry out the provisions of this act.

22       (2) The commission may adopt rules under the administrative  
23 procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, it  
24 considers necessary to implement this act and to protect retail  
25 customers from fraud and other unfair and deceptive business  
26 practices.

1       Sec. 5. (1) A customer is entitled to obtain all data and  
2 information from the customer's natural gas supplier or  
3 distributor relating to the customer's billing history and energy  
4 usage over the last 12 months.

5       (2) Upon receipt of a written request from the customer, the  
6 customer's natural gas supplier or distributor shall provide the  
7 information described in subsection (1) to the customer within 10  
8 business days from the date the request was received.

9       (3) The natural gas supplier or distributor is entitled to  
10 charge a fee under this act not greater than the actual cost of  
11 providing the information described in subsection (1). The fee  
12 allowed under this subsection shall be approved by the  
13 commission.

14       (4) A natural gas supplier or distributor may not release  
15 the information described in subsection (1) to a third party  
16 unless the customer has provided consent for the release of the  
17 information.

18       (5) Not less than once annually, the natural gas supplier or  
19 distributor shall provide the means for a customer to grant con-  
20 sent for the release of the information described in subsection  
21 (1).

22       (6) Each bill shall identify the name of the customer's nat-  
23 ural gas supplier or distributor and provide the supplier's or  
24 distributor's addresses and telephone numbers.

25       Sec. 6. If after notice and hearing the commission finds a  
26 person has violated this act or a rule promulgated under this  
27 act, the commission shall order remedies and penalties to protect

1 and make whole another person who has suffered an economic loss  
2 as a result of the violation, including, but not limited to, 1 or  
3 more of the following:

4 (a) The person to pay a fine for the first offense of not  
5 less than \$10,000.00 nor more than \$20,000.00 per day that the  
6 person is in violation of this act, and for each subsequent  
7 offense, a fine of not less than \$20,000.00 nor more than  
8 \$40,000.00 per day.

9 (b) The unauthorized supplier or distributor to refund to  
10 the customer any amount greater than the customer would have paid  
11 to an authorized supplier or distributor.

12 (c) If the person is a licensed supplier or distributor  
13 under the jurisdiction of the commission, the revocation of the  
14 supplier's or distributor's license.

15 (d) Cease and desist orders.