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## ELECTRIC UTILITY SHUTOFF PROTECTION

House Bill 4484

Sponsor: Rep. Douglas Bovin

Committee: Energy and Technology

Complete to 3-16-01

### A SUMMARY OF HOUSE BILL 4484 AS INTRODUCED 3-15-01

Public Act 141 of 2000, among other things, added a section to the Public Service Commission enabling act (Public Act 3 of 1939) that prohibits electric utilities from shutting off service to certain eligible customers under certain circumstances. The act prohibits an electric utility or alternative electric supplier from shutting off services to “eligible customers” during the heating season for nonpayment of a delinquent account if the customer either (a) is an “eligible senior citizen customer” or (b) pays a monthly amount equal to seven percent of the estimated annual bill and demonstrates, within 14 days of requesting shutoff protection, that he or she has applied for state or federal heating assistance. The act defines “eligible customer” to mean either an “eligible low-income customer” (a customer whose household income does not exceed 150 percent of the federal poverty level, or who receives assistance from a state emergency relief program, food stamps, or Medicaid) or an “eligible senior citizen customer” (“a utility or supplier customer who is 65 years of age or older and who advises the utility of his or her eligibility”).

The act also requires the Public Service Commission (PSC) to establish an education program to ensure that eligible customers are informed of the requirements and benefits of act’s shutoff protection provisions.

Service shutoffs. An electric utility or alternative electric supplier can shut off a customer’s service under two of the act’s provisions.

(1) If an arrearage exists at the time an eligible customer applies for shutoff protection, the utility or supplier must let the customer pay the arrearage in equal monthly installments between the date of application and the start of the subsequent heating system. However, an electric utility or alternative electric supplier can shut off service to eligible low-income customers [but presumably not eligible senior citizen customers] who do not pay these monthly amounts, once the utility or supplier gives notice as required by administrative rules. The utility or supplier also is not required to offer a settlement agreement to an eligible low income customer who fails to make the required monthly payments.

(2) The act specifically states that an electric utility is not required to shut off service under the act to an eligible customer for nonpayment to an alternative electric supplier. However, If a customer fails to comply with the terms and conditions of the shutoff provisions of the act, an electric utility can shut off service on its own behalf or on behalf of an alternative electric supplier after giving the customer a notice, by personal service or first-class mail, that contains all of the following information:

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- That the customer has defaulted on the winter protection plan;
- The nature of the default;
- That unless the customer makes the payments that are past due within ten days of the date of mailing, the utility or supplier can shut off service;
- The date on or after which the utility or supplier can shut off service, unless the customer takes “appropriate” action;
- That the customer has the right to file a complaint disputing the claim of the utility or supplier before the date of the proposed shutoff of service;
- That the customer has the right to request a hearing before a hearing officer if the complaint cannot be otherwise resolved, but must pay the utility or supplier that part of the bill not in dispute within three days of the date that the customer requests a hearing;
- That the customer has the right to represent himself or herself, to be represented by an attorney, or to be assisted by any other person of his or her choice in the complaint process;
- That the utility or supplier will not shut off service pending the resolution of a complaint that is filed with the utility in accordance with the act;
- The telephone number and address of the electric utility or alternative electric supplier where the customer may make inquiry, enter into a settlement agreement, or file a complaint;
- That the customer should contact a social services agency immediately if the customer believes he or she might be eligible for emergency economic assistance;
- That the utility or supplier will postpone shutoff of service if a medical emergency exists at the customer’s residence; and
- That the electric utility or alternate supplier may require a deposit and restoration charge if the supplier shuts off service for nonpayment of a delinquent account.

The bill would amend the new shutoff provisions to increase to 175 percent of poverty level (from the current 150 percent) the income threshold that could qualify an electric utility or alternate service supplier customer as being “low-income” and, therefore, eligible for electric utility shutoff protections. The bill also would reduce to five percent (from the current seven percent) the percentage of the estimated annual electric bill that an eligible customer would be required to pay monthly to avoid shutoff of electric services.

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■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.