

## SERVICE RESTORATION FEES FOR MUNICIPALLY OWNED UTILITIES

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<http://www.house.mi.gov/hfa>

**House Bill 5221 as introduced**  
**Sponsor: Rep. Cynthia Neeley**  
**Committee: Energy, Communications, and Technology**  
**Complete to 11-6-23**

Analysis available at  
<http://www.legislature.mi.gov>

### SUMMARY:

House Bill 5221 would amend 1939 PA 3, the Michigan Public Service Commission (MPSC) enabling act, to provide that a municipally owned electric or natural gas utility cannot charge a customer more than \$25 for remote restoration of service that has been shut off. If the customer has entered into and made at least one payment under a payment plan or has otherwise provided a deposit or guarantee as required by the utility, the utility would be prohibited from assessing a charge for remote service restoration.

In addition, under certain circumstances the act now allows a municipally owned electric utility to shut off service to an *eligible customer* from November 1 to March 31 after providing the eligible customer with a notice that contains specified information, including that the utility may require a deposit and restoration charge if the supplier shuts off service for nonpayment of a delinquent account. The bill would require the notice to state that the utility may require a deposit *or* restoration charge if the *utility* shuts off service for nonpayment of a delinquent account (italics indicate changes proposed by the bill). A restoration charge under the bill could not exceed \$25, and the utility could not require a restoration charge from a customer who has provided the required deposit.<sup>1</sup>

*Eligible customer* would mean either an *eligible low-income customer* or *eligible senior citizen customer* who demonstrates their eligibility to the utility.<sup>2</sup>

*Eligible low-income customer* means a customer whose household income does not exceed 150% of the poverty level, as published by the United States Department of Health and Human Services, or who receives any of the following:

- Assistance from a state emergency relief program.
- Food stamps.
- Medicaid.

*Eligible senior citizen customer* means a utility or supplier customer who is 65 years of age or older and advises the utility of their eligibility.

MCL 460.9d, 460.9q, and 460.9r

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<sup>1</sup> For rules regarding other circumstances involving customer deposits and shutting off service, see <https://ars.apps.lara.state.mi.us/AdminCode/DownloadAdminCodeFile?FileName=R%20460.101%20to%20R%20460.169.pdf&ReturnHTML=True>

<sup>2</sup> Currently, only eligible senior citizen customers must demonstrate their eligibility to the utility. The bill would appear to require eligible low-income customers to do so as well.

The bill cannot take effect unless House Bills 5216, 5217, 5219, 5220, and 5222, and an unidentified bill currently designated only by its request number, are also enacted.

**FISCAL IMPACT:**

House Bill 5221 would have an indeterminate fiscal impact on the Michigan Public Service Commission. It is unclear whether the MPSC's responsibilities under the bill could be sufficiently absorbed with existing appropriations and resources, or whether additional appropriations would be required to offset the costs. In the event that additional resources were required, the MPSC is financed primarily by public utility assessments levied on the utilities, so any additional incurred costs would likely be factored into the assessment and sufficiently mitigated.

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