

SENATE BILL No. 657

January 26, 1988, Introduced by Senators CARL, EHLERS, GEO. HART
and POSTHUMUS and referred to the Committee on Energy.

A bill to amend section 6b of Act No. 3 of the Public Acts
of 1939, entitled as amended

"An act to provide for the regulation and control of public utilities and other services affected with a public interest within this state; 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 therein 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 rate increases without notice and hearing; to qualify residential energy conservation programs permitted under state law for certain federal exemption; to provide for a restructuring of rates for certain utilities; to provide for appeals; to provide appropriations; to declare the effect of this act; to prescribe penalties; and to repeal all acts contrary to this act,"

as amended by Act No. 212 of the Public Acts of 1982, being section 460.6b of the Michigan Compiled Laws; and to add section 6p.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 6b of Act No. 3 of the Public Acts of
2 1939, as amended by Act No. 212 of the Public Acts of 1982, being
3 section 460.6b of the Michigan Compiled Laws, is amended and sec-
4 tion 6p is added to read as follows:

5 Sec. 6b. If the rates of any gas utility shall be based,
6 among other considerations, upon the cost of natural gas pur-
7 chased by ~~said~~ THE gas utility which is in turn distributed by
8 ~~said~~ THE gas utility to the public served by it, and the cost
9 for ~~such~~ THE gas is regulated by the federal energy regulatory
10 commission, the Michigan public service commission shall have the
11 authority set forth in this section. In any proceeding to
12 increase the rates and charges or to alter, change, or amend any
13 rate or rate schedule of a gas utility, the Michigan public serv-
14 ice commission shall be permitted to and shall receive in evi-
15 dence the rates, charges, classifications, and schedules on file
16 with the federal energy regulatory commission whereby the cost of
17 gas purchased or received by ~~such~~ THE gas utility is fixed and
18 determined. ~~If, while such~~ WHILE THE proceeding is pending
19 before the Michigan public service commission, IF a proceeding
20 ~~shall be~~ IS instituted or ~~be~~ pending before ~~said~~ THE fed-
21 eral energy regulatory commission, or on appeal ~~therefrom~~ in a
22 court having jurisdiction, with respect to or affecting the cost
23 of gas payable by ~~such~~ THE gas utility, ~~said~~ THE Michigan
24 public service commission shall consider as an item of operating
25 expense to ~~said~~ THE gas utility the cost of gas set forth in
26 ~~said~~ THE rates, charges, classifications, and schedules on file
27 with the federal energy regulatory commission. If the cost of

1 gas payable by ~~said~~ THE gas utility ~~shall be~~ IS reduced by
2 the final order of the federal energy regulatory commission or
3 ~~the~~ final decree of the court ~~, if appealed thereto,~~ and the
4 Michigan public service commission ~~shall have~~ HAD entered an
5 order approving rates to ~~said~~ THE gas utility ~~as aforesaid~~
6 based upon the cost of gas set forth in the rates, charges,
7 classifications, and schedules on file with the federal energy
8 regulatory commission which were later reduced, ~~as above set~~
9 ~~forth,~~ the Michigan public service commission upon its own
10 motion or upon complaint and after notice and hearing ~~may~~ SHALL
11 proceed to order refund to the gas utility's customers of any
12 sums refunded to the ~~said~~ gas utility for the period subsequent
13 to the effective date of the Michigan public service commission
14 order approving rates for the gas utility. ~~as above set forth.~~
15 No member of ~~this 81st~~ THE EIGHTY-FIRST Legislature shall
16 accept an employment position with any utility in this state
17 within 2 years after vacating his or her legislative office.

18 SEC. 6P. (1) THE COMMISSION MAY ORDER A UTILITY TO REFUND
19 TO ITS CUSTOMERS ANY EXCESSIVE RATES OR CHARGES FOR SERVICES
20 RENDERED BY THE UTILITY. THE REFUNDS SHALL BE APPORTIONED AMONG
21 THE CUSTOMERS AS THE COMMISSION DETERMINES REASONABLE.

22 (2) TWO YEARS AFTER THE DATE OF THE COMMISSION'S ORDER UNDER
23 THIS SECTION, OR 2 YEARS AFTER THE DATE OF A FINAL DECISION IN AN
24 APPEAL OF AN ORDER UNDER THIS SECTION, WHICHEVER IS LATER, THE
25 COMMISSION MAY ORDER THE UTILITY TO REFUND ANY AMOUNTS NOT
26 REFUNDED UNDER THE ORIGINAL ORDER. THE AMOUNTS ORDERED UNDER

1 THIS SUBSECTION MAY BE COMBINED WITH ANY OTHER REFUNDS ORDERED BY
2 THE COMMISSION.

3 (3) A PERSON SHALL NOT MAINTAIN AN ACTION TO RECOVER A RATE
4 OR CHARGE REFUND UNDER THIS SECTION AFTER THE DATE PROVIDED FOR
5 IN SUBSECTION (2).

6 Section 2. This amendatory act shall not take effect unless
7 Senate Bill No. 658
8 of the 84th Legislature is enacted into law.