



Senate Fiscal Agency
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BILL ANALYSIS

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Senate Bill 334 (as introduced 3-22-05)
Sponsor: Senator Bruce Patterson
Committee: Technology and Energy

Date Completed: 4-27-05

CONTENT

The bill would amend the Customer Choice and Electricity Reliability Act to require the Public Service Commission (PSC), after notice and hearing, annually to approve a low income and energy efficiency factor that would be a nonbypassable surcharge payable by every customer receiving a distribution service from a gas or electric utility regardless of the identity of the customer's gas or electric generation supplier. The funding could not exceed an amount equal to 2% of each utility's commercial and industrial revenues.

The PSC would have to administer the distribution of the funds and direct that the funds received from the customers of a gas or electric utility be used only to provide energy and conservation assistance to low income and senior citizen customers who lived in the utility's service area.

The bill is tie-barred to five other bills that have not yet been introduced.

Proposed MCL 460.10dd

Legislative Analyst: Julie Koval

FISCAL IMPACT

This bill would increase revenue from approximately \$40 million annually to \$94 million into the Low Income and Energy Efficiency Fund, but would restrict the distribution of the revenue collected to the particular service area. This restriction would increase the administrative responsibilities of the Commission. The Department of Labor and Economic Growth estimates that it would require 2.0 additional FTEs as well as increased auditing personnel.

Fiscal Analyst: Maria Tyszkiewicz

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.