



Senate Fiscal Agency  
P. O. Box 30036  
Lansing, Michigan 48909-7536



BILL ANALYSIS

Telephone: (517) 373-5383  
Fax: (517) 373-1986  
TDD: (517) 373-0543

House Bill 5383 (Substitute H-1 as reported without amendment)

Sponsor: Representative Terry Brown

House Committee: Energy and Technology

Senate Committee: Energy Policy and Public Utilities

### **CONTENT**

The bill would create the "Electric Cooperative Member-Regulation Act" to do the following:

- Allow the board of directors of a cooperative electric utility to elect member-regulation for rates, charges, accounting standards, billing practices, and terms and conditions of service.
- Prescribe procedures by which a board of directors could become member-regulated, including approval by two-thirds of the voting members of a member-regulation proposal.
- Prescribe procedures by which cooperative members could overturn an adopted member-regulation proposal.
- Provide for the Public Service Commission (PSC) to retain jurisdiction over all areas served and line extension disputes involving a member-regulated cooperative and a regulated electric utility.

Legislative Analyst: Julie Cassidy

### **FISCAL IMPACT**

The bill would reduce the administrative costs of the Public Service Commission by an unknown amount. To the extent that electric cooperatives changed to member-regulation pursuant to the bill, the costs currently incurred by the PSC for some aspects of regulating these utilities would be reduced. The PSC, however, would retain many regulatory responsibilities for member-regulated utilities, including those for safety and customer service. The administrative costs of the PSC are appropriated in the budget for the Department of Labor and Economic Growth and are funded by assessments on regulated utilities.

Date Completed: 6-5-08

Fiscal Analyst: Elizabeth Pratt  
Maria Tyszkiewicz