

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * * *

In the matter, on the Commission’s own motion, to)
commence a proceeding to adopt rules concerning the)
establishment and administration of an uncollectibles)
allowance recovery fund by every electric and gas)
utility subject to its jurisdiction.)
_____)

Case No. U-12734

At the November 29, 2000 meeting of the Michigan Public Service Commission in Lansing,
Michigan.

PRESENT: Hon. John G. Strand, Chairman
Hon. David A. Svanda, Commissioner
Hon. Robert B. Nelson, Commissioner

ORDER COMMENCING RULEMAKING PROCEEDING

On October 26, 2000, Public Act 322 of 2000 became effective. Among other things, Act 322 grants the Commission authority to require every electric and gas utility subject to its jurisdiction to establish and to administer an uncollectibles allowance recovery fund. Previously, the Commission had included an administrative rule concerning the establishment and administration of a mechanism for dealing with the uncollectibles expenses of such utilities as part of the Consumer Standards and Billing Practices for Electric and Gas Residential Service, R 460.2101 et seq., (billing rules).¹

¹See R 460.2135 (Rule 35).

The Commission is now persuaded that the required uncollectibles allowance recovery funds should be subject to regulation independent of the billing rules. Therefore, the Commission proposes to adopt new administrative rules to accomplish the objective of Act 322.²

Attached to this order as Exhibit A are proposed administrative rules that will serve as the starting point for this rulemaking proceeding. Pursuant to Section 39a(1) of the Administrative Procedures Act of 1969, MCL 24.239a(1); MSA 3.560(139a)(1), a copy of the proposed rules is being submitted to the Office of Regulatory Reform (ORR) for approval to schedule a public hearing. Upon receipt of the ORR's approval, the Commission will expeditiously schedule a public hearing in this matter. The Commission anticipates that the rulemaking process will be completed within 6 months.

The Commission FINDS that:

- a. Jurisdiction is pursuant to 1909 PA 106, as amended, MCL 460.551 et seq.; MSA 22.151 et seq.; 1909 PA 300, as amended, MCL 462.2 et seq.; MSA 22.21 et seq.; 1919 PA 419, as amended, MCL 460.51 et seq.; MSA 22.1 et seq.; 1939 PA 3, as amended, MCL 460.1 et seq.; MSA 22.13(1) et seq.; Public Act 322 of 2000; 1969 PA 306, as amended, MCL 24.201 et seq.; MSA 3.560(101) et seq.; and the Commission's Rules of Practice and Procedure, as amended, 1992 AACRS, R 460.17101 et seq.
- b. A copy of the proposed rules should be submitted to ORR for approval.

²Today, in a separate order in Case No. U-12733, the Commission has commenced a rulemaking proceeding to rescind Rule 35.

THEREFORE, IT IS ORDERED that:

A. A copy of the proposed rules, attached as Exhibit A, shall be submitted to the Office of Regulatory Reform for approval.

B. Upon receipt of approval from the Office of Regulatory Reform, a public hearing shall be expeditiously scheduled in order to facilitate completion of the rulemaking process within 6 months.

The Commission reserves jurisdiction and may issue further orders as necessary.

MICHIGAN PUBLIC SERVICE COMMISSION

/s/ John G. Strand

Chairman

(S E A L)

/s/ David A. Svanda

Commissioner

/s/ Robert B. Nelson

Commissioner

By its action of November 29, 2000.

/s/ Dorothy Wideman

Its Executive Secretary

THEREFORE, IT IS ORDERED that:

A. A copy of the proposed rules, attached as Exhibit A, shall be submitted to the Office of Regulatory Reform for approval.

B. Upon receipt of approval from the Office of Regulatory Reform, a public hearing shall be expeditiously scheduled in order to facilitate completion of the rulemaking process within 6 months.

The Commission reserves jurisdiction and may issue further orders as necessary.

MICHIGAN PUBLIC SERVICE COMMISSION

Chairman

Commissioner

Commissioner

By its action of November 29, 2000.

Its Executive Secretary

In the matter, on the Commission's own motion, to)
commence a proceeding to adopt rules concerning the)
establishment and administration of an uncollectibles)
allowance recovery fund by every electric and gas)
utility subject to its jurisdiction.)
_____)

Case No. U-12734

Suggested Minute:

“Adopt and issue order dated November 29, 2000 commencing a proceeding to adopt new rules concerning the establishment and administration of an uncollectibles allowance recovery fund by every electric and gas utility subject to the Commission's jurisdiction, as set forth in the order.”