

DEPARTMENT OF CONSUMER AND INDUSTRY SERVICES

PUBLIC SERVICE COMMISSION

UNCOLLECTIBLES ALLOWANCE RECOVERY FUNDS

Filed with the Secretary of State on  
These rules take effect 7 days after filing with the Secretary of State

(By authority conferred on the public service commission by Public Act No. 322 of 2000, section 7 of Act No. 106 of the Public Acts of 1909, as amended, section 5 of Act No. 419 of the Public Acts of 1919, as amended, sections 4 and 6 of Act No. 3 of the Public Acts of 1939, as amended, and sections 3, 9, and 231 of Act No. 380 of the Public Acts of 1965, as amended, being §§460.557, 460.55, 460.4, 460.6, 16.103, 16.109, and 16.331 of the Michigan Compiled Laws)

R 460.\_\_\_\_\_ to R 460.\_\_\_\_\_ of the Michigan Administrative Code are adopted as follows:

**PART 1. GENERAL PROVISIONS**

R 460.\_\_\_\_\_ Application of rules.

Rule 1. These rules apply to every electric and gas utility that is subject to the jurisdiction of the public service commission.

R 460.\_\_\_\_\_ Definitions.

Rule 2. As used in these rules:

- (a) "Commission" means the Michigan public service commission.
- (b) "Cooperative electric utility" means an electric utility organized as a cooperative corporation under 1931 PA 327, MCL 450.1 to 450.192.
- (c) "Fund" means the uncollectibles allowance recovery fund.
- (d) "Utility" means a person, firm, corporation, cooperative, association, or other agency that is subject to the jurisdiction of the commission and that distributes and sells electricity or natural gas to the public for residential use.

**PART 2. UNCOLLECTIBLES ALLOWANCE RECOVERY FUND.**

R 460.\_\_\_\_\_ Uncollectibles allowance recovery fund.

Rule 11. A utility shall establish and administer an uncollectibles allowance recovery fund.

R 460.\_\_\_\_\_ Annual deposits.

Rule 12. A utility shall annually deposit into its uncollectibles allowance recovery fund the difference between the uncollectible provision as recorded in the utility's financial records for 1999 less the provision as recorded on the utility's financial records in each subsequent fiscal year.

November 29, 2000

R 460. \_\_\_\_\_ Notice of deposit.

Rule 13. Not less than 30 days after the close of the utility's fiscal year, the utility shall inform the commission of the amount of money that the utility recorded on its financial records for that year.

R 460. \_\_\_\_\_ Disputes; procedure for resolution.

Rule 14. A dispute regarding the reasonableness of an amount recorded on a utility's financial record as a provision for its uncollectible expenses or a dispute regarding the accuracy of the amount deposited into a utility's fund shall be resolved by the commission after notice to the utility and an opportunity for the utility and the commission staff to submit comments.

R 460. \_\_\_\_\_ Disbursement of funds.

Rule 15. (1) A cooperative electric utility shall annually allocate all money from its fund to its customers in proportionate amounts based on each customer's patronage with the cooperative. The money shall be paid to each customer in accordance with the cooperative's capital credit rotation policy.

(2) An investor owned utility shall annually disburse money from its fund to the state treasurer for deposit into the Michigan clean air fund in accordance with the orders and rules of the commission.