

DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS

PUBLIC SERVICE COMMISSION

CONSUMER STANDARDS AND BILLING PRACTICES

FOR ELECTRIC AND NATURAL GAS SERVICE

Filed with the secretary of state on April 10, 2023

These rules take effect immediately upon filing with the secretary of state unless adopted under section 33, 44, or 45a(9) of the administrative procedures act of 1969, 1969 PA 306, MCL 24.233, 24.244, or 24.245a. Rules adopted under these sections become effective 7 days after filing with the secretary of state.

(By authority conferred on the public service commission by section 7 of 1909 PA 106, MCL 460.557, section 2 of 1909 PA 300, MCL 462.2, section 5 of 1919 PA 419, MCL 460.55, sections 4 and 6 of 1939 PA 3, MCL 460.4 and 460.6, and sections 3, 9, and 231 of the Executive organization act of 1965, 1965 PA 380, MCL 16.103, 16.109, and 16.331, and Executive Reorganization Order Nos. 1996-2, 2003-1, 2008-4, and 2011-4, MCL 445.2001, 445.2011, 445.2025, and 445.2030.)

R 460.102, R 460.102a, R 460.106, R 460.107, R 460.115, R 460.143, R 460.151, and R 460.154 of the Michigan Administrative Code are amended, and R 460.115a is added, as follows:

R 460.102 Definitions; A to F.

Rule 2. As used in these rules:

(a) "Actual meter reading" means a natural gas or electric meter reading that is based on the customer's actual energy use during the period reported and that complies with 1 of the following:

- (i) Performed by a utility representative.
- (ii) Performed by the customer and communicated to the company by mail, telephone, fax, on a secure company website, or other reasonable means.
- (iii) Transmitted to the utility from the meter through a secure communication channel, or by an automated or remote meter reading device.

(b) "Aggregate data" means any customer account information from which all identifying information has been removed so that the individual data or information of a customer cannot be associated with that customer without extraordinary effort.

(c) "Answer" means that a utility representative, voice response unit, or automated operator system is ready to render assistance or ready to accept information necessary to process the call.

(d) "Applicant" means an emancipated minor, an individual 18 years of age or older, or a business entity requesting utility electric or natural gas service in the name of that individual or entity.

(e) "Billing error" means an undercharge or overcharge that is caused by any of the following:

- (i) An incorrect actual meter reading by a company representative.
- (ii) An incorrect remote meter reading.
- (iii) An incorrect meter constant or pressure factor.
- (iv) An incorrect calculation of the applicable rate.
- (v) A meter switched by the utility or a utility representative.
- (vi) An incorrect application of the rate schedule.
- (vii) Failure to provide a monthly bill to the customer at the end of a billing cycle except as provided in these rules or other relevant tariffs.
- (viii) Another similar act or omission by the utility in determining the amount of a customer's bill. An undercharge or overcharge that is caused by a non-registering meter, a meter error, or the use of an estimated meter reading or a customer reading is not a billing error.

(f) "Billing month" means a natural gas or electric consumption period of not less than 26 days or more than 35 days.

(g) "Billing specialist" means a representative of a utility who investigates and resolves meter reading discrepancies or errors.

(h) "Call" means a measurable effort by a customer to obtain a telephone connection whether the connection is completed or not.

(i) "Call blockage factor" means the percentage of calls that do not get answered.

(j) "Commission" means the Michigan public service commission.

(k) "Complaint determination" means the written decision of a hearing officer after a customer hearing.

(l) "Complaint response" or "response" means a communication between the utility and the customer that identifies the problem and a solution to the complaint.

(m) "Complaint response factor" means the annual percentage of the complaints forwarded to a utility by the commission that are responded to within the time period prescribed by these rules.

(n) "Critical care customer" means any customer that requires, or has a household member who requires, home medical equipment or a life support system, and that, on an annual basis, provides a commission-approved medical certification form from a physician or medical facility to the utility identifying the medical equipment or life support system and certifying that an interruption of service would be immediately life-threatening.

(o) "Customer" means an account holder that purchases electric or natural gas service from a utility.

(p) "Customer hearing" means a hearing on a disputed matter before a hearing officer that a utility offers to a customer under the provisions of R 460.155.

(q) "Cycle billing" means a system that renders bills for utility service to various customers on different days of a calendar month.

(r) "Delinquent account" means an account with charges for utility service that remains unpaid 5 days or more after the due date.

(s) "Eligible low-income customer" means a utility customer whose household income does not exceed 150% of the federal poverty guidelines as published annually in the Federal Register by the United States Department of Health and Human Services under its authority to revise the poverty line under 42 USC 9902, or who receives any of the following:

(i) Supplemental security income from the Social Security Administration or low-income assistance through the department of health and human services or a successor agency.

(ii) Food stamps.

(iii) Medicaid.

(t) "Eligible military customer" means a utility customer or spouse of a customer who is in the military and who meets all of the following:

(i) Is on full-time active duty.

(ii) Is deployed overseas in response to a declared war or undeclared hostilities or is deployed within the United States in response to a declared national or state emergency and the household income is reduced as a result.

(iii) Notifies the utility of his or her eligibility.

(iv) Provides verification of eligibility if requested by the utility.

(u) "Eligible senior citizen customer" means a utility customer who meets both of the following criteria:

(i) Is 65 years of age or older.

(ii) Advises the utility of his or her eligibility.

(v) "Energy assistance program" means a program that provides financial assistance or assistance in improving residential energy efficiency and energy conservation.

(w) "Energy usage" means the consumption of electricity or natural gas.

(x) "Estimated bill" means a bill for service at the premises that is not based on an actual meter reading for the period being billed but that is based on calculations of how much natural gas or electricity a customer likely used during the billing period.

(y) "Formal hearing" means a dispute resolution process administered by an administrative law judge pursuant to these rules, applicable tariffs, and R 792.10101 to R 792.11903 concerning practice and procedure before the commission.

(z) "Formal hearing request" means a document describing how a regulated utility has violated these rules, a commission order, or a tariff that is presented in writing to the executive secretary of the commission.

R 460.102a Definitions; G to P.

Rule 2a. As used in these rules:

(a) "Gas cost recovery" means the adjustment in rates to recognize the cost of purchased natural gas.

(b) "Hearing officer" means a notary public who is qualified to administer oaths to conduct customer hearings against the utility company and who is on a list filed with the commission.

(c) "Heating season" means the period between November 1 and March 31.

(d) "In dispute" means that a matter is the subject of an unresolved disagreement, claim, or complaint against a utility by a customer, or the customer's authorized agent.

(e) "Informal complaint" means a matter that requires follow-up action or investigation by the utility or the commission to resolve the matter without a customer hearing or formal hearing.

(f) "Inquiry" means a question regarding a utility matter that is asked by the customer and answered by the utility or the commission.

(g) "Large nonresidential customer" means a nonresidential customer with usage of 300 Mcf or more of natural gas per year or 30,000 kWh or more of electric usage per year, including schools and centrally metered apartment buildings.

(h) "Late payment charge" means a finance, service, carrying, or penalty charge that is assessed by a utility because a bill or portion of a bill is delinquent.

(i) "Medical emergency" means an existing medical condition of the customer or a member of the customer's household, as defined and certified by a physician or public health official on a commission-approved medical certification form, that will be aggravated by the lack of utility service.

(j) "Meter" means a utility-owned device that measures the quantity of natural gas used by a customer, including a device that measures the heat content of natural gas or a utility-owned device that measures and registers the amount of electrical power used.

(k) "Meter creep" means a continuous apparent accumulation of energy in a meter with voltage applied and the load terminals open circuited.

(l) "Meter error" means a failure to accurately measure and record all of the natural gas or electrical quantities used that are required by the applicable rate or rates.

(m) "New customer" means a customer that has not received the utility's service within the previous 6 years.

(n) "Occupant" means an individual or entity, other than the customer of record, occupying a premises.

(o) "Peak season" means the period during which a utility experiences its maximum demand for electric or natural gas service.

(p) "Positive identification information" means a consistently used appropriate identification including, but not limited to, either of the following:

(i) A driver license, identification card issued by a state, United States military card, United States military dependent's identification card, Native American tribal document, passport, or other government-issued identification containing a photograph.

(ii) Articles of incorporation, tax identification documents, business license, certificate of authority, or similar documents proving identity of a business.

(q) "Power supply cost recovery" means the adjustment in rates to recognize the cost of purchased power and fuel for electric generation.

(r) "Prepaid service" means a commission-authorized plan that entitles a utility to receive payments for service to a customer's premises in advance of the customer's actual usage of the service.

(s) "Previous customer" means a customer that has received the utility's service within the previous 6 years but is not currently receiving service.

(t) "Primary purpose" means the collection, use, or disclosure of information that a utility collects or a customer supplies when an authorized business need exists or as an emergency response requires in order to do any of the following:

(i) Provide, bill, or collect for regulated electric or natural gas service.

(ii) Provide for system, grid, or operational needs.

(iii) Provide services as state or federal law requires or as the utility's approved tariff specifically authorizes.

(iv) Plan, implement, or evaluate programs, products, or services related to energy assistance, demand response, energy management, or energy efficiency.

PART 2. APPLICATION FOR SERVICE

R 460.106 Service requests

Rule 6. (1) Applicants for service may become customers by requesting service in person at the utility company office, in writing, by telephone, fax, or internet, or other means of communication. Using any of these methods, an applicant shall do all of the following:

(a) Provide positive identification information.

(b) Upon request, show ownership or a lease for the property where service will be rendered if applying to be a nonresidential customer.

(c) Pay a deposit, if required by these rules.

(2) The utility may also require payment of a delinquent account as a condition of providing or continuing service if the following conditions apply:

(a) The delinquent account is in the customer's or applicant's name.

(b) The delinquent account is not in dispute, owed to the utility, and accrued within the last 6 years. The utility shall provide the applicant with information on the process to refute or contest the delinquent account.

R 460.107 Residential service account requirements.

Rule 7. (1) A utility, applicant, or customer may request the addition of more than 1 adult on the residential service account by meeting both of the following requirements:

(a) The utility obtains documented approval from both the applicant and the additional adult.

(b) The additional adult provides positive identification information.

(2) If the applicant is renting the premises for which residential service is requested, a utility may require proof that the applicant is a tenant. Written or oral confirmation by the manager, landlord, or owner of the property, or a verified signed copy of the rental agreement is sufficient proof. A utility may verify a lease by requesting a lease agreement containing notarized signatures of the landlord and tenant or by obtaining contact information for the landlord.

(3) A utility may require proof of ownership if an applicant is requesting residential service for a premises he or she has purchased.

(4) An occupant shall establish an account with a utility within 30 business days of taking occupancy or ownership, whichever comes first, except where residential service is included in a lease. An occupant who is an individual must be at least 18 years of age or an emancipated minor.

(5) If a customer ceases to live in a residence while another occupant continues to live in the residence, both of the following requirements shall be met:

(a) The customer shall notify the utility pursuant to R 460.127 that he or she is

discontinuing service.

(b) An occupant desiring to continue utility service at that address shall establish an account in his or her name within 30 days of the customer's notification of termination of service, or, if the customer fails to notify the utility, within 30 days of the date the customer ceases to reside at the address. A utility may hold an occupant who fails to establish an account under this subdivision responsible for the use of the utility service after the customer has ceased to reside at the residence. The utility shall not back bill the occupant for a period longer than 24 months from the date the customer terminated service, or, if the customer has failed to notify the utility of the termination of service, from the date that the utility first discovered the customer's change in residency.

PART 4. METER READING PROCEDURES, METER ACCURACY, METER ERRORS AND METER RELOCATION

R 460.115 Meter accuracy and errors for electric and gas customers.

Rule 15. (1) Meters with actual meter readings that are rejected by the utility billing system for 2 consecutive months because they are outside the expected range of the customer's usage for the premises shall be reviewed by a billing specialist, investigated, and, if necessary, the utility shall repair or replace the meter.

(2) A utility shall calculate the period and amount of inaccuracy of electric meters pursuant to R 460.3101 to R 460.3804. A utility shall calculate the period and amount of inaccuracy of gas meters pursuant to R 460.2302 to R 460.2384.

(3) If a utility finds that an electric or gas meter has an average meter accuracy less than 98% or more than 102%, an adjustment for bills for the inaccuracy may be made in the case of under registration and must be made in the case of over registration.

(4) Notwithstanding the provisions of any other rule, except in the case of unauthorized use of utility service, back billing of customers or refunds to customers for meter errors is limited to the 12-month period immediately preceding discovery of the error. The customer shall be given a reasonable time in which to pay the amount of the back billing, after consideration of the amount of the back bill and the duration of the inaccuracy, and service shall not be shut off during this time for nonpayment of the amount of the back billing if the customer is complying with the repayment agreement.

(5) If the amount due the utility is more than \$5.00, the utility may bill the customer for the amount due. The utility shall offer the customer reasonable payment arrangements for the amount due. The bill for the undercharge may not include interest.

(6) If the amount of the refund due an existing or previous customer as the result of meter over registration is less than \$5.00, a refund is not required to be made. Paid overcharges must be credited to the existing customer or paid to a previous customer with 5% interest, commencing on the sixtieth day following payment.

R 460.115a Meter accuracy and errors for electric customers only.

Rule 15a. (1) An adjustment of bills for service for the period of inaccuracy must be made for over registration and may be made for under registration pursuant to any of the following conditions:

- (a) A mechanical meter creeps.
 - (b) A metering installation is found upon any test to have an average inaccuracy of more than 2%.
 - (c) A meter registration has been found to be inaccurate due to apparent tampering by a person or persons known or unknown.
- (2) The amount of the adjustment of the bills for service must be calculated on the basis that the metering equipment is 100% accurate with respect to the testing equipment used to make the test. The average accuracy of watt-hour meters must be calculated pursuant to R 460.3616.
- (3) If the date when the inaccuracy in registration began can be determined, then that date must be the starting point for determining the amount of the adjustment and is subject to R 460.115.
- (4) If the date when the inaccuracy in registration cannot be determined, then it is assumed that the inaccuracy existed for the period of time immediately preceding discovery of the inaccuracy that is equal to 1/2 of the time since the meter was installed on the present premises, 1/2 of the time since the last test, or 6 years, whichever is the shortest period of time, except as otherwise provided in subrule (5) of this rule and subject to R 460.115(4).
- (5) The inaccuracy in registration due to creep must be calculated by timing the rate of creeping under R 460.3101 to R 460.3804 and by assuming that the creeping affected the registration of the meter for the period of time immediately preceding discovery to the inaccuracy that is equal to 1/4 of the time since the meter was installed on the present premises, 1/4 of the time since the last test, or 6 years, whichever is the shortest period of time subject to R 460.115(4).
- (6) If the average inaccuracy cannot be determined by test because part, or all, of the metering equipment is inoperative, then the utility may use the registration of check metering installations, if any, or estimate the quantity of energy consumed based on available data. The utility shall advise the customer of the metering equipment failure and of the basis for the estimate of the quantity billed. The same periods of inaccuracy must be used as explained in this rule.
- (7) Recalculation of bills must be made on the basis of the recalculated monthly consumption.
- (8) Refunds must be made to the 2 most recent customers that received service through the meter found to be inaccurate. If a former customer of the utility, a notice of the amount of the refund must be mailed to the customer at the customer's last known address. Upon demand made by the customer within 3 months of mailing of the notice, the utility shall forward the refund to the customer.
- (9) If the external meter display is not operating so that the customer can determine the energy used, but the meter is recording energy correctly, then no adjustment is required. The utility shall repair or replace the meter promptly upon discovery of the failure.

PART 8. PROCEDURES FOR SHUTOFF AND RESTORATION OF SERVICE

R 460.143 Manner of shut off for service provided with remote shut off and restoration capability.

Rule 43. (1) For an involuntary shut off of service using meters with remote shut off and restoration capability, at least 1 day before shut off of service, the utility shall make at least 2 attempts to contact the customer by 1 of the methods listed in R 460.139(6). The notice must conspicuously state that the disconnection of service will be done remotely and that a utility representative will not return to the premises before disconnection.

(2) The utility shall document all attempts to contact the customer.

(3) If the utility contacts the customer or other responsible adult in the customer's household or premises by telephone on the day service is to be shut off, the utility shall inform the customer or other responsible adult that shutoff of service is imminent and the steps necessary to avoid shut off. Unless the customer presents evidence that reasonably demonstrates that the claim is satisfied or is in dispute, or the customer makes payment, the utility may shut off service.

(4) If the utility complies with the notice requirements of this rule, no further customer contact regarding the shut off is required on the day service is to be shut off and the utility may shut off service.

(5) After the utility shuts off service, no later than the fifth business day after service was disconnected, the utility shall send notice to the customers that remain shut off. The utility shall notify the customer via automated or manual telephone call, electronic mail, text message, or United States Postal Service. The notice must state that service has been shut off, the utility's address and phone number where the customer may arrange to have service restored, and that any efforts by the customer to restore his or her own service are unlawful and dangerous.

PART 9. CUSTOMER RELATIONS AND UTILITY PROCEDURES

R 460.151 Reporting requirements.

Rule 51. (1) A utility shall file with the commission quarterly reports that disclose all of the following:

(a) The payment performance of its customers in relation to established due and payable periods.

(b) The number and general description of all complaints registered with the utility.

(c) The number of shut off notices issued by the utility and the reasons for the notices.

(d) The number of hearings held by the utility, the types of disputes involved, and the number of complaint determinations issued.

(e) The number of written settlement agreements entered into by the utility.

(f) The number of shut offs of service and the number of reconnections.

(g) Any other customer service quality information requested by the commission staff.

(2) An electric utility shall have an average customer call answer time of less than 90 seconds. An acknowledgement that the customer is waiting on the line does not constitute an answer.

(a) An electric utility shall have a call blockage factor of 5% or less. The call blockage factor is calculated by multiplying the remainder obtained by subtracting the number of answers from the number of calls, multiplying by 100, and then dividing that value by the total number of calls.

(b) An electric utility shall have a complaint response factor of 90% or more within 3 business days.

PART 10. DISPUTES, HEARINGS AND SETTLEMENTS

R 460.154 Disputed matters.

Rule 54. (1) If a customer advises a utility, or if the utility is notified by a regulation officer on behalf of a customer, before the date of the proposed shut off of service, that all or part of a bill is in dispute, then the utility shall do all of the following:

(a) Immediately record the date, time, and place the customer made the complaint and transmit verification to the customer.

(b) Investigate the dispute promptly and completely.

(c) Advise the customer of the results of the investigation.

(d) Attempt to resolve the dispute informally in a manner that is satisfactory to both parties.

(e) Provide the opportunity for the customer to settle the disputed claim or to satisfy any liability that is not in dispute.

(2) A customer may advise a utility that a matter is in dispute in any reasonable manner, such as by written notice, in person, by a telephone call directed to the utility, or through a regulation officer.

(3) A utility, in attempting to resolve the dispute, may employ telephone communication, personal meetings, on-site visits, or any other method that is reasonably conducive to obtaining a settlement.

(4) A utility may choose not to respond to a customer complaint or dispute that involves the same question or issue based upon the same facts, and is not required to comply with these rules more than once before shutoff of service. The utility shall provide notice to the customer that the complaint has been dismissed under this rule. If the customer remains dissatisfied, the utility shall inform the residential or small nonresidential customer of the right to request a customer hearing with the utility and the procedure for requesting the hearing. The utility shall also inform the customer that they must contact the commission to file a request for a formal hearing. Unless the customer takes action by either requesting a customer hearing or taking its dispute to the commission, the matter in dispute is considered closed.