

DEPARTMENT OF CONSUMER AND INDUSTRY SERVICES

PUBLIC SERVICE COMMISSION

UNCOLLECTIBLES ALLOWANCE RECOVERY FUNDS

(By authority conferred on the public service commission by section 4 of 2000 PA 322, section 7 of 1909 PA 106, section 5 of 1919 PA 419, sections 4 and 6 of 1939 PA 3, and sections 3, 9, and 231 of 1965 PA 380, MCL 285.304, 460.557, 460.55, 460.4, 460.6, 16.103, 16.109, and 16.331)

PART 1. GENERAL PROVISIONS

R 460.2601 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.

History: 2001 AACS.

R 460.2602 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 et seq.

(c) "Fund" means the uncollectibles allowance recovery fund.

(d) "Utility" means a person, firm, corporation, cooperative, association, or other agency which is subject to the jurisdiction of the commission and which distributes and sells electricity or natural gas to the public for residential use.

History: 2001 AACS.

PART 2. UNCOLLECTIBLES ALLOWANCE RECOVERY FUND

R 460.2621 Uncollectibles allowance recovery fund.

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

History: 2001 AACS.

R 460.2622 Annual deposits.

Rule 12. A utility shall annually deposit into its 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.

History: 2001 AACS.

R 460.2623 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.

History: 2001 AACS.

R 460.2624 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.

History: 2001 AACS.

R 460.2625 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 according to the following formula:

(a) Twenty-five percent (25%) shall be retained by the utility.

(b) Seventy-five percent (75%) shall be contributed to the Michigan clean air fund of the department of environmental quality.

History: 2001 AACS.