

Michigan Department of Licensing and Regulatory Affairs
Office of Regulatory Reinvention
111 S. Capitol Ave.; 4th Floor, Romney Building
PO Box 30004; Lansing, MI 48909
Phone (517) 335-8658 FAX (517) 335-9512

**REGULATORY IMPACT STATEMENT
and
COST-BENEFIT ANALYSIS**

PART 1: INTRODUCTION

In accordance with the Administrative Procedures Act (APA) [1969 PA 306], the department/agency responsible for promulgating the administrative rules must complete and submit this form electronically to the Office of Regulatory Reinvention (ORR) no less than (28) days before the public hearing [MCL 24.245(3)-(4)]. Submissions should be made by the departmental Regulatory Affairs Officer (RAO) to **orr@michigan.gov**. The ORR will review the form and send its response to the RAO (see last page). Upon review by the ORR, the agency shall make copies available to the public at the public hearing [MCL 24.245(4)].

Please place your cursor in each box, and answer the question completely.

ORR-assigned rule set number:

2011-040 LR

ORR rule set title:

Michigan Electrical Rules - R 408.30801 to R 408.30880

Department:

Licensing and Regulatory Affairs

Agency or Bureau/Division

Bureau of Construction Codes/Electrical Division

Name and title of person completing this form; telephone number:

Shannon Matsumoto, Rules Analyst (517) 241-6312

Reviewed by Department Regulatory Affairs Officer:

Liz Arasim
Department of Licensing and Regulatory Affairs

PART 2: APPLICABLE SECTIONS OF THE APA

MCL 24.207a “Small business” defined.

Sec. 7a.

“Small business” means a business concern incorporated or doing business in this state, including the affiliates of the business concern, which is independently owned and operated and which employs fewer than 250 full-time employees or which has gross annual sales of less than \$6,000,000.00.”

MCL 24.240 Reducing disproportionate economic impact of rule on small business; applicability of section and MCL 24.245(3).

Sec. 40.

(1) When an agency proposes to adopt a rule that will apply to a small business and the rule will have a disproportionate impact on small businesses because of the size of those businesses, the agency shall consider exempting small businesses and, if not exempted, the agency proposing to adopt the rule shall reduce the economic impact of the rule on small businesses by doing all of the following when it is lawful and feasible in meeting the objectives of the act authorizing the promulgation of the rule:

(a) Identify and estimate the number of small businesses affected by the proposed rule and its probable effect on small businesses.

(b) Establish differing compliance or reporting requirements or timetables for small businesses under the rule after projecting the required reporting, record-keeping, and other administrative costs.

(c) Consolidate, simplify, or eliminate the compliance and reporting requirements for small businesses under the rule and identify the skills necessary to comply with the reporting requirements.

(d) Establish performance standards to replace design or operational standards required in the proposed rule.

(2) The factors described in subsection (1)(a) to (d) shall be specifically addressed in the small business impact statement required under section 45.

(3) In reducing the disproportionate economic impact on small business of a rule as provided in subsection (1), an agency shall use the following classifications of small business:

(a) 0-9 full-time employees.

(b) 10-49 full-time employees.

(c) 50-249 full-time employees.

(4) For purposes of subsection (3), an agency may include a small business with a greater number of full-time employees in a classification that applies to a business with fewer full-time employees.

(5) This section and section 45(3) do not apply to a rule that is required by federal law and that an agency promulgates without imposing standards more stringent than those required by the federal law.

MCL 24.245 (3) “Except for a rule promulgated under sections 33, 44, and 48, the agency shall prepare and include with the notice of transmittal a **regulatory impact statement** containing...” (information requested on the following pages).

[**Note:** Additional questions have been added to these statutorily-required questions to satisfy the **cost-benefit analysis** requirements of Executive Order 2011-5.]

PART 3: DEPARTMENT/AGENCY RESPONSE

Please place your cursor in each box, and provide the required information, using complete sentences. Please do not answer the question with “N/A” or “none.”

Comparison of Rule(s) to Federal/State/Association Standards:

(1) Compare the proposed rule(s) to parallel federal rules or standards set by a state or national licensing agency or accreditation association, if any exist. Are these rule(s) required by state law or federal mandate? If these rule(s) exceed a federal standard, please identify the federal standard or citation, and describe why it is necessary that the proposed rule(s) exceed the federal standard or law, and specify the costs and benefits arising out of the deviation.

These rules are required by state law; no federal rules or standards exist.

(2) Compare the proposed rule(s) to standards in similarly situated states, based on geographic location, topography, natural resources, commonalities, or economic similarities. If the rule(s) exceed standards in those states, please explain why, and specify the costs and benefits arising out of the deviation.

These rules adopt by reference the 2011 National Electrical Code (NEC) with the Michigan amendments. The NEC is a nationally recognized model code used throughout the United States as a minimum standard for electrical installations; therefore, these rules do not exceed standards in those states.

(3) Identify any laws, rules, and other legal requirements that may duplicate, overlap, or conflict with the proposed rule(s). Explain how the rule has been coordinated, to the extent practicable, with other federal, state, and local laws applicable to the same activity or subject matter. This section should include a discussion of the efforts undertaken by the agency to avoid or minimize duplication.

There are no federal, state, or local laws, rules, or other legal requirements that may duplicate, overlap, or conflict with the proposed rules.

Purpose and Objectives of the Rule(s):

(4) Identify the behavior and frequency of behavior that the proposed rule(s) are designed to alter. Estimate the change in the frequency of the targeted behavior expected from the proposed rule(s). Describe the difference between current behavior/practice and desired behavior/practice. What is the desired outcome?

R 408.30806, R 408.30808, R 408.30810, R 408.30811, R 408.30812, R 408.30815, R 408.30817, R 408.30818, R 408.30819, R 408.30822, R 408.30823, and R 408.30826 are administrative in nature and are amended to bring the administrative application of the Michigan Electrical Code rules in line with the other construction code rules. The amendments put into rule language the actual administrative practices.

R 408.30827 -- Section 80.26 requires the enforcing agency to approve the installation, alteration, or repair of electrical service equipment before it is energized. Proposed Section 80.26.1 Emergency service repairs, will permit governing utilities to reconnect the electrical service, prior to approval by the enforcing agency, under the conditions of an emergency repair and when performed by an electrical contractor licensed in accordance with 1956 PA 217.

R 408.30835 -- Number of service entrance conductor sets. The proposed amendment to Section 230.40 of the code clarifies the language of the 2011 NEC.

R 408.30838 -- Language was added to be consistent with NFPA 110 and 111.

R 408.30865 -- The requirement to add grounded circuit conductors (neutrals) at all switch locations is a

new code requirement in the 2011 edition of the National Electrical Code (NEC) NFPA 70. These installations are very common to reduce energy use by controlling lighting in individual spaces and for the convenience of the user/owner. The code change allows for the installation of automatic switching devices without the need for additional wiring modifications where those changes would be difficult to accomplish. The Michigan rule change amends article 404.2 (C) and adds Exception (2) to minimize the need to add the additional conductor required by the code change where lighting loads are controlled from multiple locations.

R 408.30869 -- There is no change in frequency due to the proposed rule as this rule was in place previously. The change reflects a clarification in the language in the 2011 NEC which the rules adopt by reference with the Michigan amendments.

R 408.30870 -- Section 625.21 of the NEC allows an existing branch circuit to be used to operate a vehicle charging system. When this occurs the circuit that is being used is not always capable of handling the additional load from an electrical vehicle charging system. The proposed rule requires the branch circuit supplying the electric vehicle equipment to have an individual branch circuit that will be capable of handling the load and not jeopardize people or property.

R 408.30871 -- This proposed rule was included in the 2009 Michigan Residential Code (MRC) to address bonding of Corrugated Stainless Steel Tubing commonly used in both commercial and residential applications as a flexible gas piping system. The language in the proposed rule is consistent with the bonding requirements set forth in the International Fuel Gas Code and was adopted by the 2009 MRC committee from a proposal that was submitted. The proposed rule will allow for consistent application of the requirement in both residential and commercial applications.

R 408.30838 and **R 408.30873** -- Language was added to the 2011 NEC article 334.10(1) and the change is reflected in this rule. This rule has been in effect for several code cycles, however the additional language added to the 2011 NEC necessitated making this change.

(5) Identify the harm resulting from the behavior that the proposed rule(s) are designed to alter and the likelihood that the harm will occur in the absence of the rule. What is the rationale for changing the rule(s) and not leaving them as currently written?

R 408.30806, R 408.30808, R 408.30810, R 408.30811, R 408.30812, R 408.30815, R 408.30817, R 408.30818, R 408.30819, R 408.30822, R 408.30823, and R 408.30826 are administrative in nature and are amended to bring the administrative application of the Michigan Electrical Code rules in line with the other construction code rules. The amendments put into rule language the actual administrative practices.

R 408.30827 -- There is no harm anticipated from behavior related to the proposed rule and there is little likelihood that harm will occur in the absence of the proposed rule. The change to the rule will allow the utilities the abilities to put electrical customers back in service when emergency repairs have been made.

R 408.30835 -- There is no harm anticipated from behavior related to the proposed rule and there is little likelihood that harm will occur in the absence of the proposed rule. The proposed amendment to the rule will help to clarify this code section.

R 408.30838 -- Language was added to be consistent with NFPA 110 and 111.

R 408.30865 -- The harm from the added language contained in Article 404.2(C) of the 2011 NEC is that all switch locations would require additional wiring that may not be utilized. The proposed rule amends Article 404.2(C), thus minimizing the amount of wiring necessary and saving business owners as well as

homeowners the cost of the added wiring.

R 408.30869 -- There is no harm as the rule change only reflects a clarification of language in the 2011 NEC.

R 408.30870 -- There is concern that, as currently written, the code language in the 2011 NEC will allow an installation that may cause issues because of overloading of the electrical circuit. The proposed rule requires the branch circuit supplying the electric vehicle equipment to have an individual branch circuit that will be capable of handling the load and not jeopardize people or property.

R 408.30871 -- The 2011 NEC does not specifically address Corrugated Stainless Steel Tubing (CSST) tubing, however the requirement to electrically bond these systems properly is very important. The language of the proposed rule is consistent with the bonding requirements set forth in International Fuel Gas Code and (IFGC) and was adopted by the 2009 Michigan Residential Code (MRC) committee from a proposal submitted to address bonding of CSST commonly used in both commercial and residential applications as a flexible gas piping system. The proposed rule will allow for consistent application of the requirement in both residential and commercial applications and provides consistency between the 2011 NEC and the 2009 MRC.

R 408.30873 -- There is no harm anticipated from behavior related to the proposed rule and there is little likelihood that harm will occur in the absence of the proposed rule. The proposed amendment to the rule will help to clarify this code section.

(6) Describe how the proposed rule(s) protect the health, safety, and welfare of Michigan citizens while promoting a regulatory environment in Michigan that is the least burdensome alternative for those required to comply.

R 408.30806, R 408.30808, R 408.30810, R 408.30811, R 408.30812, R 408.30815, R 408.30817, R 408.30818, R 408.30819, R 408.30822, R 408.30823, and R 408.30826 are administrative in nature and are amended to bring the administrative application of the Michigan Electrical Code rules in line with the other construction code rules. The amendments put into rule language the actual administrative practices.

R 408.30827 -- The change to the rule will allow the utilities the abilities to put electrical customers back in service when emergency repairs have been made by an electrical contractor, with reduced time in interruption and reducing the potential loss of goods and services to consumers.

R 408.30835 -- The change to the rule will allow a better understanding of this code section.

R 408.30838 -- Language was added to be consistent with NFPA 110 and 111.

R 408.30865 -- The proposed rules make it more cost effective for business owners as well as homeowners to comply with the requirements in the code yet maintaining the intent of the code to facilitate future installations.

R 408.30869 and **R 408.30871** -- The proposed rule is a clarification of the existing rule as reflected in the 2011 NEC. The Michigan Electrical Code is based on the 2011 NEC with the Michigan amendments and the NEC is a nationally recognized model code that provides minimum standards for electrical installations throughout the United States.

R 408.30870 -- The change to the rule will allow a safer installation for both contractor and consumer.

R 408.30873 -- The change to the rule will allow a better understanding of this code section.

(7) Describe any rules in the affected rule set that are obsolete, unnecessary, and can be rescinded.

R 408.30872 and R 408.30880 are rescinded as the subject is now included within the adopted NEC code. Leaving these rules in the Part 8 rule set would be redundant and unnecessary. There are no other rules in the Part 8 rule set that are obsolete, unnecessary, or can be rescinded.

Fiscal Impact on the Agency:

Fiscal impact is an increase or decrease in expenditures from the current level of expenditures, i.e. hiring additional staff, an increase in the cost of a contract, programming costs, changes in reimbursement rates, etc. over and above what is currently expended for that function. It would not include more intangible costs or benefits, such as opportunity costs, the value of time saved or lost, etc., unless those issues result in a measurable impact on expenditures.

(8) Please provide the fiscal impact on the agency (an estimate of the cost of rule imposition or potential savings on the agency promulgating the rule).

There is no additional fiscal impact to the agency beyond the current operational cost.

(9) Describe whether or not an agency appropriation has been made or a funding source provided for any expenditures associated with the proposed rule(s).

The proposed rules will not result in additional fiscal impact on the agency. Thus there is no need for additional appropriation or funding source as a result of the changes to the rules.

Impact on Other State or Local Governmental Units:

(10) Estimate any increase or decrease in revenues to other state or local governmental units (i.e. cities, counties, school districts) as a result of the rule. Estimate the cost increases or reductions on other state or local governmental units (i.e. cities, counties, school districts) as a result of the rule. Please include the cost of equipment, supplies, labor, and increased administrative costs, in both the initial imposition of the rule and any ongoing monitoring.

R 408.30806, R 408.30808, R 408.30810, R 408.30811, R 408.30812, R 408.30815, R 408.30817, R 408.30818, R 408.30819, R 408.30822, R 408.30823, and R 408.30826 are administrative in nature and are amended to bring the administrative application of the Michigan Electrical Code rules in line with the other construction code rules. The amendments put into rule language the actual administrative practices.

R 408.30827, R 408.30835, and R 408.30873 -- There is no expected increase or decrease in revenues to other state or local governmental units as a result of these rules.

R 408.30865 -- There is no expected increase or decrease in revenues to other state or local governmental units as a result of the rule. State, county, and local governmental units may see a slight increase in cost related to electrical projects they undertake on buildings owned and maintained by the governmental unit. In most cases there will not be an increase as many governmental buildings use a conduit system for their electrical wiring systems. As long as the conduit can accept future additional conductors required by this code change it would not be necessary to install those conductors as part of the initial wiring system.

R 408.30869 -- There is no expected increase or decrease in revenues to other state or local governmental units as a result of the proposed rule. This rule change is for clarification purposes to reflect the editorial change in the 2011 NEC.

R 408.30870 -- State and local enforcing agencies may see a small increase in revenue as the result of this rule change. For example to pull a State of Michigan electrical permit for installation of one additional circuit would cost \$105.00.

R 408.30871 -- There is no expected increase or decrease in revenues to other state or local governmental units as a result of the proposed rule. This rule change is for clarification purposes to provide consistency between the 2011 NEC and the 2009 MRC.

(11) Discuss any program, service, duty or responsibility imposed upon any city, county, town, village, or school district by the rule(s). Describe any actions that governmental units must take to be in compliance with the rule(s). This section should include items such as record keeping and reporting requirements or changing operational practices.

R 408.30806, R 408.30808, R 408.30810, R 408.30811, R 408.30812, R 408.30815, R 408.30817, R 408.30818, R 408.30819, R 408.30822, R 408.30823, and R 408.30826 are administrative in nature and are amended to bring the administrative application of the Michigan Electrical Code rules in line with the other construction code rules. The amendments put into rule language the actual administrative practices.

R 408.30827 -- This rule will allow the serving utility to reconnect the electrical services in an emergency situation and should not cause any additional action on a governmental unit or record keeping.

R 408.30835, R 408.30865, R 408.30869, R 408.30870, R 408.30871, and R 408.30873 -- These rules provide clarification and should not impose any additional program, service, duty, or responsibility on any city, county, town, village, or school district.

(12) Describe whether or not an appropriation to state or local governmental units has been made or a funding source provided for any additional expenditures associated with the proposed rule(s).

There is no appropriation to state or local governmental units required.

Rural Impact:

(13) In general, what impact will the rules have on rural areas? Describe the types of public or private interests in rural areas that will be affected by the rule(s).

R 408.30806, R 408.30808, R 408.30810, R 408.30811, R 408.30812, R 408.30815, R 408.30817, R 408.30818, R 408.30819, R 408.30822, R 408.30823, and R 408.30826 are administrative in nature and are amended to bring the administrative application of the Michigan Electrical Code rules in line with the other construction code rules. The amendments put actual administrative practices into rule language.

R408.30827, R408.30835, R408.30865, R408.30869, R408.30870, R408.30871, and R408.30873 -- The proposed rules affect the State of Michigan as a whole. There is no specific rural impact.

Environmental Impact:

(14) Do the proposed rule(s) have any impact on the environment? If yes, please explain.

The proposed rules do not have any impact on the environment.

Small Business Impact Statement:

[Please refer to the discussion of "small business" on page 2 of this form.]

(15) Describe whether and how the agency considered exempting small businesses from the proposed rules.

R408.30827, R408.30835, R408.30865, R408.30869, R408.30870, R408.30871, and R408.30873 -- Small business would not be exempt from these rules. The proposed rules affect the State of Michigan as a whole and protect the health and safety of all Michigan businesses, whether large or small.

(16) If small businesses are not exempt, describe (a) the manner in which the agency reduced the economic impact of the proposed rule(s) on small businesses, including a detailed recitation of the efforts of the agency to comply with the mandate to reduce the disproportionate impact of the rule(s) upon small businesses as described below (in accordance with MCL 24.240(1)(A-D)), or (b) the reasons such a reduction was not lawful or feasible.

R408.30827 -- This rule will allow utility customers, including small businesses, to have their electrical service restored in an emergency situation without having to first receive an inspection. This reduces or eliminates a delay in electrical service restoration in an emergency situation.

R408.30835, R408.30869, R408.30871, and R408.30873 -- These proposed rules will not have any impact on small business as it is only an editorial clarification in the 2011 NEC.

R408.30865 -- The 2011 NEC requires wiring for grounded circuit conductors to be installed in remodels or new construction. Where there are multiple switch locations, the change to this rule allows that the additional conductor would only need to be run to one switch location. As a result, less wiring needs to be installed to comply with the intent of the code thus lowering installation costs for homeowners and small businesses. The agency modified the change in the 2011 NEC by adding an exception thus minimizing the effect on small business and homeowners.

R408.30870 -- Small business would only be affected if they chose to install an electrical vehicle charging station with this proposed. The installation of an electrical vehicle charging station is not mandatory.

(A) Identify and estimate the number of small businesses affected by the proposed rule(s) and the probable effect on small business.

R408.30827 -- Small business would have a positive effect in electrical service restoration in an emergency situation with this proposed rule throughout the state.

R408.30835 -- These proposed rules will not have any impact on small business as it is only an editorial clarification in the 2011 NEC.

R408.30865 -- The requirements set forth in the 2011 NEC and these proposed rules will have little, if any, impact on small business.

R408.30869 and R408.30871 -- The proposed rule will not have any impact on small business as it is only a clarification in the 2011 NEC to provide consistency with the 2009 MRC.

R408.30870 -- Small business would only be affected if they chose to install electrical vehicle charging station under this proposed language.

R408.30873 -- Does not impact small business as it only pertains to 1 and 2 family residences.

(B) Describe how the agency established differing compliance or reporting requirements or timetables for small businesses under the rule after projecting the required reporting, record-keeping, and other administrative costs.

Small businesses are not expected to be adversely affected by these rules. It is not practical to establish differing compliance or reporting requirements or timetables for small businesses. There are no additional reporting, record keeping, or other administrative costs associated with the implementation of the proposed rules.

(C) Describe how the agency consolidated or simplified the compliance and reporting requirements and identify the skills necessary to comply with the reporting requirements.

R408.30827, R408.30835, R408.30870 and R408.30873 -- The compliance requirements are unchanged as businesses will still need to apply for and the governmental agency will still need to issue electrical permits for the work to be done.

R408.30865 -- This rule change made compliance with the code much simpler. There are no reporting requirements or additional skills necessary.

R408.30869 and R408.30871 -- The proposed rule will not have an impact on small business as it is only an editorial clarification in the 2011 NEC. There are no reporting requirements or additional skills necessary.

(D) Describe how the agency established performance standards to replace design or operation standards required by the proposed rules.

R408.30827, R408.30835, R408.30865, R408.30869, R408.30870, R408.30871, and R408.30873 -- The proposed rules adopt by reference the 2011 NEC which is a nationally recognized model code. There are no design or operation standards in the proposed rules.

(17) Identify any disproportionate impact the proposed rule(s) may have on small businesses because of their size or geographic location.

The proposed rules have no disproportionate impact on small businesses because of their size or geographic location.

(18) Identify the nature of any report and the estimated cost of its preparation by small business required to comply with the proposed rule(s).

There are no reports required for small business to comply with the proposed rules.

(19) Analyze the costs of compliance for all small businesses affected by the proposed rule(s), including costs of equipment, supplies, labor, and increased administrative costs.

R 408.30806, R 408.30808, R 408.30810, R 408.30811, R 408.30812, R 408.30815, R 408.30817, R 408.30818, R 408.30819, R 408.30822, R 408.30823, and R 408.30826 are administrative in nature and are amended to bring the administrative application of the Michigan Electrical Code rules in line with the other construction code rules. The amendments put into rule language the actual administrative practices.

R408.30827, R408.30835, R408.30865, R408.30869, R408.30870, R408.30871, and R408.30873 -- There is no additional cost of compliance for small business because of these rules.

R408.30869 and R408.30871 -- The proposed rules will not have any impact on small business as they are only editorial clarifications in the 2011 NEC.

(20) Identify the nature and estimated cost of any legal, consulting, or accounting services that small businesses would incur in complying with the proposed rule(s).

There are no legal, consulting, or accounting services costs that small businesses would incur in complying with the proposed rules.

(21) Estimate the ability of small businesses to absorb the costs without suffering economic harm and without adversely affecting competition in the marketplace.

R 408.30806, R 408.30808, R 408.30810, R 408.30811, R 408.30812, R 408.30815, R 408.30817, R 408.30818, R 408.30819, R 408.30822, R 408.30823, and R 408.30826 are administrative in nature and are amended to bring the administrative application of the Michigan Electrical Code rules in line with the other construction code rules. The amendments put into rule language the actual administrative

practices.

R408.30827, R408.30835, R408.30865, R408.30869, R408.30870, R408.30871, and R408.30873 -- The requirements set forth in the 2011 NEC and these proposed rules will have little if any impact on small business.

R408.30869 -- The proposed rule will not have any impact on small business as it is only an editorial clarification in the 2011 NEC.

R408.30871 -- The proposed rule will not have any impact on small business as it is only a clarification in the 2011 NEC to provide consistency with the 2009 MRC.

(22) Estimate the cost, if any, to the agency of administering or enforcing a rule that exempts or sets lesser standards for compliance by small businesses.

The proposed rules do not exempt or set lesser standards for compliance by small businesses. There is no additional cost to the agency beyond the current operational cost.

(23) Identify the impact on the public interest of exempting or setting lesser standards of compliance for small businesses.

Exempting or setting lesser standards of compliance for small business with respect to the 2011 NEC and these rules may have a negative effect on the health, safety, and welfare of the citizens of the state of Michigan.

(24) Describe whether and how the agency has involved small businesses in the development of the proposed rule(s). If small business was involved in the development of the rule(s), please identify the business(es).

R408.30827, R408.30835, R408.30865, R408.30869, R408.30870, R408.30871, and R408.30873 -- The bureau involved small businesses through the rules review committee process. Small business membership on the committee included Burglar and Fire Alarm Association of Michigan (BFAAM), National Electrical Contractors Association (NECA), Michigan Home Builders Association (MHBA), and Independent Electrical Contactor, Tom Erdman (Nuechterlein Electric).

Cost-Benefit Analysis of Rules (independent of statutory impact):

(25) Estimate the actual statewide compliance costs of the rule amendments on businesses or groups. Identify the businesses or groups who will be directly affected by, bear the cost of, or directly benefit from the proposed rule(s). What additional costs will be imposed on businesses and other groups as a result of these proposed rules (i.e. new equipment, supplies, labor, accounting, or recordkeeping)? Please identify the types and number of businesses and groups. Be sure to quantify how each entity will be affected.

R408.30827, R408.30835, R408.30865, R408.30869, R408.30870, R408.30871, and R408.30873
There are no actual statewide compliance costs of these rule amendments on small business or groups.

R408.30827 -- Adoption of this proposed rule will allow businesses to be back in operation sooner or individuals to have power restored in a timely manner, following severe storms or incidents which result in power outages. This will reduce the loss of revenue experienced by businesses due to lengthy shutdowns.

R 408.30870 -- There is concern that, as currently written, the code language in the 2011 NEC will allow an installation that may cause issues because of overloading of the electrical circuit. The proposed rule requires the branch circuit supplying the electric vehicle equipment to have an individual branch circuit that will be capable of handling the load and not jeopardize people or property. The installation of an electrical vehicle charging station is not mandatory.

(26) Estimate the actual statewide compliance costs of the proposed rule(s) on individuals (regulated individuals or the public). Please include the costs of education, training, application fees, examination fees, license fees, new equipment, supplies, labor, accounting, or recordkeeping). How many and what category of individuals will be affected by the rules? What qualitative and quantitative impact does the proposed change in rule(s) have on these individuals?

R408.30827, R408.30835, R408.30865, R408.30869, R408.30870, R408.30871, and R408.30873 -- There are no anticipated compliance costs to individuals as a result of the proposed rule amendments.

(27) Quantify any cost reductions to businesses, individuals, groups of individuals, or governmental units as a result of the proposed rule(s).

R 408.30806, R 408.30808, R 408.30810, R 408.30811, R 408.30812, R 408.30815, R 408.30817, R 408.30818, R 408.30819, R 408.30822, R 408.30823, and R 408.30826 are administrative in nature and are amended to bring the administrative application of the Michigan Electrical Code rules in line with the other construction code rules. The amendments put into rule language the actual administrative practices.

R408.30865 -- The addition of Exception 2 to the proposed rule will reduce the cost of complying with the 2011 NEC for all the listed groups. The exception allows the use of less wire, less labor, and is less restrictive.

R408.30869 -- The proposed rule will not have any statewide impact or cost reduction as it is only an editorial clarification in the 2011 NEC.

R408.30871 -- The proposed rule will not have any statewide impact or cost reduction as it is only a clarification in the 2011 NEC to provide consistency with the 2009 MRC.

R408.30827 -- Adoption of this proposed rule will allow businesses to be back in operation sooner or individuals to have power restored in a timely manner, following severe storms or incidents which result in power outages. This will reduce the loss of revenue experienced by businesses due to lengthy shutdowns.

R408.30870 -- Business, groups, individuals or governmental units will only be affected by this proposed rule if they choose to install electric vehicle circuit(s). There is concern that, as currently written, the code language in the 2011 NEC will allow an installation that may cause issues because of overloading of the electrical circuit. The proposed rule requires the branch circuit supplying the electric vehicle equipment to have an individual branch circuit that will be capable of handling the load and not jeopardize people or property. The installation of an electrical vehicle charging station is not mandatory.

R408.30835 -- The requirements of this rule have not changed. The new language is a clarification of code requirements. There will be no additional cost increase or reduction as a result of the proposed rule.

R408.30873 -- The proposed amendment to this rule simply clarifies building use. There is no cost reduction or impact on businesses, individuals, groups of individuals, or governmental units.

(28) Estimate the primary and direct benefits and any secondary or indirect benefits of the proposed rule(s). Please provide both quantitative and qualitative information, as well as your assumptions.

R 408.30806, R 408.30808, R 408.30810, R 408.30811, R 408.30812, R 408.30815, R 408.30817, R 408.30818, R 408.30819, R 408.30822, R 408.30823, and R 408.30826 are administrative in nature and are amended to bring the administrative application of the Michigan Electrical Code rules in line with the other construction code rules. The amendments put into rule language the actual administrative practices.

R408.30827 -- Businesses could be back in operation sooner or individuals have power restored in a more timely manner if this proposed rule were to be adopted.

R 408.30838 -- Language was added to be consistent with NFPA 110 and 111.

R408.30835 and **R408.30873** are clarifications to the code section 334.10.

R408.30865 -- The proposed rule will reduce the cost of complying with the 2011 NEC for all the groups. Less electrical wiring will be required under exception 2 which will reduce material and labor cost.

R408.30869 -- The proposed rule is a clarification of the existing rule as reflected in the 2011 NEC. The Michigan Electrical Code is based on the 2011 NEC with the Michigan amendments and the NEC is a nationally recognized model code that provides minimum standards for electrical installations throughout the United States.

R408.30871 -- The 2011 NEC does not specifically address CSST tubing; however, the requirement to electrically bond these systems properly is very important. The proposed rule provides consistency between the 2011 NEC and the 2009 MRC. The language in the proposed rule is consistent with the bonding requirements set forth in International Fuel Gas Code and was adopted by the 2009 MRC committee from a proposal that was submitted. The proposed rule will allow for consistent application of the requirement in both residential and commercial applications.

R408.30870 -- Safer installation electrically, as this electrical load would be considered a continuous load for the vehicle charging system and would not cause loss of life or property.

(29) Explain how the proposed rule(s) will impact business growth and job creation (or elimination) in Michigan.

R408.30827, R408.30835, R408.30865, R408.30869, R408.30870, R408.30871, and R408.30873 -- The proposed rules will not inhibit business growth or job creation in Michigan.

(30) Identify any individuals or businesses who will be disproportionately affected by the rules as a result of their industrial sector, segment of the public, business size, or geographic location.

The bureau does not expect any business or individual to be disproportionately affected by these proposed rules.

(31) Identify the sources the agency relied upon in compiling the regulatory impact statement, including the methodology utilized in determining the existence and extent of the impact of a proposed rule(s) and a cost-benefit analysis of the proposed rule(s). How were estimates made, and what were your assumptions? Include internal and external sources, published reports, information provided by associations or organizations, etc., which demonstrate a need for the proposed rule(s).

The bureau relied upon the rules review committee in compiling the regulatory impact statement, including determining the existence and extent of the impact of these proposed rules and the cost-benefit analysis of these proposed rules.

Alternatives to Regulation:

(32) Identify any reasonable alternatives to the proposed rule(s) that would achieve the same or similar goals. In enumerating your alternatives, please include any statutory amendments that may be necessary to achieve such alternatives.

There are no reasonable alternatives to the proposed rules that have been identified that would achieve the same or similar goals.

(33) Discuss the feasibility of establishing a regulatory program similar to that proposed in the rule(s) that would operate through private market-based mechanisms. Please include a discussion of private market-based systems utilized by other states.

The proposed rules are implemented through regulatory agencies at the state and local level. There are mechanisms for third party inspection as specified in the PA 230 of 1972, the State Construction Code Act. This agency is unaware of any private market-based systems which may be utilized by other states.

(34) Discuss all significant alternatives the agency considered during rule development and why they were not incorporated into the rule(s). This section should include ideas considered both during internal discussions and discussions with stakeholders, affected parties, or advisory groups.

There were no significant alternatives presented for the bureau and rules review committee to consider.

PART 4: REVIEW BY THE ORR

Date Regulatory Impact Statement (RIS) received:

10/5/12

Date RIS approved:	11/19/12
ORR assigned rule set number:	2011-040 LR

Date of disapproval:	Explain:
More information needed:	Explain: