

# MPSC Billing Rules

## 1. What are the Consumer Standards and Billing Practices for Electric and Natural Gas Service?

The Michigan Public Service Commission's (MPSC) Consumer Standards and Billing Practices for Electric and Natural Gas Service are frequently referred to as the “**billing rules**.” They are authorized by state law and lay out the parameters and practices that regulated utilities must follow in billing residential customers and large and small nonresidential customers for gas and electric service. The rules cover applying for service, customer deposits, meter reading procedures, meter accuracy and errors, billing and payment standards, voluntary termination of service, complaint procedures, procedures for shutoff and restoration of service, energy assistance and shutoff protection programs, dispute resolution, and MPSC appeal procedures.

## 2. Why are the billing rules important?

**Electricity and natural gas are essential services that customers depend on.** The rules strike a balance between protecting customers from discriminatory or predatory billing and service practices while at the same time safeguarding regulated utilities' ability to receive payment for service they provide. Customers rely on the rules to ensure that they are not unfairly deprived of utility service and are billed properly for that service. Regulated utilities rely on these standards to ensure that they receive timely payment for providing service, to establish procedures to resolve customer complaints and appeals, and to regulate conditions of utility service in Michigan.

## 3. Why did the billing rules need to be updated?

**The MPSC had two separate sets of rules**, one for residential customers and one for non-residential customers, and there were some inconsistencies that caused confusion for customers and utilities. After an extensive stakeholder engagement process, as well as a formal rulemaking proceeding conducted in accordance with the Administrative Procedures Act, including allowing interested parties and the public the ability to comment on proposed rules, the two sets of rules have been combined into one for all types of utility customers to eliminate redundant and inconsistent language and minimize duplication.

New rules have also been added to address issues related to data privacy, newer metering technology, unauthorized use of utility service, and utility payment plans. Additional protections have been put in place for critical care customers.

## 4. When was the last time the billing rules were revised?

The rules regarding residential customers were last updated in **2007**, while the non-residential rules were most recently changed in **2008**.

## 5. What is the most significant change in the new billing rules?

**Protections for critical care customers are the most significant change.** Michigan is believed to be the only state where such provisions are part of public utility commission rules. Under the new rules, a utility now must restore service to or refrain from shutting off service to a household with an identified critical care customer if the household cannot pay its utility bill and an interruption of service would be immediately life threatening. Utilities also will now have to maintain a file on critical care customers to ensure that utility service is provided for as long as the customer remains a critical care customer with an inability to pay.

## 6. What is a critical care customer?

A critical care customer is somebody who **requires home medical equipment or a life support system and whose critical care status has been certified by a medical facility or physician.**

## 7. How should a critical care customer inform the utility that an interruption of service would be immediately life threatening?

A customer that meets the definition of a critical care customer should ask their physician or a medical professional to **complete a MPSC-approved Medical Certification Form** so they can submit it to their utility. The form should identify the medical equipment or life support system the customer must use and certify that interruption of utility service would be immediately life threatening. The form will be available upon request and posted on a utility's website.

## 8. Will a critical care household be given priority for restoration after outages caused by weather? Utilities will not prioritize restoration of service after a storm for identified critical care households.

Those households should work with their medical provider, medical equipment provider, the Red Cross or other agency to have an emergency plan in place in the event of an outage due to storm activity.

## 9. What are some of the other changes a residential customer might need to know about in the updated rules?

**Tiered rates:** If it becomes necessary for a utility to estimate a customer's usage in a particular period, the utility cannot deprive the customer of the benefit of a lower tiered rate if it is in use during that timeframe. This benefit did not exist in the previous rule set and addresses the issue of utilities unfairly charging customers at a higher rate when the usage may have occurred during a period with a lower tiered rate.

**Bill balance transfers:** Under certain circumstances, a utility may transfer previous unpaid balances to a customer's residential account. When a utility transfers an unpaid balance, it will now be required to notify the customer in writing and provide information that includes the balance transfer address, the amount of the transfer, the MPSC rule that allows the transfer, and the process the customer may follow to refute the action. This change provides customers with more information when a utility transfers an unpaid balance to another residential service account in the customer's name.

**Payment plan procedures:** Customers will now be able to enter into payment plans with the utility over the telephone instead of in writing, provided that the utility documents the payment plan arrangement.

## 10. What are some changes that affect a small, non-residential customer?

**The definition of small, non-residential customer has been expanded** to include those who use less than 300,000 cubic feet of natural gas per year or less than 30,000 kilowatt hours of electric usage per year. The MPSC recognized that the needs of small businesses may differ from other types of utility customers and these new billing rules provide benefits to small businesses that do not exist for large, non-residential customers. These include a smaller deposit limit for utility services, protection from having to pay a deposit during the heating season, the ability to enter into payment plans and settlement agreements, the ability to attend a customer hearing to resolve a dispute, consolidation of accounts, an extended length of time to pay an estimated utility bill, and required publication of utility procedures.

## 11. What must a utility do to ensure they are protecting customer data?

**Utilities are required to have in place data privacy rules to assure customers that their personal information will not be distributed to third parties without their knowledge or consent.** The rules must be filed with the MPSC for approval.

## 12. Are customers who are experiencing a temporary medical emergency still protected from shut off under the new billing rules?

Yes. A utility may postpone the disconnection of service or restore service for up to 21 days if a customer or a member of the customer's household has an existing medical condition that will be aggravated by the lack of utility service. This postponement may be extended for additional periods not to exceed 63 days in a 12-month period per household member. A utility is not required to grant shutoff extensions totaling more than 126 days per household in any 12-month period.

### **13. How does a customer inform the utility that they have a medical condition that will be aggravated by a disconnection?**

Like critical care customers, those with a medical condition also must provide their utility with a copy of the Medical Certification Form signed by their physician or a medical professional. The utility must give the customer a three business day grace period and postpone the service shutoff to allow the customer time to fill out the form and return it to the utility. This protection does not relieve the customer of his or her obligation to pay for utility service.

### **14. Is there a protection for customers from disconnection for non-payment when the weather is extremely hot or cold?**

Utilities will now be required to submit to the MPSC for approval an extreme weather policy which should outline the conditions under which the utility would suspend disconnection of service to residential customers during extreme hot and cold weather. Shut-off protections continue to exist during the November-March heating season for low-income customers who have arranged a bill payment plan with the utility, for senior citizen customers age 65 years or older who have advised the utility of their eligibility, and for eligible military customers (i.e., active duty customers and their spouses).

### **15. When can a utility shut off service to a residential customer?**

There are certain circumstances when a utility can shut off or deny service to a customer, including non-payment of bills, unauthorized use of service, misrepresentation of identity to obtain utility service, and refusing to arrange access at reasonable times for the purpose of inspection, meter reading, maintenance or replacement of equipment at the premises or for the removal of a meter. Before shutting off service to a customer, the utility must provide the customer with a notice of shut off not less than 10 days before the date of proposed shut off of service and make two attempts to contact the customer by telephone one day before the involuntary shut off of service.

### **16. Can a utility shut off service to a residential customer without following the billing rules for customer notifications?**

Under the billing rules, a utility can only shut off a customer without following the usual notification procedures when performing an emergency shut off of service temporarily for reasons of health and safety or in a state or national emergency. When a utility shuts off service for reasons of health or safety, the utility shall leave a notice at the premises in accordance with the billing rules.

### **17. What do I do if I think my utility is not following the billing rules?**

Customers who have questions about the billing rules or who want to file a complaint against a utility if they think their rights are being violated should call the MPSC's Customer Assistance line at 1-800-292-9555.

**For more information, visit:**

**[www.michigan.gov/mpsc](http://www.michigan.gov/mpsc)**

**Case No. [U-18120](#) - MPSC Billing Rules**

**Case No. [U-18479](#) - Medical Certification Form approval**

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