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A program of Elder Law of Michigan, Inc.

Your Rights As A Utility Customer

The Michigan Public Service Commission (MPSC) is the government agency that regulates investor-owned natural gas and electric utilities and rural electric cooperatives in Michigan. The MPSC has a website at www.michigan.gov/mpsc. It contains a wide variety of documents and information resources that describe Michigan's regulated electric and natural gas services, including a documents library, consumer alerts and brochures, energy pricing and service offerings of various utility companies, forecasts of energy supply and demand, and other information of interest to Michigan consumers.

One of the most important documents on the MPSC's website is its Consumer Standards and Billing Practices rules located in the "Administrative Rules and Guidelines" section of the "Documents Library." These are rules that all regulated natural gas and electric utility companies must follow to ensure fair and equitable treatment of utility customers. (These rules do *not* apply to city-owned or -operated utility systems because they are not regulated by the MPSC.) Some of the key provisions in the consumer billing practices rules are requirements that regulated natural gas and electric utilities:

- give customers seventeen days (in most cases) to pay their utility bill;
- have procedures to promptly and courteously handle customer questions, requests for services or problems;

- provide customers an opportunity for a hearing according to certain procedures when other attempts to resolve a problem have failed;
- offer a chance to pay the utility bill in smaller payments if the customer has a financial emergency;
- offer a bill payment plan to senior citizens and low-income customers to avoid utility service shutoffs in the winter;
- provide notice that a customer owes a past due bill;
- request a deposit from the customer only under circumstances described in the rules;
- continue utility service for a period of time if the customer would otherwise face a shutoff if proof is provided that a medical emergency exists in the home;
- provide the customer with information about programs that help pay for utility bills;
- discontinue service only for reasons specified in the rules; and
- provide customers with a booklet that describes the consumer billing practices rules and their rights as customers.

If a person has a problem or question about her or his utility service, the first step that should be taken is to contact the utility company about it. The phone number and address to use appears on the customer's utility bill. The company must look into the problem and make an effort to resolve it. If the customer is not satisfied with the utility's response, she or he should contact the MPSC staff for assistance. The MPSC address and phone number is:

Michigan Public Service Commission
P.O. Box 30221
Lansing, MI 48909
1.800.292.9555

If the problem involves the amount of the utility bill, a customer does not have to pay the amount that is in dispute until the end of the informal dispute procedure. If the utility company does not solve the problem to the customer's satisfaction, the customer may request an informal hearing.

To request an informal hearing, the customer should contact the utility company and request that the dispute be resolved by a utility hearing officer as soon as possible. (Note: Matters that are under the authority of the courts such as claims for damages, rates and right-of-way disputes are not handled through informal hearings.) The utility will then contact the customer and provide notice of her or his right to a hearing. The customer must then request a hearing within three days after the utility provides notice. A hearing is then scheduled and the customer is notified of its time, date and location. The customer may represent herself or himself, hire a lawyer or bring anyone the customer would like to have help.

If the complaint involves a disagreement over a bill or part of a bill, the customer must pay the part of about which there is no dispute. This is a condition of having an informal hearing. If the customer and the company do not agree on how much of the bill is in dispute, the customer must pay the amount in dispute up to \$100 per month. This amount is due within three days after the customer requests an informal hearing. If the customer fails to make this payment, utility service may be turned off. In the informal hearing, the utility company must prove its case. Customers must cooperate with the utility in its investigation of the problem. The customer should have documents or other evidence to support her or his position. If the customer disagrees with the decision made by the person conducting the informal hearing decision, an appeal may be requested.

To request an appeal from the informal hearing, the MPSC should be contacted within five days after the informal hearing decision. A complaint officer who works for the MPSC will review the informal hearing officer's decision and will change, uphold or reverse the decision. During this appeal process, the utility may not take collection action or shutoff service for the disputed part of the bill until the end of the appeal process. However, failure to pay *current bills* may result in the customer's utility service being shutoff. Once the MPSC complaint officer issues a decision, the informal dispute process is complete. If the customer is not satisfied with the decision, a formal hearing may be requested.

To request a formal complaint, a utility customer should contact the MPSC Executive Secretary Division. Information explaining this process is then mailed to the customer. The customer then presents the case to the MPSC in a courtroom type of hearing before an administrative law judge in Lansing, Michigan. The customer may represent herself or himself, hire a lawyer or bring anyone the customer thinks might help.

Again, it is important that the customer make any payments due to the utility company. If the customer does not do that, utility services could be shut-off while she or he is waiting for the formal hearing. It may take several months for the formal complaint to be resolved. At this stage of the appeal process, the burden of proving the case is the customer's responsibility. The utility company does not have to prove its side of the case.

If the customer is not satisfied with MPSC's decision on the case, it may be appealed to court.

Energy Assistance Programs

There are a variety of programs in Michigan that offer utility customers help with paying energy bills and avoiding service shut-offs. These programs change from year to year depending on the availability of private and government funding for their support. Some of these programs include:

- **Equal Monthly Billing Plans.** These programs allow customers to elect to have their energy costs billed in equal monthly increments subject to an annual reconciliation to true up the amount paid for energy with the actual cost of the energy consumed by the customer. Some customers find this program helpful in managing their energy costs because it avoids large utility bills in the months in which the most energy is consumed.
- **The MPSC Winter Protection Plan.** This is a set of MPSC rules that protects seniors and low-income customers of regulated utility companies and alternative energy suppliers from service shut-off and high utility payments between November 1 and March 31. Persons age 65 or older participating in Winter Protection are not required to

make specific monthly payments in the protection period, but are encouraged to do so to avoid higher bills when that period ends. During the protection period, low-income customers who receive Michigan Department of Human Services cash assistance or Food Stamps or Medicaid or have a household income at or below 200% of the poverty level, must make monthly payments of at least 6% of their estimated annual bill to avoid shut-off. At the end of the protection period, both senior citizens and low-income customers participating in the plan must pay off any money owed in installments between April and November. To apply for this program a customer should contact her or his natural gas or electric utility company or alternative energy supplier.

- **Home Heating Credit.** Utility customers with a low income or who are receiving public assistance or unemployment compensation may receive a tax credit to help pay winter heating bills. Eligible customers must meet guidelines based on household income, exemptions and heating costs. Home Heating Credit Forms (MI-1040CR-7) must be filed by September 30 for the preceding tax year. In 2004, the average home heating credit in Michigan was \$175.
- **State Emergency Relief Program.** This program may help low-income households pay part of their heating or electric bills and may help keep their utilities in service or have service restored. Contact your local Michigan Department of Human Services office for information and current eligibility criteria. This program is available year-round.
- **Private Energy Assistance Programs.** There are private organizations that may, at times, provide emergency energy bill payment assistance. The Heat and Warmth Fund (T.H.A.W.) provides bill payment assistance to low-income residents in 65 Michigan counties. THAW's toll-free referral number is 1.800.866.8429. The Salvation Army may also be able to provide emergency assistance. The MPSC also provides information on finding winter shut-off aid programs.

- **Programs to Reduce Energy Use.** Local Community Action Agencies may offer programs to provide help with caulking and insulation if specific low-income guidelines are met. The MPSC's website also contains brochures and Consumer Alerts that contain good information on strategies for reducing home energy use.

The Legal Hotline is a program of Elder Law of Michigan, Inc., a non-profit organization. If you would like to support our work, please consider sending a tax deductible donation to the Legal Hotline, 3815 W. St. Joseph Street, Suite C-200, Lansing, MI 48917. Thank You.