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MPSC assesses \$515,800 fine on Consumers Energy Company for violation of estimated billing rules, directs the utility to take certain actions

LANSING, Mich. – The Michigan Public Service Commission (MPSC) today assessed a fine of \$515,800 on Consumers Energy Company for violation of [rules](#) related to its estimated billing practices. The MPSC on Jan. 19 opened an investigation into the utility's estimated billing practices, after hearing complaints from Consumers Energy customers for years.

"Consumers Energy's lack of effective monitoring, controls and customer communications to avoid recurring estimated bills for such a large number of customers over an extended period of time shows a disregard for the Commission's rules. No customers should receive an estimated bill for over a year," said MPSC Chairman Sally Talberg.

"Almost four months after the utility admitted that 12,671 customers experienced more than 12 months of consecutive estimated reads, it had still failed to obtain an actual read for 2,579 of these customers," said Chairman Talberg. "This means that, at a minimum, these customers had experienced 16 continuous months of estimated reads. The Commission finds it appropriate to impose a penalty for violation of MPSC Rules 13 and 8 of \$200 per customer for each of the customers identified by the company as having received a minimum of 16 months of estimated reads, for a total penalty of \$515,800."

The utility is directed to pay the fine to the State of Michigan within 30 days.

In its order today (Case No. U-18002), the MPSC also directed Consumers Energy Company to:

- Commence immediately to provide a time and date stamp when a hazard code is added to a customer account;
- Mail a package of postage-paid pre-addressed meter reading postcards, with 30 days, to all non-automated meter reading customers with threat-of-violence hazard codes currently on their accounts, along with information on how to report meter readings by phone, fax, or online through the customer portal;

- Convene a meeting or conference call, within 30 days, with MPSC and Michigan Agency for Energy (MAE) staff to provide additional information on the criteria for review and the process associated with placing hazard codes on customer accounts;
- Provide MPSC and MAE staff with copies of the three reports intended to address past, present and future estimation accuracy as they become available;
- Submit any proposed substantive changes to the approved estimated billing procedure at least 60 days prior to the implementation of the change to MPSC and MAE staff;
- Remove from all pending and future general rate cases amounts associated with meter estimation related write-offs; and
- File semi-annual reports containing certain information in this docket for three years.

The MPSC staff has been directed to add proposed language to the Technical Standards for Gas Service to set and define a meter reading factor of 85 percent for gas service, comparable to the language in the MPSC's [Service Quality and Reliability Standards for Electric Distribution Systems](#).

Additional MPSC actions today include:

Case No. U-16999: The MPSC approved a settlement agreement authorizing DTE Gas Company to implement an infrastructure recovery mechanism surcharge related to the company's gas main renewal program, meter move-out program and pipeline integrity program. Residential customers will see an increase of 68 cents on their monthly bills beginning in July.

Case No. U-17682 et al: The MPSC directed the Commission's Executive Secretary to inform Wisconsin Energy Corporation that it may file, no sooner than June 14, an application regarding the proposed creation of a new Michigan-only jurisdictional utility described in the [Amended and Restated Settlement Agreement](#) approved by the MPSC on April 23, 2015. Under MCL 460.6q, the MPSC has 180 days from the date an application is filed to issue an order approving or rejecting the proposed acquisition, transfer of control, merger or encumbrance.

Case No. U-18076: The MPSC is seeking public comment on four questions related to DTE Electric Company's proposed voluntary renewable energy pilot program for full-service customers that would allow program participants to obtain a larger amount of renewable energy than the 10 percent mandated by Public Act 295 of 2008. Comments, referencing Case No. U-18076, must be filed no later than 5 p.m. on July 5. Responsive comments must be received no later than 5 p.m. on July 19. Comments may be mailed to: Executive Secretary, Michigan Public Service Commission, P.O. Box 30221,

Lansing, MI 48909. Electronic comments may be emailed to mpscdockets@michigan.gov.

Case No. U-18105: The MPSC authorized DTE Electric Company, DTE Gas Company and Consumers Energy Company to issue a one-time stand-alone refund of monies collected for the now defunct Low-Income Energy Efficiency Fund and the Vulnerable Household Warmth Fund to their electric and natural gas ratepayers via a bill credit in the August billing month. For residential customers: DTE Electric customers will see a 12-cent credit; DTE Gas customers will see a 2-cent credit; Consumers Energy electric customers will see a 3-cent credit; and Consumers Energy gas customers will see a 6-cent credit.

Case No. U-18002, U-16999, U-17682 et al, U-18076 and U-18105

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