

## MINUTES OF THE STANDING COMMITTEE ON ENERGY AND TECHNOLOGY

**Tuesday, May 6, 2014                      9:00 a.m.              Room 519 House Office Building, Lansing**

Representative Nesbitt, Chair, called the meeting to order.

The Chair stated that the Committee would stand at ease until 9:30 a.m.

Chair Nesbitt reconvened the meeting at 9:31 a.m.

**MEMBERS PRESENT: Representatives Nesbitt, Shirkey, Farrington, Franz, Jacobsen, Outman, Pettalia, Price, Schmidt, Zorn, Graves, Lauwers, Howrylak, Stallworth, Hobbs, Nathan, LaVoy, Lane, Brunner, Yanez, Lamonte, Phelps.**

Representative Graves made a motion to adopt the minutes of the meeting of April 29, 2014. No objections being offered, the minutes were accepted as presented.

The Chair laid the following bill before the Committee.

HB 5476 (Stamas)                      Public utilities; electric utilities; proceedings to modify cost allocation methods and rate design methods; provide for.

Chair Nesbitt reviewed the provisions of HB 5476 (H-2).

Representative Farrington made a motion to adopt HB 5476 (H-2).

### **FAVORABLE ROLL CALL:**

**Yeas: Representatives Nesbitt, Shirkey, Farrington, Franz, Jacobsen, Outman, Pettalia, Price, Zorn, Graves, Lauwers, Howrylak, Stallworth, Hobbs, Nathan, LaVoy, Lane, Brunner, Yanez, Lamonte, Phelps. (21/22)**

**Nays: None. (0/22)**

**Pass: None. (0/22) (21/0/0)**

A sufficient number of members voting in the affirmative, the motion prevailed.

Valerie Brader, representing Governor Snyder, spoke to the Committee regarding HB 5476 (H-2).

The Chair stated that the Committee would stand at ease, the time being 9:50 a.m.

Chair Nesbitt reconvened the meeting at 10:01 a.m.

Representative Farrington made a motion to amend HB 5476 as follows.

1. Amend page 3, line 9, after "**FOR**" by striking out "**COST ALLOCATION**" and inserting "**ALLOCATION OF PRODUCTION, TRANSMISSION, DISTRIBUTION, AND CUSTOMER-RELATED COSTS**".
2. Amend page 3, line 11, after "**RATES**" by inserting "**FOR ALL CUSTOMER CLASSES**".
3. Amend page 3, line 15, after "**ANY**" by inserting "**INTERESTED**".
4. Amend page 4, line 10, after "**(3)**" by inserting "**OR IN A CONSOLIDATED CASE UNDER SUBSECTION (5)**".
5. Amend page 4, line 23, after "**METHODS**" by striking out the balance of the subdivision and inserting "**THAT SUPPORT AFFORDABLE AND COMPETITIVE ELECTRIC RATES FOR ALL CUSTOMER CLASSES.**".
6. Amend page 4, line 25, by striking out all of subdivision (G).
7. Amend page 6, line 20, after "**FOR**" by striking out "**COST ALLOCATION**" and inserting "**ALLOCATION OF PRODUCTION, TRANSMISSION, DISTRIBUTION, AND CUSTOMER-RELATED COSTS**".
8. Amend page 6, line 22, after "**RATES**" by inserting "**FOR ALL CUSTOMER CLASSES**".
9. Amend page 7, line 19, after "**FOR**" by striking out "**EXPIRING CONTRACTS**" and inserting "**AN EXPIRING CONTRACT DESCRIBED IN SECTION 5 OF THE ENERGY FOR ECONOMIC DEVELOPMENT ACT OF 2010, 2010 PA 297, MCL 460.995,**".
10. Amend page 7, line 23, by striking out all of subsection (15).

**FAVORABLE ROLL CALL:**

**Yeas: Representatives Nesbitt, Shirkey, Farrington, Franz, Jacobsen, Outman, Price, Schmidt, Zorn, Graves, Lauwers, Howrylak, Stallworth, Hobbs, Nathan, LaVoy, Lane, Brunner, Yanez, Lamonte, Phelps. (21/22)**

**Nays: None. (0/22)**

**Pass: None. (0/22) (21/0/0)**

A sufficient number of members voting in the affirmative, the motion prevailed.

Representative Farrington made a motion to report HB 5476 (H-4) with recommendation.

**FAVORABLE ROLL CALL:**

**Yeas: Representatives Nesbitt, Shirkey, Farrington, Franz, Jacobsen, Outman, Pettalia, Price, Schmidt, Zorn, Graves, Lauwers, Howrylak, Stallworth, Hobbs, Nathan, LaVoy, Lane, Brunner, Yanez, Phelps. (21/0/0)**

**Nays: None. (0/22)**

**Pass: Representative Lamonte. (1/22) (21/0/1)**

A sufficient number of members voting in the affirmative, the motion prevailed.

Cards for HB 5476 were submitted by:

Sarah Mullkoff, representing the Michigan Environmental Council, in opposition

Greg Clark, representing Indiana Michigan Power, in support (H-2)

Tim Lundgren, representing Energy Michigan, in opposition

Jim Ault, representing Michigan Electric and Gas Association, in support (with amendments)

Jason Geer, representing the Michigan Chamber of Commerce, in support

Renee Hoekema, representing DTE Energy, in support

Randy Gross, representing ITC, in support (H-2)

Cathy Wilson, representing Consumers Energy, in support (H-2)

There being no additional business before the Committee, Chair Nesbitt declared the meeting adjourned, the time being 10:07 a.m.

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Representative Aric Nesbitt, Chair

Catherine Petroskey, Committee Clerk (517) 373-8538