

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter, on the Commission’s own motion,)
to require **DTE ELECTRIC COMPANY** and **DTE GAS**)
COMPANY to investigate and to submit a report to)
the Commission Staff regarding each utility’s billing)
practices.)
_____)

Case No. U-18486

At the December 20, 2017 meeting of the Michigan Public Service Commission in Lansing,
Michigan.

PRESENT: Hon. Sally A. Talberg, Chairman
 Hon. Norman J. Saari, Commissioner
 Hon. Rachael A. Eubanks, Commissioner

ORDER

Background

Beginning in April of this year through the present time, the Commission Staff (Staff) has observed numerous issues with DTE Electric Company’s and DTE Gas Company’s (DTE collectively) performance regarding rules pertaining to shutoff of service and other billing practices. Mich Admin Code, R 460.137, R 460.138 (now R 460.139), R 460.139 (now R 460.140), R 460.141 (now R 460.142), R 460.142 (now R 460.143), and R 460.144 of the Commission’s Consumers Standards and Billing Practices for Electrical and Gas Residential Service (now Consumer Standards and Billing Practices for Electric and Natural Gas Service or “billing rules”) establish the standards a utility must meet regarding: permissible grounds to shut off service, notification of shutoff, the form of the shutoff notice, the manner of shutoff, and the

restoration of service.¹ In addition, Mich Admin Code, R 460.1624 (now R 460.139) and R 460.1626 (now R 460.143) establish the standards a utility must meet regarding shutoff notification to non-residential customers and the manner in which a utility may shut off service to non-residential customers.

Under R 460.137(e) (now R 460.137(1)(d)), a utility is permitted to shut off utility service when a customer has refused to arrange access “at reasonable times for the purpose of inspection, meter reading, maintenance, or replacement of equipment that is installed upon the premises, or for the removal of a meter.” Likewise, under R 460.138 (now R 460.139), a utility shall not shut off service unless it sends a customer notice either by first-class mail or by personally serving the notice not less than 10 days before the proposed shut off. R 460.1624 (now R 460.139) requires a similar 10-day notice for non-residential customers as well. The form of notice rule, set forth in R 460.139 (now R 460.140), lists the information that a notice of shutoff shall contain the customer’s name and address, and the address at which service is provided if different, the reason for the proposed shutoff of service, the date on or after which the utility may shut off service, a list of the customer’s various rights, and a provision prohibiting a utility from shutting off service pending the resolution of a complaint filed with the utility or the Commission. Rules regarding the manner of shutoff found in R 460.141 (now R 460.142), R 460.142 (now R 460.143), and R 460.1626 (now R 460.143) explain the attempted telephone contact that is necessary the day before the shutoff of service and what steps the utility must take during shutoff. Regarding the

¹ Effective December 11, 2017, the Commission’s Consumer Standards and Billing Practices for Electric and Gas Residential Service, and the Commission’s Billing Practices Applicable to Non-Residential Electric and Gas Customers were combined and revised in a new rule set, Consumer Standards and Billing Practices for Electric and Natural Gas Service, and many of the rules referenced in this order were renumbered as noted. However, for purposes of the investigation at issue in this docket, it is noteworthy that none of the substantive requirements of these rules has changed.

restoration of service rule, R 460.144, the rule requires a utility to “promptly” restore service upon a customer’s request when the cause of a shutoff of service has been cured, directing it to restore service the same day a customer requests restoration where meter technology such as advanced metering infrastructure (AMI) allows for remote restoration capability.

Since the introduction of DTE’s SAP C360 billing system in April of this year, the Staff has received an influx of customer complaints regarding the implementation of that system. And, the Staff became aware that DTE was shutting off utility service, allegedly in violation of the above-referenced rules. The Staff identified three main groups of customers that have had their service shut off without proper notice in violation of these rules. The largest group the Staff identified consisted of customers experiencing other billing issues after implementation of C360. Some of the customers in this group did not receive a monthly bill for a period of time, extending up to six months. DTE immediately sent a notice of shutoff even though the utility had not billed those customers for multiple months. After the Staff was made aware of the issue, it intervened on behalf of the customers, and DTE agreed to place a hold on any account where a customer experienced a billing issue so that customers would have an opportunity to establish a payment arrangement with DTE in compliance with the Commission’s billing rules. Despite these efforts, the Staff continued to receive complaints from several customers who, according to the Staff, did not receive a bill for up to six months, and who received a shutoff notification in lieu of their first bill. These customers contacted DTE and were assured that a hold was placed on their account or that they were put on a payment arrangement; and even though DTE had informed the Staff that it would cease collection activity, nevertheless, utility service was still shut off. According to the Staff, upon inquiry, DTE confirmed to the Staff that, since June, 288 customers have had their

utility service disconnected in error due to C360 billing issues that prevented proper notification of a shutoff of service.

The Staff identified a second group of customers with pending complaints before the utility or the Commission who should have had a hold on their accounts preventing shut off. Instead, in violation of the form of notice rule set forth in R 460.139 (now R 460.140) and other rules pertaining to shutoff, their service was disconnected. When the Staff followed up with DTE on the issue, the utilities admitted their system did not automatically code the accounts of customers with pending complaints to prevent the shut off of service to those customers and assured the Staff they were working to resolve the issue. In the meantime, the Staff has alleged that customers in this category continued to have their utility service wrongfully shut off.

The Staff identified a third group of customers who, during the utility's final installation of AMI meters, denied DTE access to switch their analog meters to AMI. DTE notified these customers that their service may be disconnected in accordance with Commission rules if they do not contact the company to set up an appointment to switch their meters. The Staff heard from a number of customers who either contacted DTE and set up an appointment date, or were unable to reach DTE by phone, and were still disconnected despite their efforts to comply with DTE's request.

For these reasons, the Commission finds that an investigation into DTE's shutoff and billing practices is necessary at this time. Within approximately 30 days of the date of this order, DTE shall submit a report in this docket containing all of the following information:

- Provide DTE's performance history regarding shutoffs from January 1, 2016 through the present, highlighting the transition period for C360, provide the number of customers shut off by each month and, in the interim, continue to report weekly shut off numbers to the Staff.

- For the time period prior to the implementation of C360, provide DTE's typical error rate for wrongful disconnection and any information DTE has on the industry standard.
- Provide an explanation of the verification process DTE performs prior to disconnecting a customer.
- Provide an explanation of the impact of C360 on shutoffs since the implementation, including details on the type of defects, identifying when defects were fixed, and the number of customers impacted by month by each defect.
- Review with the Staff a list of customers who were improperly shut off, reason for shutoff (i.e.: C360 no bill, C360 bill presentation, AMI scheduling and MPSC open informal complaint, etc.), restoration length of time from disconnect, and any remedy provided to customer.
- Outline DTE's customer communication efforts regarding shutoffs with details that include how and what information was communicated to customers who had been improperly shut off.
- An explanation of DTE's plans going forward to address all improper shutoffs.

Thirty days after DTE submits its report, the Staff shall report its findings regarding this investigation to the Commission as well as any recommendations on further action. After reviewing the Staff's analysis, the Commission will issue an order regarding DTE's filing and the Staff's recommendations that will detail its findings and conclusions regarding the company's shut off and billing practices, and order remedies, if necessary.

THEREFORE, IT IS ORDERED that:

A. DTE Gas Company and DTE Electric Company shall file a report in this docket by January 22, 2018, as set forth in this order.

B. The Commission Staff shall analyze DTE Gas Company's and DTE Electric Company's report with the goal of making recommendations to address the issues identified in this order regarding each utility's shutoff and billing practices. The Commission Staff's analysis shall be submitted as a filing in this docket by February 21, 2018.

The Commission reserves jurisdiction and may issue further orders as necessary.

MICHIGAN PUBLIC SERVICE COMMISSION

Sally A. Talberg, Chairman

Norman J. Saari, Commissioner

Rachael A. Eubanks, Commissioner

By its action of December 20, 2017.

Kavita Kale, Executive Secretary