

Public Utility Assessment Background

Act 299 of 1972 – Costs of Regulating Public Utilities

- Provides a mechanism for financing the cost of regulating public utilities in Michigan
 - Sec. 2. The department within 30 days after the enactment into law of any appropriation to it, shall ascertain the amount of the appropriation attributable to the regulation of public utilities. This amount shall be assessed against the public utilities and shall be apportioned amongst them as follows: The gross revenue for the preceding calendar year derived from intrastate operations for each public utility shall be totaled and each public utility shall pay a portion of the assessment in the same proportion that its gross revenue for the preceding calendar year derived from intrastate operations bears to such total. Each public utility shall pay a minimum assessment of not less than \$50.00. (MCL 460.112)

Assessment Process

- Governor Recommends and Legislature appropriates an amount to regulate public utilities through budget development process
- MPSC staff collects information from entities subject to act; determines gross revenue amounts for a given year
- LARA uses this information to determine each entity's share of PUA, based on proportional share of overall gross revenues

Who is assessed?

- "Public utility" means a steam, heat, electric, power, gas, water, wastewater, telecommunications, telegraph, communications, pipeline, or gas producing company regulated by the commission, whether private, corporate, or cooperative, except a municipally owned utility. (MCL 460.111)
- For FY 2016 PUA:
 - Electric/Gas/Steam IOUs: 16 companies
 - Electric Cooperatives: 10 companies
 - Telecommunications companies: 227 companies
 - TOTAL: 253 companies

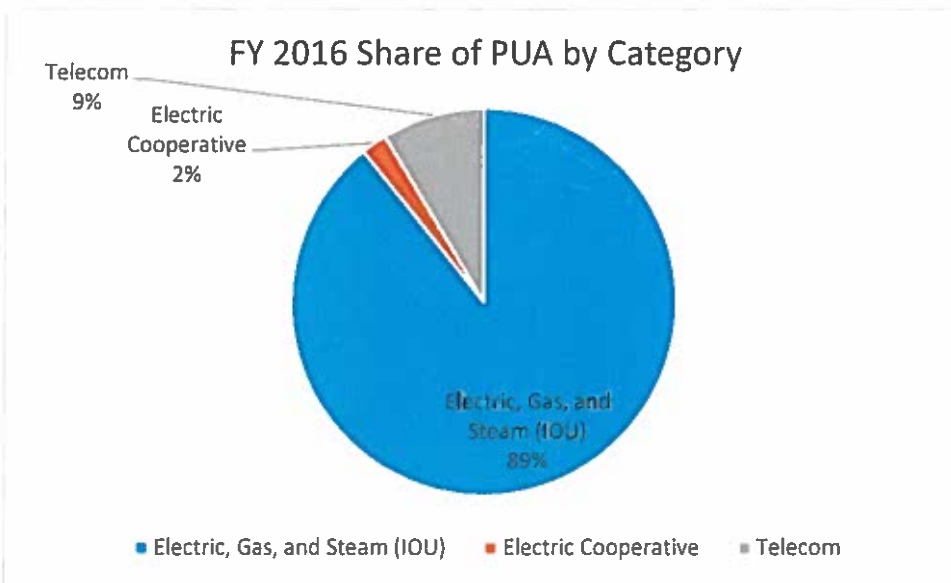
Historical Gross Revenues

	2014 Gross Revenues (FY 2015-16 PUA)	2013 Gross Revenues (FY 2014-15 PUA)	2012 Gross Revenues (FY 2013-14 PUA)	2011 Gross Revenues (FY 2012-13 PUA)	2010 Gross Revenues (FY 2011-12 PUA)	2009 Gross Revenues (FY 2010-11 PUA)
Electric, Gas, and Steam (IOU)	\$14,750,061,355	\$13,955,822,584	\$13,537,360,147	\$13,962,632,587	\$13,810,043,792	\$13,802,874,882
Electric Cooperative	\$361,918,699	\$350,312,590	\$453,559,648	\$436,280,280	\$435,883,449	\$387,906,220
Telecom	\$1,432,782,259	\$1,528,007,445	\$1,772,879,147	\$1,941,988,152	\$2,076,349,468	\$2,294,448,128
TOTAL	\$16,544,762,313	\$15,834,142,619	\$15,763,798,942	\$16,340,901,019	\$16,322,276,709	\$16,485,229,230

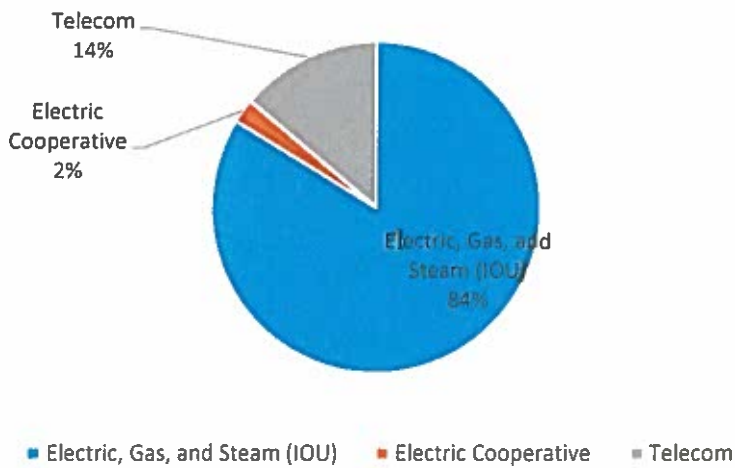
Historical Public Utility Assessments

	FY 2015-16 PUA	FY 2014-15 PUA	FY 2013-14 PUA	FY 2012-13 PUA	FY 2011-12 PUA	FY 2010-11 PUA
Electric, Gas, and Steam (IOU)	\$29,656,754	\$29,173,702	\$28,035,679	\$27,404,088	\$25,225,791	\$24,985,245
Electric Cooperative	\$727,681	\$732,305	\$939,316	\$856,276	\$796,196	\$702,168
Telecom	\$2,888,236	\$3,196,024	\$3,673,182	\$3,813,101	\$3,794,453	\$4,155,105
TOTAL	\$33,272,670	\$33,102,031	\$32,648,176	\$32,073,464	\$29,816,440	\$29,842,518

Percentage Share



FY 2011 Share of PUA by Category



What is funded?

How PUA is Spent (FY 2016)	
MPSC Operations	\$19,820,100
MAE Operations	\$7,027,000
LARA Operations	\$3,985,700
Attorney General	\$2,033,100
DEQ	\$257,400
TOTAL	\$33,123,300

PUA Spending FY 2016

