

## POINTS OF VIEW

# It's time the PSC gave utilities a 'fatherly lesson' in accountability

**R**emember dear old dad. He was a great guy, wasn't he? You knew he always had your best interests at heart, but his lessons could sometimes be harsh when he was trying to teach you one of those important lessons about life, like taking personal responsibility for yourself.

"As long as you're living in my house ...."

Well, now you're all grown up. You have a house of your own. Who is going to teach all those important lessons that you so need to learn? Why, your friends down at the local utility company, of course. They're concerned about you. And right now they believe you need another lesson in responsibility.

"As long as you're hooked up to my utility ...."

MichCon has filed a proposal with the state Public Service Commission to cut the time allowed for payment of bills from the current 21 days to 17. Also part of the request is a proposal to shorten the grace period for a 2-percent late fee from five days to one. Further, it would increase the deposits required to reconnect once a customer's service has been turned off. And it would also require larger deposits for new customers.

MichCon is claiming it is doing it to get customers to show a little more "personal accountability."

The proposal is being made by MichCon, but the ruling of the PSC would apply to other state utilities that deliver gas and electricity, such as Detroit Edison and Consumers Power, so they've all jumped on the bandwagon to support the change.

The proposal was actually filed with the Public Service Commission two years ago, but it was never publicized. The PSC held just one hearing on the issue, and no further hearings are scheduled. Now Michigan Attorney General Jennifer Granholm is making an issue of it. She filed recently to oppose the proposal before the PSC.

Granholm thinks the whole thing is just a ploy by the utilities to get more of money out of their customers.

That's just not the case, our friends at the utility companies assure us. Oh no. Rather, they want to teach Michigan residents to stop abusing the system. The utilities believe the incentives for on-time payment — such as the fact they'll turn off your power if you don't pay on time — just aren't adequate to keep customers acting responsibly. They believe their bills coming due in 21 days versus the 17 days most other companies allow means you'll pay others first.

And MichCon wants a "level playing field" with those other businesses.

It is a bit ludicrous to hear a monopoly talk about wanting a level playing field with other businesses. The key point is that if you or I don't like the billing practices of some other company, we can take our business elsewhere.



MIKE MALOTT

But apparently, from the utilities' perspective, you are abusing the system if you don't pay your utility bills first. From their perspective, that makes you irresponsible.

You didn't know that, did you? You just thought you were doing a thing most of us call "money management." In part, that's looking at the bills that have come in, comparing them to the money we have available, and deciding which get paid first. You thought you were being smart because that keeps you from writing checks out of your account before there is actually money in there to cover them.

Nope, that's abusing the system. Apparently, MichCon believes your utility bill should be your highest priority. You should make sure you have enough cash on hand to pay that bill as soon as your utility company demands it. Food, clothing, shelter, it turns out, should all be secondary to paying the utility bills.

As you well know, utility companies have every reason to claim for themselves the right to be the final determiners of what is responsible behavior and what is not. Lord knows, they are extremely responsible organizations.

It's not their fault that the power goes off every time the weather produces something stronger than a gentle breeze.

And lord knows, it's certainly not the gas company's fault if a contractor digging around at a construction site hits a pipeline. The gas company can't be expected to work a little closer with those construction contractors to make sure they don't, say, burn down your entire neighborhood.

Well, this may not be very responsible of me, but I, for one, am hoping the PSC will decide to give the utilities a little fatherly lesson or two of their own in "accountability."

Mike Malott reports on the local implications of state and regional events. He can be reached by phone at (248) 349-1700 or by e-mail at mmalott@oe.homecomm.net

## Drop tax breaks; let business decisions be the guiding force

I don't get it. I've been reporting numerous disputes for the Observer Newspapers about city council members feuding on whether they should approve a property tax break for a company planning to build a new structure.

Frankly, my dear, most others don't care. In nearly all cases, the planned development or expansion may mean a shorter or slightly longer commute for the employees of that specific company.

For those who are job-hunting or looking for professional advancement, the developments may mean new career opportunities. But the opportunities would be there anyway — unless the company intends to move from southeast Michigan to northeast Ohio.

What generates this discussion is the ongoing dispute between the cities of Warren and Troy on a planned General Motors expansion of its sprawling tech center in Warren.

The Troy city commission has repeatedly refused to approve a waiver for GM to expand its Warren facility — a waiver that is required under a 1974 state law providing property tax breaks for businesses.

The state policy, which may have made sense then but now is clearly outdated in this age of global competition, was to encourage businesses to locate in Michigan instead of another state. The tax break, if approved by the local city officials, would allow the company to cut its property tax bill for a maximum of 12 years if it created new jobs.

But if a company received the break in Community A, for example, and years later wanted to move 10 minutes away to Community B, the latter had to obtain a waiver from the former.

The Troy-Warren feud reminds me of the silliness of the policy. Some 22 years ago, the Livonia city council was caught in a political vise when Ford Motor Co. asked for the tax break to "help pay for a \$313 million addition to its transmission plant."

Remember, the addition was nearly the same cost of the just-opened Renaissance Center in downtown Detroit.



LEONARD POGER

Several officials questioned the need for the tax break since Ford had already started construction on the addition.

What would the company do if the council refused to approve the tax break?

It would fill the holes already drilled in preparation for the expansion and move the transmission work to an existing plant in southern Ohio, said a councilman who, by a nice coincidence, was a Ford engineer.

The squeeze was put on the council by the plant's UAW officials who wanted to create new jobs in western Wayne County.

The company, with the union's help, prevailed, and the tax break was approved.

Let's face it. The tax abatement issue is one for the politicians to argue over, but it rarely does anything for most of their residents.

If GM is serious about expanding its sprawling tech center, built in the mid-1950s, let the company proceed without the tax break. After all, what else will it do? Build a new tech center in southeast Asia?

It's time for the state legislature to drop the tax abatement law and let companies locate in Warren, Livonia or Garden City because it's a good business decision — not to blackmail a city council for a tax break on a building it was going to build there anyway.

Leonard Poger is the community editor of the Garden City Observer.

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