

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter, on the Commission's own motion,)	
regarding administration and operation of the)	Case No. U-13129
Low-Income and Energy Efficiency Fund.)	
_____)	

At the December 20, 2002 meeting of the Michigan Public Service Commission in Lansing, Michigan.

PRESENT: Hon. David A. Svanda, Commissioner
Hon. Robert B. Nelson, Commissioner

OPINION AND ORDER

Section 10d(6) of the Customer Choice and Electricity Reliability Act (the Act), MCL 460.10d(6), requires a portion of the cost savings from the issuance of securitization bonds to be used as a source of funding for the Low-Income and Energy Efficiency Fund (Fund). In prior orders in this docket, the Commission has established a procedural framework for administering the Fund and procedures for considering specific proposals. On February 21, 2002, the Commission issued an order awarding energy assistance grants totaling up to \$27.4 million to seven organizations. On July 23, 2002, the Commission issued an order awarding energy efficiency grants totaling up to \$12.2 million to nine organizations. On August 20 and September 16, 2002, the Commission issued orders awarding low-income energy efficiency grants totaling more than \$5 million to seven organizations.

On October 25, 2002, the Commission Staff (Staff) issued a Request for Proposals for low-income energy assistance grants. By the November 22, 2002 deadline, proposals were submitted

by ten organizations seeking a total of more than \$39 million. Those submitting proposals were the Family Independence Agency (FIA), the Michigan Community Action Agency Association (MCAAA), The Salvation Army, The Heat and Warmth Fund (THAW), Newaygo County Community Services, Albion Interfaith Ministries, Downriver Community Conference, Lac Vieux Desert Band of Lake Superior Chippewa Tribal Government, STM Power, Inc., and Good Neighbors Mission.

The Commission expresses its appreciation to the applicants for providing thoughtful proposals. In awarding the grants, the Commission gave a preference to organizations with a proven record in distributing energy assistance to low-income residents, an existing administrative structure to handle additional distribution activities, an ability to coordinate the provision of assistance with other service providers, and a plan to serve multiple counties or populations of at least 500,000 people.

Based on its review of the applications, the Commission is awarding the following grants:

- FIA - \$12 million to provide supplemental payments to households receiving the Home Heating Credit and \$1.5 million to expand the State Emergency Fund in cooperation with community action agencies.
- Salvation Army - \$3 million to serve households statewide ineligible for assistance from FIA or for whom such assistance is insufficient or not available.
- MCAAA - \$2 million in a direct grant for low-income energy assistance.
- THAW - \$1.5 million for the THAW Safety Net Program.

For those grantees receiving less than requested in their proposals, the proportion of funds for direct assistance to indirect costs and overhead will remain the same as in their original requests. The Commission directs the Staff to complete the necessary grant agreement documents with the grantees.

The Commission FINDS that:

- a. Jurisdiction is pursuant to 1909 PA 106, as amended, MCL 460.551 et seq.; 1919 PA 419, as amended, MCL 460.51 et seq.; 1939 PA 3, as amended, MCL 460.1 et seq.; 1969 PA 306, as amended, MCL 24.201 et seq.; and the Commission's Rules of Practice and Procedure, as amended, 1992 AACCS, R 460.17101 et seq.
- b. Grants from the Fund should be distributed as described above.

THEREFORE, IT IS ORDERED that:

A. The following grants for a total of up to \$20 million are approved:

- FIA - \$12 million to provide supplemental payments to households receiving the Home Heating Credit and \$1.5 million to expand the State Emergency Fund in cooperation with community action agencies.
- Salvation Army - \$3 million to serve households statewide ineligible for assistance from FIA or for whom such assistance is insufficient or not available.
- MCAAA - \$2 million in a direct grant for low-income energy assistance.
- THAW - \$1.5 million for the THAW Safety Net Program.

B. The Commission Staff shall complete the necessary grant agreement documents with the grantees.

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

Any party desiring to appeal this order must do so in the appropriate court within 30 days after issuance and notice of this order, pursuant to MCL 462.26.

MICHIGAN PUBLIC SERVICE COMMISSION

(S E A L)

/s/ David A. Svanda
Commissioner

/s/ Robert B. Nelson
Commissioner

By its action of December 20, 2002.

/s/ Dorothy Wideman
Its Executive Secretary

Any party desiring to appeal this order must do so in the appropriate court within 30 days after issuance and notice of this order, pursuant to MCL 462.26.

MICHIGAN PUBLIC SERVICE COMMISSION

Commissioner

Commissioner

By its action of December 20, 2002.

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Suggested Minute:

“Adopt and issue order dated December 20, 2002 approving low-income energy assistance grants from the Low-Income and Energy Efficiency Fund, as set forth in the order.”