

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

\* \* \* \* \*

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 October 29, 2003 meeting of the Michigan Public Service Commission in Lansing, Michigan.

PRESENT: Hon. J. Peter Lark, Chair  
Hon. Robert B. Nelson, Commissioner  
Hon. Laura Chappelle, 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 nearly \$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 December 20, 2002, the Commission issued an order awarding energy assistance grants totaling up to \$20 million to four organizations.

On February 27, 2003, the Commission issued an order awarding energy assistance grants totaling up to \$20 million to four organizations. On October 14, 2003, the Commission issued an order awarding low-income energy efficiency grants totaling nearly \$6.8 million to eight organizations.

On August 29, 2003, the Commission invited organizations to submit proposals to provide energy assistance to low-income households. By the October 8, 2003 deadline, proposals were received from seven organizations seeking a total of more than \$25 million. Those submitting proposals were The Family Independence Agency (FIA), The Salvation Army, The Heat and Warmth Fund (THAW), Newaygo County Community Services (Newaygo County), the Society of St. Vincent de Paul, the Michigan Community Action Agency Association, and the Downriver Community Conference.

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, and the ability to coordinate assistance with other service providers and serve multiple counties.

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

- FIA - \$7.5 million to expand the State Emergency Relief program.
- Salvation Army - \$2.0 million to serve households statewide ineligible for assistance from FIA or for whom such assistance is insufficient or not available.
- THAW - \$3.0 million for the THAW Safety Net Program
- Newaygo County - \$500,000 to assist clients in a ten county area ineligible for the State Emergency Relief program or for whom such assistance is insufficient or would not be available in time to avert an emergency.

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 expects that, following approval by the appropriate agencies, the grant recipients will make these additional funds available to low-income customers as soon as possible.

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, 1999 AC, 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 \$13 million are approved:

- Family Independence Agency - \$7.5 million to expand the State Emergency Relief program.
- Salvation Army - \$2.0 million to serve households statewide ineligible for assistance from FIA or for whom such assistance is insufficient or not available.
- The Heat and Warmth Fund (THAW) - \$3.0 million for the THAW Safety Net Program
- Newaygo County - \$500,000 to assist clients in a ten county area ineligible for the State Emergency Relief program or for whom such assistance is insufficient or would not be available in time to avert an emergency.

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/ J. Peter Lark  
Chair

( S E A L )

/s/ Robert B. Nelson  
Commissioner

/s/ Laura Chappelle  
Commissioner

By its action of October 29, 2003.

/s/ Robert W. Kehres  
Its Acting 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

\_\_\_\_\_  
Chair

\_\_\_\_\_  
Commissioner

\_\_\_\_\_  
Commissioner

By its action of October 29, 2003.

\_\_\_\_\_  
Its Acting Executive Secretary

In the matter, on the Commission's own motion, )  
regarding administration and operation of the )  
Low-Income and Energy Efficiency Fund. )  
\_\_\_\_\_ )

Case No. U-13129

Suggested Minute:

“Adopt and issue order dated October 29, 2003 approving low-income energy assistance grants from the Low-Income and Energy Efficiency Fund, as set forth in the order.”