

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 February 5, 2003 meeting of the Michigan Public Service Commission in Lansing, Michigan.

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

OPINION AND ORDER

Section 10d(7) of the Customer Choice and Electricity Reliability Act (the Act), MCL 460.10d(7), 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. On July 23, 2002, the Commission issued an order awarding energy efficiency grants totaling up to \$12.2 million. On August 20 and September 16, 2002, the Commission issued orders awarding low-income energy efficiency grants totaling more than \$5 million. On December 20, 2002, the Commission issued an order awarding low-income energy assistance grants totaling up to \$20 million.

Since then, it has become apparent that a number of circumstances, including the state's budget, very cold weather, the economy, the elimination of the Family Independence Agency's positive billing program, and an increasing occurrence of utility service shutoffs, are creating an immediate need for additional low-income energy assistance. The nature and timing of this emergency necessitate expedited consideration and thus do not permit time to follow the prior practice of issuing a request for proposals, waiting a month for proposals, and approving grants following an evaluation of the proposals by the Commission and its Staff. The Commission is therefore issuing this order to request the submission of grant proposals to serve the near-term needs of low-income customers in paying their bills and avoiding the shutoff of service. All requests will be due on or before February 19, 2003. The Commission will review the proposals, and approve the grants at a special meeting later this month. The grants will total up to \$20 million. Because the Low-Income and Energy Efficiency Fund contains only more than half that amount at this time, the grants will be paid in installments as the full \$20 million becomes available over the next several months. In awarding grants, significant consideration will be given to grantees that are able to efficiently reach large numbers of needy citizens quickly. Thus, specific language to this effect that was included in the most recent low-income energy assistance grants RFP issued on October 25, 2002 will again be extensively relied upon. That language states:

“Preference in awarding the grant(s) will be given to organizations:

- 1) with a proven record in distributing energy assistance to low-income residents;
- 2) with an existing administrative structure to handle additional distribution activities;
- 3) able to coordinate the provision of assistance with other service providers; and
- 4) serving multiple counties or populations of at least 500,000 people.”

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 AACRS, R 460.17101 et seq.
- b. There is an immediate need to issue low-income energy assistance grants totaling up to \$20 million.
- c. Interested parties should submit low-income energy assistance grant proposals on or before February 19, 2003.

THEREFORE, IT IS ORDERED that interested parties should submit low-income energy assistance grant proposals on or before February 19, 2003.

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

MICHIGAN PUBLIC SERVICE COMMISSION

(S E A L)

/s/ Laura Chappelle
Chairman

By its action of February 5, 2003.

/s/ David A. Svanda
Commissioner

/s/ Dorothy Wideman
Its Executive Secretary

/s/ Robert B. Nelson
Commissioner

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b. There is an immediate need to issue low-income energy assistance grants totaling up to \$20 million.

c. Interested parties should submit low-income energy assistance grant proposals on or before February 19, 2003.

THEREFORE, IT IS ORDERED that interested parties should submit low-income energy assistance grant proposals on or before February 19, 2003.

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

MICHIGAN PUBLIC SERVICE COMMISSION

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Suggested Minute:

“Adopt and issue order dated February 5, 2003 requesting low-income energy assistance grant proposals by February 19, 2003, as set forth in the order.”