

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 January 25, 2005 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, 2000 PA 141, MCL 460.10d(6), requires a portion of the cost savings resulting from electric utility securitization financing to be used as a source for funding for the Low-Income and Energy Efficiency Fund (LIEEF). Revenues generated under The Detroit Edison Company's interim rate relief order issued on February 20, 2004, and the Commission final order issued on November 23, 2004 in Case No. U-13808 have been devoted to this fund. In prior orders, the Commission established a framework for administering the LIEEF and procedures for considering specific proposals.

Previously, the Commission has awarded grants to: (1) seven organizations totaling \$27.4 million on February 21, 2002; (2) nine organizations totaling \$12.2 million on July 23, 2002; (3) seven organizations totaling more than \$5 million on August 20 and September 16, 2002; (4) four organizations totaling up to \$20 million on December 20, 2002; (5) four

organizations totaling up to \$20 million on February 27, 2003; (6) eight organizations totaling nearly \$6.8 million on October 14, 2003; (7) four organizations totaling \$13 million on November 18, 2003; (8) eight organizations totaling \$20 million on October 14, 2004; and (9) eight organizations totaling \$8 million on October 22, 2004.

On December 15, 2004, the Commission invited organizations to submit proposals to provide energy assistance to low-income households. By the January 14, 2005 deadline, the following submitted proposals seeking a total of more than \$52.7 million: the Family Independence Agency (FIA), Lighthouse Emergency Services, Metro Neighborhood Housing and Community Development, the Michigan Community Action Agency Association (MCAAA), Michigan Propane Gas Association, Newaygo County Community Services (Newaygo County), The Heat and Warmth Fund (THAW), and The Salvation Army.

The Commission expresses its appreciation to the applicants for providing thoughtful proposals. In awarding the grants, the Commission gave 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 to serve multiple counties.

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

- FIA - \$11.4 million for the low income home energy assistance program (LIHEAP) for low-income households to restore energy services already disconnected and prevent threatened shutoff of energy services.
- Lighthouse Emergency Services - \$100,000 to assist clients in the Pontiac and Oakland County areas who are ineligible for assistance from FIA or for whom such assistance is insufficient or would not be provided in time to avert an emergency.
- MCAAA - \$1.1 million for direct heating assistance and deliverable fuels programs for low-income households.

- Newaygo County - \$250,000 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.
- THAW - \$1.1 million for the THAW Safety Net Program.
- Salvation Army - \$1.05 million to serve households statewide ineligible for assistance from FIA or for whom such assistance is insufficient or not available.

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 Commission 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.; 1982 PA 304, as amended, MCL 460.6h 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 LIEEF should be distributed as described above.

THEREFORE, IT IS ORDERED that:

A. The following grants for a total of up to \$15 million are approved:

- Family Independence Agency - \$11.4 million for the low income home energy assistance program for low-income households to restore energy services already disconnected and to prevent threatened shutoff of energy services.
- Lighthouse Emergency Services - \$100,000 to assist clients in the Pontiac and Oakland County areas who are ineligible for assistance from the Family Independence Agency

or for whom such assistance is insufficient or would not be provided in time to avert an emergency.

- Michigan Community Action Agency Association - \$1.1 million for direct heating assistance and deliverable fuels programs for low-income households.
- Newaygo County Community Services - \$250,000 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.
- The Heat and Warmth Fund - \$1.1 million for the THAW Safety Net Program.
- The Salvation Army - \$1.05 million to serve households statewide ineligible for assistance from the Family Independence Agency or for whom such assistance is insufficient or not available.

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/ J. Peter Lark
Chair

By its action of January 25, 2005.

/s/ Robert B. Nelson
Commissioner

/s/ Mary Jo Kunkle
Its Executive Secretary

/s/ Laura Chappelle
Commissioner

or for whom such assistance is insufficient or would not be provided in time to avert an emergency.

- Michigan Community Action Agency Association - \$1.1 million for direct heating assistance and deliverable fuels programs for low-income households.
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Its Executive Secretary

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