

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.	)	
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At the October 24, 2006 meeting of the Michigan Public Service Commission in Lansing, Michigan.

PRESENT: Hon. J. Peter Lark, Chairman  
Hon. Laura Chappelle, Commissioner  
Hon. Monica Martinez, 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 funding 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, the Commission's final order issued on November 23, 2004 in Case No. U-13808, and Consumers Energy Company order issued on December 22, 2005 in Case No. U-14347, have also 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 7 organizations totaling \$27.4 million on February 21, 2002; to 9 organizations totaling \$12.2 million on July 23, 2002; to 7 organizations totaling more than \$5 million on August 20 and September 16, 2002; to 4 organizations totaling

more than \$5 million on August 20 and September 16, 2002; to 4 organizations totaling up to \$20 million on December 20, 2002; to 4 organizations totaling up to \$20 million on February 27, 2003; to 8 organizations totaling nearly \$6.8 million on October 14, 2003; to 4 organizations totaling \$13 million on October 29, 2003; to 8 organizations totaling \$20 million on October 14, 2004; to 8 organizations totaling \$8 million on October 22, 2004; to 6 organizations totaling \$15 million on January 2005; to 8 organizations totaling \$5 million on February 24, 2005; to 11 organizations totaling \$6 million on June 30, 2005; to 7 organizations on October 18, 2005 totaling \$41 million; to 8 organizations on December 20, 2005 totaling \$10 million, and to 7 organizations totaling \$25 million on February 21, 2006.

On August 21, 2006, the Commission invited organizations to submit proposals to provide energy assistance to low-income households. By the September 22, 2006 deadline, the following submitted proposals seeking a total of more than \$98 million: Capital Area Community Services of Lansing, City of Livonia Housing Commission, the Department of Human Services (DHS), Detroit Neighborhood & Family Initiative, Downriver Community Conference, Inter-Tribal Council of Michigan, Inc., Lighthouse Emergency Services, the Michigan Community Action Agency Association (MCAAA), Newaygo County Community Services (Newaygo County), Society of St. Vincent de Paul of Detroit, 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:

- City of Livonia Housing Commission - \$18,000 for low-income direct energy assistance.
- DHS - \$31 million in total. \$28 million for the State Emergency Relief and Energy Direct program to prevent threatened shutoff of energy services and \$3 million for the Arrearage Payment program.
- Downriver Community Conference - \$500,000 for energy assistance to low-income households in the Monroe and southern Wayne County areas.
- Lighthouse Emergency Services - \$250,000 to assist clients in the City of Pontiac and Oakland County areas who are ineligible for assistance from the DHS or for whom such assistance is insufficient or would not be provided in time to avert an emergency.
- MCAAA - \$2,332,000 for low-income direct energy assistance.
- Newaygo County - \$1 million 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 - \$4.8 million for the THAW LI/EE program.
- Salvation Army - \$4.8 million to serve households statewide ineligible for assistance from DHS or for whom such assistance is insufficient or not available.
- Society of St. Vincent de Paul of Detroit - \$200,000 for low-income direct energy assistance.
- Captial Area Community Services - \$100,000 for low-income direct energy assistance.

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.*; 1969 PA 306, as amended, MCL 24.201 *et seq.*; 1982 PA 304, as amended, MCL 460.6h *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 \$45,000,000 are approved.

- City of Livonia Housing Commission - \$18,000 for low-income direct energy assistance.
- DHS - \$31 million in total. \$28 million for the State Emergency Relief and Energy Direct program to prevent threatened shutoff of energy services and \$3 million for the Arrearage Payment program.
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- Society of St. Vincent de Paul of Detroit - \$200,000 for low-income direct energy assistance.
- Captial Area Community Services - \$100,000 for low-income direct energy assistance.

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

Chairman

( S E A L )

/s/ Laura Chappelle

Commissioner

/s/ Monica Martinez

Commissioner

By its action of October 24, 2006.

/s/ Mary Jo Kunkle

Its Executive Secretary

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

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MICHIGAN PUBLIC SERVICE COMMISSION

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Chairman

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Commissioner

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Commissioner

By its action of October 24, 2006.

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Its Executive Secretary