

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 August 21, 2007 meeting of the Michigan Public Service Commission in Lansing,
Michigan.

PRESENT: Hon. Monica Martinez, Commissioner
Hon. Steven A. Transeth, Commissioner

OPINION AND ORDER

The Customer Choice and Electricity Reliability Act, 2000, Public Act 141, authorized the creation of the Low-Income and Energy Efficiency Fund (LIEEF), administered by the Commission via grants to qualifying organizations. The purpose of the fund is to provide shut-off and other protection for low-income customers and to promote energy efficiency by all customer classes. The fund's original source of funding was utilities' securitization savings that exceeded the amount needed to achieve a 5% electric rate reduction for residential and business customers. MCL 460.10d(7) specifies the use of a portion of the savings.

The Detroit Edison Company's interim rate relief order issued on February 20, 2004 in Case No. U-13808 rolled the LIEEF funding requirement into base rates for Detroit Edison's electric customers and continued funding the LIEEF as part of the utility's cost of service. The Consumers Energy Company's orders issued on December 22, 2005 in Case No. U-14347 and November 21, 2006 in Case No. U-14547, have also made provisions for funding the LIEEF. In prior orders in

this docket, the Commission established a framework for administering the LIEEF and procedures for considering specific proposals.

The Commission has issued orders approving 18 rounds of grants from the Low-Income and Energy Efficiency Fund totaling \$337,422,675.

On June 8, 2007, the Commission invited organizations to submit proposals to provide energy assistance to low-income households. By the June 22, 2007 deadline, the following submitted proposals seeking a total of more than \$114 million: Community Action Agency of South Central Michigan, the Department of Human Services (DHS), Downriver Community Conference, EightCAP, Inc., Lighthouse Emergency Services, Michigan Community Action Agency Association (MCAAA), Mid-Michigan Community Action Agency, Inc., Newaygo County Community Services (NCCS), Northwest Michigan Human Services Agency, Inc., Society of St. Vincent de Paul 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 used the selection criteria outlined in the request for proposals.

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

- Department of Human Services - \$30,900,000 in total. \$25,900,000 for the State Emergency Relief and Energy Direct program to prevent threatened shutoff of energy services and \$5 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 - \$200,000 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.
- Michigan Community Action Agency Association - \$5,000,000 for low-income direct energy assistance.

- Newaygo County Community Services - \$1,000,000 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.
- Society of St. Vincent de Paul of Detroit - \$400,000 for low-income direct energy assistance.
- The Heat and Warmth Fund - \$6,000,000 for the THAW LI/EE program.
- The Salvation Army - \$6,000,000 to serve households statewide ineligible for assistance from DHS 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. These grants are contingent upon enactment of necessary appropriations for the fiscal year beginning October 1, 2007 and ending September 30, 2008. As always, the grants are contingent upon review and approval of the State Administrative Board.

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 from the Low-Income and Energy Efficiency Fund for a total of \$50,000,000 are approved, contingent upon enactment of necessary appropriations for the fiscal year beginning October 1, 2007 and ending September 30, 2008:

- Department of Human Services - \$30,900,000 in total. \$25,900,000 for the State Emergency Relief and Energy Direct program to prevent threatened shutoff of energy services and \$5 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 - \$200,000 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.
- Michigan Community Action Agency Association - \$5,000,000 for low-income direct energy assistance.
- Newaygo County Community Services - \$1,000,000 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.
- Society of St. Vincent de Paul of Detroit - \$400,000 for low-income direct energy assistance.
- The Heat and Warmth Fund - \$6,000,000 for the THAW LI/EE program.
- The Salvation Army - \$6,000,000 to serve households statewide ineligible for assistance from DHS 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/ Monica Martinez
Commissioner

/s/ Steve A. Transeth
Commissioner

By its action of August 21, 2007.

/s/ Mary Jo Kunkle
Its Executive Secretary

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MICHIGAN PUBLIC SERVICE COMMISSION

Commissioner

Commissioner

By its action of August 21, 2007.

Its Executive Secretary