

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 May 22, 2007 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 that a portion of the cost savings resulting from electric utility securitization financing be used as a source of funding for the Low-Income and Energy Efficiency Fund (LIEEF). Revenues generated under The Detroit Edison Company's interim rate relief order issued February 20, 2004 and final rate order issued November 23, 2004 in Case No. U-13808 and Consumers Energy Company's final rate orders issued December 22, 2005 in Case No. U-14347 and November 21, 2006 in Case No. U-14547 have also been devoted to this fund. In prior orders in this docket, the Commission established a framework for administering the LIEEF and procedures for considering specific proposals.

On May 4, 2007, Governor Jennifer M. Granholm signed SB 404 into law as Public Act 7 of 2007 (Act 7), which, among other things, contains the following provision:

Of the funds appropriated in part 1 for low-income energy efficiency assistance, \$22,000,000.00 shall be allocated to the department of human services to support low-income energy assistance programs. The department of human services shall follow public service commission guidelines and requirements for expending low-income energy assistance funds. The department of human services shall report to the public service commission on expenditures for this program by December 1, 2007.

Section 501 of Act 7.

Based on its review of Section 501 of Act 7, the Commission awards the following grant to the Michigan Department of Human Services (DHS):

- DHS - \$22 million to support low-income energy assistance.

It is the Commission's understanding that DHS will enter into an interagency agreement amendment with the Department of Labor & Economic Growth (DLEG) that will enable the transfer of funds to DHS. The Commission directs the Commission Staff to cooperate with DLEG and DHS to ensure a complete understanding of the appropriate guidelines and requirements for spending low income energy assistance funds. The Commission expects DHS to abide by those guidelines and to submit a final project report to the Commission by December 1, 2007. That report should include at a minimum the total number of households served, the energy fuel type that assistance was provided for, and the average cost of service per household per energy type.

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. A \$22 million grant from the LIEEF should be distributed to the DHS.

THEREFORE, IT IS ORDERED that:

A. A Low-Income and Energy Efficiency Fund grant totaling \$22 million to the Michigan Department of Human Services is approved.

B. The Commission Staff shall work with the Department of Labor & Economic Growth to complete any necessary documents with the Department of Human Services. After the Department of Human Services executes an interagency agreement amendment with the Department of Labor & Economic Growth to enable the transfer of funds, the Commission Staff shall cooperate with the Department of Labor & Economic Growth and the Department of Human Services to ensure a complete understanding of the appropriate guidelines and requirements for spending low income energy assistance funds. The Commission expects that the Department of Human Services will abide by those guidelines and will submit a final project report to the Commission by December 1, 2007. That report shall include at a minimum the total number of households served, the energy fuel type that assistance was provided for, and the average cost of service per household per energy type.

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 May 22, 2007.

/s/ Mary Jo Kunkle
Its Executive Secretary

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MICHIGAN PUBLIC SERVICE COMMISSION

Chairman

Commissioner

Commissioner

By its action of May 22, 2007.

Its Executive Secretary