

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 30, 2010 meeting of the Michigan Public Service Commission in Lansing,  
Michigan.

PRESENT: Hon. Orjiakor N. Isiogu, Chairman  
Hon. Monica Martinez, Commissioner  
Hon. Greg R. White, Commissioner

**OPINION AND ORDER**

The Customer Choice and Electricity Reliability Act, 2000 PA 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 the utilities' securitization savings that exceeded the amount needed to achieve a 5% electric rate reduction for residential and business customers. MCL 460.10d(7) provided for the use of a portion of the savings.

Beginning with the interim rate relief order for The Detroit Edison Company, which was issued on February 20, 2004 in Case No. U-13808, the Commission began including the LIEEF funding requirement into base rates for several of the State's electric and gas utilities as part of their cost of service. Further, in prior orders in this docket, the Commission has followed an

established framework for administering the LIEEF and procedures for considering specific proposals.

On March 29, 2010, the Commission invited nonprofit and public organizations to submit proposals to provide energy assistance to low-income households. By the April 28, 2010 deadline, the following organizations submitted proposals seeking a total of \$77,747,888: Department of Human Services, Downriver Community Conference, Lighthouse Emergency Services, Michigan Community Action Agency Association, Newaygo County Community Services, Society of St. Vincent de Paul, The Heat and Warmth Fund, and The Salvation Army.

The Commission expresses its appreciation to the applicants for providing thoughtful proposals. In awarding the grants, the Commission used the criteria outlined in the Request for Proposal.

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

- Department of Human Services - \$35,000,000 to supplement the energy crisis portion of the State Emergency Relief program that will provide direct assistance with energy bills and shut-off protection for low-income households statewide.
- Downriver Community Conference - \$1,000,000 to provide direct assistance with energy bills and shut-off protection for low-income households in Wayne and Monroe counties.
- Lighthouse Emergency Services - \$300,000 to provide direct assistance with energy bills and shut-off protection for low-income households in Oakland county.
- Michigan Community Action Agency Association - \$3,000,000 to provide direct assistance with energy bills and shut-off protection for low-income households statewide.
- Newaygo County Community Services - \$3,000,000 to provide direct assistance with energy bills and shut-off protection for low-income households in Benzie, Lake, Manistee, Mason, Mecosta, Missaukee, Muskegon, Newaygo, Oceana, Osceola and Wexford counties.

- Society of St. Vincent de Paul - \$500,000 to provide direct assistance with energy bills and shut-off protection for low-income households in Clinton, Eaton, Ingham, Lapeer, Livingston, Macomb, Monroe, Oakland, St. Clair, Washtenaw and Wayne counties.
- The Heat and Warmth Fund - \$6,000,000 to provide direct assistance with energy bills and shut-off protection for low-income households throughout the state.
- The Salvation Army - \$6,200,000 to provide direct assistance with energy bills and shut-off protection for low-income households statewide.

For those grantees receiving less than requested in their proposal, the proportion of funds for direct assistance to indirect costs and overhead will remain the same as in the original request.

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. As always, the grants are contingent upon review and approval of the State Administrative Board.

THEREFORE, IT IS ORDERED that:

A. The following grants for a total of \$55 million are approved contingent upon the enactment of necessary appropriations for the fiscal year beginning October 1, 2010 and ending September 30, 2011:

- Department of Human Services - \$35,000,000 to supplement the energy crisis portion of the State Emergency Relief program that will provide direct assistance with energy bills and shut-off protection for low-income households statewide.
- Downriver Community Conference - \$1,000,000 to provide direct assistance with energy bills and shut-off protection for low-income households in Wayne and Monroe counties.
- Lighthouse Emergency Services - \$300,000 to provide direct assistance with energy bills and shut-off protection for low-income households in Oakland county.

- Michigan Community Action Agency Association - \$3,000,000 to provide direct assistance with energy bills and shut-off protection for low-income households statewide.
- Newaygo County Community Services - \$3,000,000 to provide direct assistance with energy bills and shut-off protection for low-income households in Benzie, Lake, Manistee, Mason, Mecosta, Missaukee, Muskegon, Newaygo, Oceana, Osceola and Wexford counties.
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- The Heat and Warmth Fund - \$6,000,000 to provide direct assistance with energy bills and shut-off protection for low-income households throughout the state.
- The Salvation Army - \$6,200,000 to provide direct assistance with energy bills and shut-off protection for low-income households statewide.

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

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Orjiakor N. Isiogu, Chairman

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Monica Martinez, Commissioner

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Greg R. White, Commissioner

By its action of August 30, 2010.

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Mary Jo Kunkle, Executive Secretary