

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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 December 20, 2011 meeting of the Michigan Public Service Commission in Lansing, Michigan.

PRESENT: Hon. John D. Quackenbush, Chairman
Hon. Orjiakor N. Isiogu, Commissioner
Hon. Greg R. White, Commissioner

OPINION AND ORDER

On February 25, 2011, the Commission invited nonprofit and public organizations to submit proposals to provide energy assistance to low-income households to be funded by grants from the Low-Income and Energy Efficiency Fund (LIEEF) administered by the Commission. By the April 28, 2011 deadline, the following organizations submitted proposals seeking a total of \$81,142,471.22: American Association of Blacks in Energy, Barry County United Way, Department of Human Services, Downriver Community Conference, Greater Grace Temple O.G. Hayes Memorial, Lighthouse Emergency Services, Michigan Community Action Agency Association, Muskegon-Oceana Community Action Partnership, TrueNorth Community Services f/k/a Newaygo County Community Services, Society of St. Vincent de Paul, St. Augustine's National Foundation, The Heat and Warmth Fund, and The Salvation Army.

In an order issued on June 28, 2011, the Commission awarded grants for the fiscal year beginning October 1, 2011 and ending September 30, 2012 to the following organizations:

- Barry County United Way - \$150,000 to provide direct assistance with energy bills and shut-off protection for low-income households in Barry County.
- 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 - \$2,500,000 to provide direct assistance with energy bills and shut-off protection for low-income households statewide.
- The Salvation Army - \$7,875,000 to provide direct assistance with energy bills and shut-off protection for low-income households statewide.
- The Society of St. Vincent de Paul of the Archdiocese of Detroit - \$800,000 to provide direct assistance with energy bills and shut-off protection for low-income households in Clinton, Eaton, Genesee, Ingham, Lapeer, Livingston, Macomb, Monroe, Oakland, Shiawassee, St. Clair, Washtenaw and Wayne counties.
- The Heat and Warmth Fund - \$11,375,000 in total; \$7,875,000 to provide direct assistance with energy bills and shut-off protection for low-income households throughout the state, and \$3,500,000 to provide arrears forgiveness for participants in the Low-Income Energy Affordability Demonstration Project.
- TrueNorth Community Services (formerly known as 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.

These grants were made contingent upon review and approval of the State Administrative Board.

Subsequently, in a judicial opinion issued on July 21, 2011 by the Michigan Court of Appeals in *Association of Businesses Advocating Tariff Equity v Public Service Comm*, _____ Mich App _____ (2011), the Commission's immediate judicial superiors determined that "administration of a

LIEEF does not fall within the scope of the PSC's general statutory powers.” (Slip opinion, p. 6.)

More recently, the Legislature acted to replace the LIEEF with the Vulnerable Household Warmth Fund (VHWF) for the 2011-2012 heating season, to prohibit the Commission from including a LIEEF charge in any utility's future rates, and to require the Commission to arrange to refund certain LIEEF moneys to ratepayers. Public Acts 274, 275, and 276 of 2011. Therefore, the Commission finds that its June 28, 2011 order approving low-income energy assistance grants must be vacated.¹

THEREFORE, IT IS ORDERED that the following grants for a total of \$62 million are vacated:

- Barry County United Way - \$150,000 to provide direct assistance with energy bills and shut-off protection for low-income households in Barry County.
- 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 - \$2,500,000 to provide direct assistance with energy bills and shut-off protection for low-income households statewide.
- The Salvation Army - \$7,875,000 to provide direct assistance with energy bills and shut-off protection for low-income households statewide.
- The Society of St. Vincent de Paul of the Archdiocese of Detroit - \$800,000 to provide direct assistance with energy bills and shut-off protection for low-income households in Clinton, Eaton, Genesee, Ingham, Lapeer, Livingston, Macomb, Monroe, Oakland,

¹ In a separate order issued today in Case No. U-16917, the Commission has implemented Section 350 of Public Act 275 of 2011, which provides that the June 28, 2011 awards to these LIEEF grantees be “reduced on a pro rata basis” and funded from the VHWF on a one-time basis.

Shiawassee, St. Clair, Washtenaw and Wayne counties.

- The Heat and Warmth Fund - \$11,375,000 in total; \$7,875,000 to provide direct assistance with energy bills and shut-off protection for low-income households throughout the state, and \$3,500,000 to provide arrears forgiveness for participants in the Low-Income Energy Affordability Demonstration Project.
- TrueNorth Community Services (formerly known as 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.

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

John D. Quackenbush, Chairman

Orjiakor N. Isiogu, Chairman

Greg R. White, Commissioner

By its action of December 20, 2011.

Mary Jo Kunkle, Executive Secretary