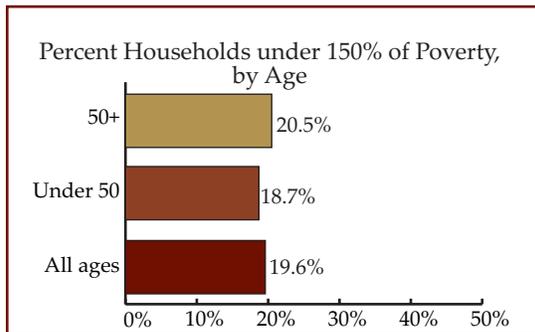


Energy and Telephone Assistance in the States

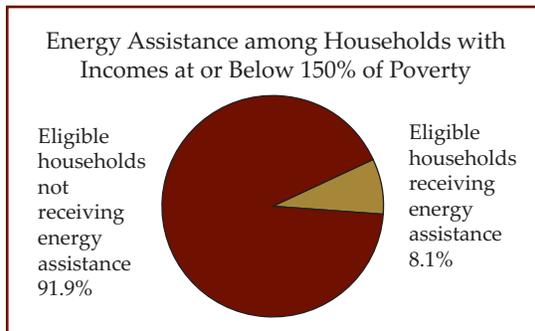
Michigan

Michigan in Brief (2006)

Total state population:	10,095,643
State median income:	\$68,602
Percent households age 50+:	49.0%

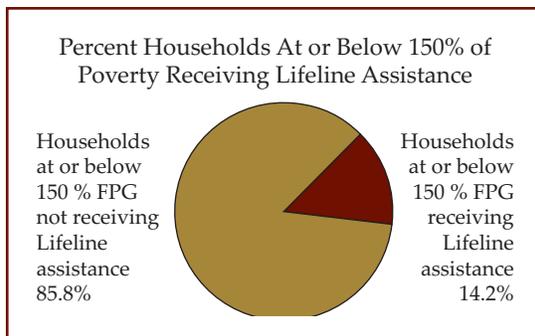


Energy Assistance



Telephone Assistance

Telephone penetration rate in state: 93.8%



Telephone Assistance

Lifeline and Link-Up are the primary sources of telephone assistance for low-income households in Michigan.

Lifeline

Lifeline provides participating low-income households with a monthly credit toward the price of basic local telephone service.

Benefits (2006)

Total monthly credit: \$11.25
 Basic federal support: \$8.25
 State support: \$2
 Federal match: \$1

Funding (2005)

Federal: \$10,973,566
 State: \$2,639,376 (est.)

Local telephone companies recover the cost of providing the state portion of this benefit (\$2 per subscriber) through the rates they charge non-Lifeline subscribers for basic local telephone service.

Eligibility (2006)

To receive Lifeline assistance, state residents must complete an application with their local telephone provider and prove they have a household income that is at or below 150% of the federal poverty guideline, or that they are Michigan Family Independence Agency clients. Beneficiaries must recertify with their local telephone provider periodically to remain eligible for this program.

Participation (2005)

Households served: 109,974
 Participation rate: 14.2% (based on 150% of federal poverty guideline)

Link-Up

Qualified customers receive a discount on the price of installing new telephone service.

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Benefits (2006)

Link-Up subscribers receive the following:

- A credit of \$30 or a 50% reduction, whichever is less, on the charges customers pay for connecting to new telephone service
- The option of deferring payment on the balance of the connection fee (up to \$200) with no interest charges for a period not to exceed one year

Funding (2005)

Federal: \$437,188

Eligibility (2006)

Eligibility requirements are the same as for Lifeline.

Participation (2005)

Households served: 21,343

Energy Assistance

Michigan's low-income energy assistance programs include the following:

- Low-Income Home Energy Assistance Program (LIHEAP)
- Home Heating Tax Credit
- Crisis Intervention (State Emergency Relief)
- Weatherization Assistance Program (WAP)

Low-Income Home Energy Assistance Program (LIHEAP)

The federal Low-Income Home Energy Assistance Program (LIHEAP) provides the state of Michigan with a block grant to help eligible low-income households meet their immediate home energy needs. With this grant, Michigan distributes payments through the Home Heating Tax Credit, which supplies regular heating grants and subsidizes home heating costs for low-income and older households and Crisis Intervention, the State Emergency Relief program that supplies crisis assistance and limited energy-related home repairs. The state also uses a portion of the grant to supplement

funding for Michigan's Weatherization Assistance Program (WAP).

Funding (FY2006)

Total: \$197,547,054

Federal: \$171,022,054

Tribal set-aside: \$737,354

Regular net block grant: \$106,792,178

One-time additional block grant: \$1,235,894

Total emergency/cont.: \$45,901,388

Department of Energy: \$15,446,624

FY2005 carryover: \$879,299

Leveraging incentive program: \$29,317

State: \$26,525,000

Low-Income Energy Efficiency Fund:
\$26,525,000

The Low-Income Energy Efficiency Fund (LIEEF) was established in 2000 as part of the state's Customer Choice and Electric Reliability Act. LIEEF, once funded through securitization savings in excess of the amount needed to achieve a 5% electric rate reduction for residential and business customers, is currently funded through a customer surcharge. The fund is administered by the Michigan Public Service Commission.

Michigan allocates LIHEAP funding in the following manner:

Home heating credit:	62%
State emergency relief:	25%
Weatherization:	3%
Administration:	10%

i) Home Heating Tax Credit

The Michigan Home Heating Tax Credit subsidizes home heating costs for low-income and older households.

Benefits (FY2005)

Heating: \$972 maximum per household

The credit is calculated in either of two ways:

1. Based on the number of exemptions claimed by the household and total household income (the number of household

Energy and Telephone Assistance in the States

exemptions is the number of household members plus an additional exemption for each person who is age 65 or older, blind, deaf, paraplegic, quadriplegic, or hemiplegic)

2. Based on the number of exemptions claimed by the household, total household income, and home heating costs

Clients receive one benefit a year. The state of Michigan issues this benefit as an energy draft or vendor payment if the household has direct responsibility for heating costs or as a discount if heat is included in the rent. The majority of home heating credit recipients do not file a state income tax return; instead, they file only for the credit.

Funding (FY2005)

Total: \$68,080,794

Federal: \$68,080,794

The Michigan Department of Treasury determines eligibility and processes payments.

Eligibility (FY2005)

State residents with household income at 110% of poverty are eligible for assistance.

Recipients of the following public benefits are also eligible:

- Family Independence Program (FIP)
- State disability assistance
- Supplemental Security Income (SSI)
- Food stamps
- Veterans' benefits

Participation (FY2005)

Households served by program component:

Heating:	386,425
Winter/year-round crisis:	81,757
Weatherization:	3,187

Crisis Intervention (State Emergency Relief)

As part of State Emergency Relief (SER), a program that distributes financial assistance to state residents facing emergencies that threaten their health or safety, Crisis Intervention helps eligible low-income households pay for energy-related emergency services.

Benefits (FY2005)

Heating fuel or electricity payments help prevent shutoffs or restore service, while home repair payments provide the minimum necessary assistance to maintain "a decent, warm dwelling unit."

The SER program provides the following energy-related benefits:

Heating fuel:

\$550 maximum for natural gas/wood

\$850 maximum for nonwood delivered fuel

\$1,100 maximum for all-electric households

Electricity: \$550 maximum per household

Home repairs: \$1,500 lifetime maximum per household

State Emergency Relief energy services are available year-round.

Funding (FY2005)

Total: \$46,808,917

Federal: \$31,808,917

State (2006): \$15,000,000

The Department of Human Services accepts applications, verifies eligibility, notifies clients, and makes payments to clients or to energy or home-repair providers on behalf of clients.

Eligibility (FY2005)

Eligibility is based on the household's demonstration of immediate need for home energy assistance, such as presentation of a shutoff notice. In addition, state residents with household incomes at or below 60% of the state median income are eligible for assistance. Households with incomes above 60% of the state median income, who are provided with SER

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service, are expected to make a co-payment for services.

Participation (FY2005)

Households served: 81,757

Participation rate: 6.8% (based on 200% of the federal poverty guideline)

Weatherization Assistance Program (WAP)

Through the Weatherization Assistance Program (WAP), the U.S. Department of Energy provides Michigan with a formula distribution grant to help low-income residents—especially those 60 years and older, disabled, or living with young children—increase the energy efficiency of their homes, reduce their energy expenditures, and improve health and safety.

Benefits (FY2005)

Maximum benefit per household: \$2,500

Weatherization technicians use energy audits to identify and implement energy-saving measures for each home. Examples of these measures include the following:

- Insulating attics, floors, water heaters, and exposed pipes
- Tuning up, repairing, or replacing the furnace or heating unit and/or air conditioner
- Providing ventilation fans—including electric, attic, ceiling, or whole-house fans—to increase air circulation
- Stopping air infiltration by weather-stripping and caulking around doors and windows, replacing broken glass panes, and installing storm windows

Funding (FY2005)

Total: \$21,496,624

Federal: \$21,496,624

Department of Energy: \$15,496,624

Additional LIHEAP funds: \$6,000,000

Michigan's Department of Human Services distributes grants to 33 community action, local government, and limited purpose agencies

throughout the state. These agencies accept applications, determine eligibility, and provide weatherization services, such as performing energy audits and implementing suggested measures.

Eligibility (FY2005)

State residents, both home owners and renters, at or below 150% of poverty are eligible for assistance.

Applications are made through community action agencies and weatherization providers.

Participation (2005)

Households served: 3,107

Seasonal, Health-, and Income-Related Disconnection Policies

Seasonal/Winter Protection Plan

The Michigan Public Service Commission requires state-regulated utilities to provide winter protection programs that help low-income and senior citizen customers avoid service disconnections and high utility bill payments from November through March. State residents with household incomes at or below 200% of poverty are eligible for this program. Residents meeting any of the following criteria are also eligible:

- Age 65 or older
- Receiving Michigan Department of Human Services cash assistance
- Receiving food stamps or Medicaid

The program requires participants to make regular payments throughout the protection period and pay the balance in installments between April and October.

Health

Michigan requires utilities to delay for up to 21 days disconnection of residential service if a physician or other public health official certifies that such an action would adversely affect the health of the customer or other permanent household resident.