

**MICHIGAN LOW INCOME HEATING ASSISTANCE AND SHUT-OFF PROTECTION ACT**  
**Act 34 of 1984**

AN ACT to establish a low income heating assistance and shut-off protection program; to promote conservation of home heating energy; to coordinate weatherization programs; and to prescribe certain duties of certain state agencies.

**History:** 1984, Act 34, Eff. Apr. 12, 1984.

*The People of the State of Michigan enact:*

**400.1201 Short title.**

Sec. 1. This act shall be known and may be cited as the “Michigan low income heating assistance and shut-off protection act”.

**History:** 1984, Act 34, Eff. Apr. 12, 1984.

**400.1202 Meanings of words and phrases.**

Sec. 2. For the purposes of this act, the words and phrases defined in sections 3 to 6 have the meanings ascribed to them in those sections.

**History:** 1984, Act 34, Eff. Apr. 12, 1984.

**400.1203 Definitions; A to C.**

Sec. 3. (1) “AFDC” means aid to families with dependent children administered under the social welfare act, Act No. 280 of the Public Acts of 1939, being sections 400.1 to 400.121 of the Michigan Compiled Laws.

(2) “Annual consumption cap” means the maximum level of natural gas use by an assisted household for which the department is responsible for payment.

(3) “Assisted household” means a person who receives a heating allowance.

(4) “Calculated consumption level” means the calculated level of energy consumption established for a dwelling by the provider utility and authorized by the department.

(5) “Cost settlement” means the reconciliation process undertaken pursuant to sections 12 and 13.

**History:** 1984, Act 34, Eff. Apr. 12, 1984.

**400.1204 Definitions; D to P.**

Sec. 4. (1) “Department” means the department of social services.

(2) “GA” means general assistance administered under the social welfare act, Act No. 280 of the Public Acts of 1939, being sections 400.1 to 400.121 of the Michigan Compiled Laws.

(3) “Heating allowance” means the amount included in an assisted household’s AFDC or GA grant which is intended for the payment of heating bills.

(4) “Preenrollment arrearage” means the amounts owed by an assisted household to a provider utility for billings incurred before the household enrolled in the program.

**History:** 1984, Act 34, Eff. Apr. 12, 1984.

**400.1205 Definitions; P to S.**

Sec. 5. (1) “Program”, except when used in the phrase “weatherization program”, means the low income heating assistance and shut-off protection program created in section 7.

(2) “Program year” means a state fiscal year which ends before October 1, 1988. The portion of the state fiscal year ending on September 30, 1984, shall be considered the first program year.

(3) “Provider utility” means an investor-owned natural gas or electric utility company which provides residential heating utility service to an assisted household. During the first and second program years only, provider utilities shall include only consumers power company, the Detroit edison company, and Michigan consolidated gas company. For other energy providers, the maximum level of benefit provided to their customers will be the same regardless of the type of fuel used by the program participant.

(4) “Shut-off protection” means the right accorded to an assisted household whereby the household is protected against termination of heating utility service for nonpayment of bills.

**History:** 1984, Act 34, Eff. Apr. 12, 1984.

**400.1206 Definitions; S to W.**

Sec. 6. (1) “Supplemental payment” means a payment made by the department to a GA or AFDC recipient, or to a provider utility on the recipient’s behalf, whether designated as supplemental payment, special heating allowance, or otherwise, which is intended for the payment of heating energy or electrical bills, and which is

made in addition to the recipient's regular heating allowance.

(2) "Weatherization" means the conservation repairs which the department designates be performed, and the conservation measures assigned by the department for installation in the dwelling of an assisted household pursuant to the weatherization program.

(3) "Weatherization program" means the program created by the public assistance home repair, weatherization, and shut-off protection act.

**History:** 1984, Act 34, Eff. Apr. 12, 1984.

#### **400.1207 Low income heating assistance and shut-off protection program; creation; administration; purpose; duties of department.**

Sec. 7. (1) There is created a low income heating assistance and shut-off protection program. The program shall be administered by the department to prevent utility service shut-offs, promote awareness of and changes in energy use habits, promote conservation techniques, provide incentives for energy conservation, help reduce energy use by improving the housing stock, and provide relocation assistance.

(2) The department shall do all of the following:

(a) Coordinate weatherization efforts for assisted households.

(b) Notwithstanding the provisions of the social welfare act, 1939 PA 280, MCL 400.1 to 400.119b, and subject to restrictions prescribed by federal regulations governing temporary assistance to needy families or other federal programs, rules of the department, or otherwise, for preventing the disclosure of confidential information to any person not authorized by law to receive the confidential information, on an annual basis, the department shall make available to an energy provider information concerning applicants for, and recipients of, public assistance, the disclosure of which is necessary and the use of which is strictly limited to the purpose of an energy provider administering a program created by statute or by order of the Michigan public service commission and intended to assist applicants for, or recipients of, public assistance in defraying their energy costs or preventing or delaying utility disconnection.

(c) Expand the department's energy crisis intervention services within available resources. The department shall review and make recommendations concerning cases of assisted households having natural gas use or electrical consumption that exceeds the annual consumption cap, and shall expand its effort to identify dwellings that cannot be made energy-efficient and help relocate those assisted households to more energy efficient dwellings if reasonable alternative housing is available. The department shall determine whether a dwelling cannot be made energy efficient.

(d) Develop and implement a uniform record keeping and reporting system for the program.

(e) Establish monitoring criteria for program evaluation that shall include, but not be limited to, all of the following:

(i) The number of assisted households that exceed the annual consumption cap.

(ii) The average consumption both before and after weatherization for each assisted household.

(iii) The number of shut-offs of heating service to assisted households.

(iv) The number of dwellings of assisted households weatherized.

**History:** 1984, Act 34, Eff. Apr. 12, 1984;—Am. 2009, Act 170, Imd. Eff. Dec. 15, 2009.

#### **400.1207a Low income customer energy bills subject to shutoff; direct payment by department to energy provider; agreement; eligibility.**

Sec. 7a. Not later than April 1, 2010 or at a time considered possible by the department, the department shall operate an electronic payment process with participating energy providers to provide for the payment of low income customer energy bills that are subject to shutoff. The department, as it considers appropriate, shall enter into agreements with energy providers in which the energy provider agrees to permit the department to make direct payments to the energy provider on behalf of an eligible recipient. The agreement shall authorize the energy provider to provide customer information to the department. The department shall determine the eligible recipients, program requirements, benefit levels, and funding levels.

**History:** Add. 2009, Act 153, Imd. Eff. Nov. 23, 2009.

#### **400.1208 Annual consumption cap; establishment; conditions requiring payments in excess of limits; lowering or raising consumption caps.**

Sec. 8. (1) An annual consumption cap is established for all assisted households. The department shall be responsible for payment of heating bills of assisted households up to the annual consumption cap. Subject to subsections (2), (3), and (4) and the available appropriation for each fiscal year, the annual assistance cap for full program years is as follows:

1984-1985

300,000 cubic feet

1985-1986	300,000 cubic feet
1986-1987	250,000 cubic feet
1987-1988	200,000 cubic feet

(2) As part of the energy program created by this act, the department, subject to available funding, shall make payments in excess of the limits established in section 10 or 53 of Act No. 171 of the Public Acts of 1983, as appropriate to recipients of public assistance, if all of the following conditions are satisfied:

(a) The recipient to which the payment is to be made is, at the time of requesting the additional payment, paying to a heating fuel provider, or permitting the department to directly pay to a heating fuel provider, or has agreed to permit the department to directly pay to a heating fuel provider, the monthly basic heating allowance included in the recipient's grant and appropriate special needs allowances.

(b) The recipient has agreed to participate in the weatherization-related service offered by the state and to accept weatherization when designated by the department to receive that service.

(c) If weatherization has been determined to be inappropriate for the residence of the recipient, the recipient has agreed to relocate to reasonable alternative housing, when the housing is available.

(3) If the department determines that the consumption caps in subsection (1) can be lowered while still meeting payment obligations and providing shut-off protection, the department may lower the caps.

(4) If the average winter temperature in a program year is colder than normal by 5% or more, the department shall seek legislative approval to raise the annual assistance cap as the department considers necessary.

**History:** 1984, Act 34, Eff. Apr. 12, 1984.

#### **400.1209 Enrollment in program; conditions; automatic reenrollment.**

Sec. 9. (1) An assisted household may enroll in the program by meeting all of the following conditions:

(a) Agreeing to participate in the weatherization program and accept weatherization measures designated by the department.

(b) Paying to heating fuel providers, or agreeing to permit the department to pay directly to heating fuel providers on behalf of the household, the household's monthly heating allowance and supplemental payments, if any. As used in this subdivision, "heating fuel provider" means any individual or entity which provides an assisted household with energy primarily for heating purposes.

(c) Establishing terms and maintaining payments with the provider for preenrollment arrearage, if any, pursuant to section 12.

(2) An assisted household which is enrolled under subsection (1), which is eligible for shut-off protection, and which elects under subsection (1)(b) to have its monthly heating bills paid directly to a provider utility on its behalf shall be automatically reenrolled in each subsequent program year unless the household discontinues its participation in the program.

**History:** 1984, Act 34, Eff. Apr. 12, 1984.

#### **400.1210 Shut-off protection; application of payments in excess of actual billings; duration of protection; effect of vacating dwelling; treatment of emergency needs recipient; relocation of assisted household.**

Sec. 10. (1) Subject to the provisions of this act, an assisted household which is enrolled under section 9 shall receive shut-off protection as applicable under subsection (3), (4), or (5).

(2) The amount paid pursuant to section 9(1)(b) to a provider utility or heating fuel provider participating in the program in excess of actual billings for the household shall be applied first to any preenrollment arrearage. The remainder, if any, shall be refunded by the provider utility or heating fuel provider participating in the program directly to the assisted household.

(3) If an assisted household's projected annual natural gas or other heating fuel consumption is less than the annual consumption cap or its dollar equivalent, shut-off protection shall be in effect during the entire program year in which the household is enrolled.

(4) If an assisted household's projected natural gas or other heating fuel consumption exceeds the annual consumption cap or its dollar equivalent and the household has not received weatherization, shut-off protection shall be in effect during the program year in which the household is enrolled for the longer of the following periods:

(a) October 1 to March 31.

(b) October 1 until natural gas consumption exceeds the annual consumption cap.

(c) Protection shall also be provided if the assisted household and the department agree to a payment plan for the excess consumption, which plan is the same as a payment plan for preenrollment arrearage as provided in section 12.

(5) If an assisted household's projected natural gas consumption exceeds the annual consumption cap and the household has received weatherization, shut-off protection shall be in effect to the end of the next full program year after the weatherization is completed.

(6) If an assisted household which is receiving shut-off protection vacates the dwelling in which the household resided while receiving the shut-off protection, the shut-off protection shall cease as to that dwelling unless the subsequent occupants qualify for shut-off protection under the program.

(7) If a recipient of assistance under the emergency needs program takes up residence in a dwelling which had been weatherized pursuant to this act and the occupancy was within 2 years after the date of the weatherization, and was immediately after an AFDC or GA recipient moved out of the dwelling, the emergency needs recipient shall, for purposes of this act, be treated in the same manner as an AFDC or GA recipient in all respects by both the department and the provider utility or the heating fuel provider participating in the program.

(8) If an assisted household is relocated from a dwelling pursuant to section 7 and subsequently another assisted household occupies the dwelling, provider utility service shall not be supplied to that dwelling unless 1 of the following occurs:

(a) A deposit is posted with the provider utility in an amount equal to the dwelling's average annual heating costs during the preceding 5 years.

(b) At the owner's expense, all home repairs and weatherization measures designated in a residential conservation services audit as being necessary to reduce consumption below the annual consumption cap are performed.

**History:** 1984, Act 34, Eff. Apr. 12, 1984.

#### **400.1211 Excess energy consumption; review and investigation; noncompliance with suggested corrections; reduction of excess consumption.**

Sec. 11. (1) The department shall review and investigate the case of any assisted household whose dwelling has been weatherized but which exceeds the calculated consumption level. The department shall determine the cause of the excess energy consumption.

(2) If, after review and investigation conducted pursuant to subsection (1), the department concludes that reasonable and prudent action by the assisted household will eliminate the excess consumption, the department shall advise the assisted household of measures to be taken to reduce excess energy consumption. If the assisted household does not comply with the department's suggested corrections, the household shall not be entitled to shut-off protection for the subsequent program year, as long as the household remains in the same dwelling unit.

(3) If, after a review and investigation conducted pursuant to subsection (1), the department concludes that the excess consumption cannot be remedied by the assisted household, the department shall use available resources and means to reduce the excess consumption.

**History:** 1984, Act 34, Eff. Apr. 12, 1984.

#### **400.1212 Preenrollment arrearage; determination; payment.**

Sec. 12. The preenrollment arrearage for an assisted household shall be determined before the household is enrolled in the program. The assisted household shall agree to pay, or to have paid by the department to the provider utility on the household's behalf, 5% of the household's monthly AFDC or GA grant, to be applied to the preenrollment arrearage.

**History:** 1984, Act 34, Eff. Apr. 12, 1984.

#### **400.1213 Quarterly projections or compilation of actual billings by provider utility; billing department; deduction of payments from total department obligation; sample of account status; monthly cost settlements.**

Sec. 13. (1) During the first 2 program years, a provider utility shall provide quarterly projections or compile actual billings of the total amount which is owed or will be owed for a calendar quarter by assisted households receiving shut-off protection. The provider utility shall bill the department for not less than 85% of the projected or actual amount, payable during the first month following the end of the calendar quarter. The amounts paid by the department shall not be applied to individual assisted household accounts but shall be deducted by the provider utility from the total department obligation. If a projected amount is used, the provider utility shall also include with the projection a statistically valid sample of the account status for all assisted households.

(2) Individual monthly cost settlements between the provider utility and the department shall be performed for assisted households who terminate participation in the program.

**History:** 1984, Act 34, Eff. Apr. 12, 1984.

#### **400.1214 Annual reconciliation; payment to provider utility; section inapplicable to certain assisted households.**

Sec. 14. At the end of each program year, the provider utility shall perform a reconciliation to match billings for actual natural gas consumption by assisted households with payments from assisted households and the department. An amount equal to any underpayment shall be paid to the provider utility up to the annual consumption cap within 60 days of receipt of an annual reconciliation computer tape. This section shall not apply to assisted households for which cost settlements have been individually made.

**History:** 1984, Act 34, Eff. Apr. 12, 1984.

#### **400.1215 Energy refunds or credits; application.**

Sec. 15. Any pipeline or purchase gas adjustments or other energy refunds or credits to assisted households enrolled in the program shall be applied by the provider utility to the assisted household's preenrollment arrearage. Refunds or credits in excess of preenrollment arrearages shall be refunded by the provider utility to the state general fund.

**History:** 1984, Act 34, Eff. Apr. 12, 1984.

#### **400.1216 Assistance programs for temporarily and long-term unemployed workers; development; scope; implementation and duration of programs.**

Sec. 16. (1) The Michigan public service commission shall develop assistance programs for temporarily and long-term unemployed workers in this state. The programs shall include all of the following:

(a) An outreach program designed to advise newly unemployed workers of assistance available through provider utilities. The outreach program shall provide informational material to newly unemployed workers through the Michigan employment security commission.

(b) Cyclical budget payment plan options for unemployed workers.

(c) Specialized home energy analysis programs designed to advise newly unemployed workers of low-cost and no-cost weatherization and energy conservation measures.

(d) Deferred payment options for long-term unemployed workers who are not recipients of general assistance or aid to families with dependent children, which shall not include an option in which the deferred amount becomes an obligation of the state if the individual becomes an assisted household.

(2) The programs developed under this section shall be implemented by provider utilities and shall not be in effect after September 30, 1988.

**History:** 1984, Act 34, Eff. Apr. 12, 1984.

#### **400.1217 Conditional effective date.**

Sec. 17. This act shall not take effect unless all of the following bills of the 82nd Legislature are enacted into law:

(a) House Bill No. 4971.

(b) House Bill No. 4973.

(c) House Bill No. 4974.

(d) House Bill No. 4975.

(e) House Bill No. 4976.

**History:** 1984, Act 34, Eff. Apr. 12, 1984.

**Compiler's note:** The following House Bills, referred to in Sec. 17, were enacted into law as follows:

House Bill No. 4971 was approved by the Governor on March 22, 1984, and became P.A. 1984, No. 36.

House Bill No. 4973 was approved by the Governor on March 22, 1984, and became P.A. 1984, No. 35.

House Bill No. 4974 was approved by the Governor on March 22, 1984, and became P.A. 1984, No. 37.

House Bill No. 4975 was approved by the Governor on April 12, 1984, and became P.A. 1984, No. 49.

House Bill No. 4976 was approved by the Governor on March 12, 1984, and became P.A. 1984, No. 26.