

By: Representatives Ellis (By Request),
Scott (80th)

To: Public Utilities

COMMITTEE SUBSTITUTE
FOR
HOUSE BILL NO. 944

1 AN ACT TO CREATE NEW SECTION 43-33-151, MISSISSIPPI CODE OF
2 1972, TO CREATE THE MISSISSIPPI CUSTOMER ENERGY ASSISTANCE PROGRAM
3 (CEAP) FUND FOR THE PURPOSE OF PROMOTING HOME ENERGY
4 AFFORDABILITY, AND TO REQUIRE THE DIVISION OF COMMUNITY SERVICES
5 OF THE DEPARTMENT OF HUMAN SERVICES TO ADMINISTER THE FUND; TO
6 CREATE NEW SECTION 43-33-153, MISSISSIPPI CODE OF 1972, TO DEFINE
7 CERTAIN TERMS RELATING TO THE CEAP FUND; TO CREATE NEW SECTION
8 43-33-155, MISSISSIPPI CODE OF 1972, TO REQUIRE ELECTRIC AND
9 NATURAL GAS UTILITIES OPTING TO PARTICIPATE IN THE CEAP FUND TO
10 COLLECT A MONTHLY CHARGE FROM RESIDENTIAL CUSTOMERS WHO DO NOT OPT
11 OUT OF PARTICIPATING IN THE CEAP FUND PROGRAM, TO DEFINE PURPOSES
12 FOR WHICH CEAP FUNDS MAY BE USED AND TO REQUIRE THE DEPARTMENT TO
13 ESTABLISH THE MAXIMUM INCOME ELIGIBILITY FOR SERVICES FUNDED WITH
14 CEAP FUNDS; TO CREATE NEW SECTION 43-33-157, MISSISSIPPI CODE OF
15 1972, TO REQUIRE THE DEPARTMENT OF HUMAN SERVICES TO REPORT TO THE
16 LEGISLATURE ON THE OPERATIONS OF THE CEAP FUND; TO CREATE NEW
17 SECTION 43-33-159, MISSISSIPPI CODE OF 1972, TO PROVIDE FOR THE
18 REPEAL OF THIS ACT ON JULY 1, 2004; AND FOR RELATED PURPOSES.

19 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

20 **SECTION 1.** The following shall be codified as Section
21 43-33-151, Mississippi Code of 1972:

22 43-33-151. The Mississippi Customer Energy Assistance
23 Program (CEAP) Fund is created. The purpose of the CEAP Fund is
24 to promote home energy affordability for income-eligible
25 residential electric and natural gas consumers. The Department of
26 Human Services, Division of Community Services, shall administer
27 the fund according to Sections 43-33-151 through 43-33-159 and
28 those rules and regulations adopted by the department for the
29 administration of the fund.

30 **SECTION 2.** The following shall be codified as Section
31 43-33-153, Mississippi Code of 1975:

32 43-33-153. As used in Sections 43-33-151 through 43-33-159,
33 the following words and phrases the meanings ascribed in this
34 section unless the context clearly indicated otherwise:



35 (a) "Department" means the Department of Human
36 Services, Division of Community Services.

37 (b) "Participating distribution electric utility" means
38 an electric public utility, including a municipal electric utility
39 or electric cooperative, affirmatively opting to participate in
40 CEAP and to collect the CEAP charge pursuant to Section 43-33-155.

41 (c) "Participating distribution natural gas utility"
42 means a natural gas public utility, including a municipal natural
43 gas utility or natural gas cooperative, affirmatively opting to
44 participate in CEAP and to collect the CEAP charge pursuant to
45 Section 43-33-155.

46 (d) "Fund" or "CEAP Fund" means the Customer Energy
47 Assistance Program (CEAP) Fund.

48 (e) "Residential accounts" or "residential customers"
49 means residential accounts or residential customers of a
50 participating public utility as those accounts or customers are
51 classified by the rate schedules or service rules of the
52 participating utility.

53 **SECTION 3.** The following shall be codified as Section
54 43-33-155, Mississippi Code of 1972:

55 43-33-155. (1) (a) Each participating distribution
56 electric utility shall collect a nonbypassable undifferentiated
57 monthly charge of One-tenth of One Cent (1/10 of 1¢) per
58 kilowatt-hour per month, not to exceed One Dollar (\$1.00) per
59 month, from each residential account receiving electricity which
60 has not notified the utility of the customer's desire to opt out
61 of the CEAP Fund program.

62 (b) Each participating distribution natural gas utility
63 shall collect a nonbypassable undifferentiated monthly charge of
64 Three Cents (3¢) per hundred cubic feet per month, not to exceed
65 One Dollar (\$1.00) per month, from each residential account
66 receiving natural gas which has not notified the utility of the
67 customer's desire to opt out of the CEAP Fund program.



68 (c) Participating distribution electric utilities and
69 participating distribution natural gas utilities collecting CEAP
70 charges shall remit all CEAP charge revenues to the State
71 Treasurer, who shall deposit the monies in the CEAP Fund. The
72 treasurer shall make disbursements from this fund in accordance
73 with rules promulgated by the department. The unencumbered or
74 unobligated monies remaining in the fund at the end of any fiscal
75 year will be maintained in the CEAP Fund and will be available for
76 expenditure during subsequent fiscal years until expended for the
77 purposes for which originally collected.

78 (2) Whether an eligible utility chooses to participate in
79 CEAP or to terminate the utility's participation in CEAP is solely
80 at the discretion of the utility. There is no necessity or
81 requirement for approval by any regulatory authority of the
82 utility's participation or termination of participation in CEAP of
83 any utility decision regarding participation in CEAP or of the
84 billing and collection of the charges required under subsection
85 (1) of utilities participating in CEAP. However, a utility's
86 participation must be pursuant to Sections 43-33-151 through
87 43-33-159. No responsibility or liability attaches to any
88 decision by a utility to participate, not participate or terminate
89 participation in CEAP.

90 (3) (a) Once an eligible utility opts to participate in
91 CEAP, the billing of the charge pursuant to subsection (1) will
92 begin with the first billing cycle of the prospective billing
93 month after the utility has provided conspicuous notice to each of
94 its customers of the charge to be collected unless the customer
95 notifies the utility of the customer's desire not to participate
96 in the CEAP Fund program. The notice must be provided to all
97 residential customers of the participating utility, with
98 instructions on how the customer may opt out of participating in
99 the CEAP Fund program, with no less than three (3) billings
100 preceding the billing cycle in which the utility intends to begin



101 collecting the CEAP changes. Customers may opt out of
102 participating in the CEAP Fund program at any time.

103 (b) When a utility terminates its participation in
104 CEAP, after notifying the department, the termination will be
105 effective after the end of the billing month that the utility
106 designates as the final month of the utility's participation,
107 which end of the month must be prospective from the date on which
108 the utility makes its decision to terminate its participation.

109 (4) The department shall distribute funds from the CEAP Fund
110 pursuant to the rules adopted by the department, which rules must
111 include the purposes for which funds will be distributed,
112 including, but not necessarily limited to:

113 (a) Energy efficiency measures allowed by the U.S.
114 Department of Energy under the federal Weatherization Assistance
115 Program, 42 USCS, Section 6861, et seq., or its successor;

116 (b) Home water conservation measures;

117 (c) Incidental housing repairs determined by the
118 department to be necessary to ensure the viability of energy
119 efficiency investments or the health and safety of residential
120 customers;

121 (d) To provide, directly or indirectly, training and
122 technical assistance to local agencies delivering CEAP services;

123 (e) Electric and natural gas bill affordability
124 assistance; and

125 (f) Program administrative costs; however, no more than
126 ten percent (10%) of the total CEAP Fund may be expended on
127 program administrative costs in any given year, with no more than
128 twenty percent (20%) of this ten percent (10%) being retained for
129 use by the department and the balance being made available to the
130 local administering agencies for the purposes of Sections
131 43-33-151 through 43-33-157. The department's rules must provide
132 that the distribution of funds from the CEAP Fund must be for the



133 purpose of making natural gas and electric utility bills more
134 affordable to income eligible customers.

135 (5) The department may reserve from the funds collected in
136 any fiscal year an amount not to exceed ten percent (10%) to
137 provide, directly or indirectly, training and technical assistance
138 to local agencies delivering CEAP services. This training and
139 technical assistance may include providing information concerning
140 conservation practices to income eligible customers. The
141 department shall administer the CEAP Fund energy efficiency
142 programs by contracting with the local grantees of the Department
143 of Energy Weatherization Assistance Program or its successor and
144 shall administer the CEAP Fund bill affordability assistance
145 programs by contracting with the local grantees of the Low Income
146 Home Energy Assistance Program (LIHEAP). The department may
147 reserve up to ten percent (10%) of CEAP funds allocated for bill
148 affordability purposes for contracts to other local nonprofit
149 community-based organizations with demonstrated effectiveness in
150 administering emergency energy assistance for low-income
151 customers.

152 (6) The department shall prescribe, by rule, a maximum
153 income eligibility for receipt of services funded by the CEAP Fund
154 which maximum income eligibility may not exceed one hundred and
155 seventy-five percent (175%) of the federal poverty guideline, as
156 determined annually by the U.S. Department of Health and Human
157 Services. However, the department may, define, by rule,
158 households participating in means-tested state or federal programs
159 with similar eligibility guidelines, including, but not limited
160 to, Food Stamps, Temporary Assistance to Needy Families and
161 Supplemental Security Income, as eligible for assistance through
162 the CEAP Fund. The department may define other low-income
163 populations with particular physical or economic vulnerability to
164 weather conditions or energy supply interruptions as eligible for
165 assistance from the CEAP Fund.



166 (7) An eligible residential customer may receive one or more
167 of the forms of assistance available from the CEAP Fund and may
168 not be required to participate in the state or federal energy
169 assistance or weatherization assistance programs as a condition of
170 participating in the CEAP Fund programs.

171 (8) The residential customers of each participating
172 distribution electric utility and participating distribution
173 natural gas utility are eligible for assistance from the CEAP Fund
174 in an aggregate amount that equals each specific utility's pro
175 rata share of the total contributions to the CEAP Fund. Services
176 funded through the CEAP Fund will be provided without
177 consideration of whether or not the residential customer is or has
178 been a contributor under the CEAP program, if the customer
179 receiving assistance is a customer of a participating distribution
180 electric utility or participating distribution natural gas utility
181 collecting the CEAP charge from its residential customers.

182 **SECTION 4.** The following shall be codified as Section
183 43-33-157, Mississippi Code of 1972:

184 43-33-157. (1) The department shall monitor and evaluate
185 the provision of services funded from the CEAP Fund in order to
186 ensure the effective provision of assistance for low-income
187 persons.

188 (2) The department shall deliver to the Legislature an
189 annual report that must include, for each fiscal year in which the
190 CEAP Fund operates, the following:

191 (i) The number of households eligible to
192 participate in the CEAP Fund;

193 (ii) The number of households that participated in
194 the CEAP Fund in the preceding year;

195 (iii) Program revenues, expenditures, and benefits
196 provided; and

197 (iv) A description of the program activities.



198 (3) In order to prepare the report required under subsection
199 (2) of this section, the department shall establish annual
200 reporting requirements for participating utilities collected and
201 remitted to the State Treasurer.

202 (4) Beginning in 2005 and every third year thereafter, the
203 department shall report to the Legislature the results of the
204 department's monitoring and evaluation.

205 **SECTION 5.** The following shall be codified as Section
206 43-33-159, Mississippi Code of 1972:

207 43-33-159. Sections 43-33-151 through 43-33-159, Mississippi
208 Code of 1972, shall stand repealed on July 1, 2004.

209 **SECTION 6.** This act shall take effect and be in force from
210 and after July 1, 2002.

