

By: Senator(s) Williamson, Simmons, Carlton, Frazier, Jackson, Blackmon, Walls, Furniss To: Public Utilities

COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 2819

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) FOR THE PURPOSE OF PROMOTING HOME ENERGY AFFORDABILITY TO
4 CREATE NEW SECTION 43-33-153, MISSISSIPPI CODE OF 1972, TO DEFINE
5 CERTAIN TERMS RELATING TO CEAP; TO CREATE NEW SECTION 43-33-155,
6 MISSISSIPPI CODE OF 1972, TO REQUIRE ELECTRIC AND NATURAL GAS
7 UTILITIES OPTING TO PARTICIPATE IN CEAP TO COLLECT A MONTHLY
8 CHARGE FROM RESIDENTIAL CUSTOMERS, TO DEFINE PURPOSES FOR WHICH
9 CEAP FUNDS MAY BE USED AND TO ESTABLISH THE MAXIMUM INCOME
10 ELIGIBILITY FOR SERVICES FUNDED WITH CEAP FUNDS; TO CREATE NEW
11 SECTION 43-33-157, MISSISSIPPI CODE OF 1972, TO REQUIRE THE STATE
12 AUDITOR TO AUDIT ALL RECORDS OF THE PROGRAM ANNUALLY AND TO REPORT
13 TO THE LEGISLATURE ON THE OPERATIONS OF CEAP; TO CREATE NEW
14 SECTION 43-33-159, MISSISSIPPI CODE OF 1972, TO PROVIDE FOR THE
15 REPEAL OF THIS ACT; AND FOR RELATED PURPOSES.

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

17 SECTION 1. The following shall be codified as Section
18 43-33-151, Mississippi Code of 1972:

19 43-33-151. The Mississippi Customer Energy Assistance
20 Program (CEAP) is created. The purpose of CEAP is to promote home
21 energy affordability for income-eligible residential electric and
22 natural gas consumers.

23 SECTION 2. The following shall be codified as Section
24 43-33-153, Mississippi Code of 1975:

25 43-33-153. As used in Sections 43-33-151 through 43-33-157
26 the following words and phrases have the meanings ascribed in this
27 section unless the context clearly indicated otherwise:

28 (a) "CEAP" means the Mississippi Customer Energy
29 Assistance Program.

30 (b) "Department" means the Department of Human
31 Services, Division of Community Services.

32 (c) "Participating distribution electric utility" means
33 an electric public utility, including a municipal electric utility



34 or electric cooperative, affirmatively opting to participate in
35 CEAP and to collect the CEAP charge pursuant to Section 43-33-155.

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

41 (e) "CEAP Fund" means the Customer Energy Assistance
42 Program (CEAP) Fund created in the State Treasury and administered
43 by the Department of Human Services, Division of Community
44 Services.

45 (f) "Residential accounts" or "residential customers"
46 means residential accounts or residential customers of a
47 participating public utility as those accounts or customers are
48 classified by the rate schedules or service rules of the
49 participating utility.

50 **SECTION 3.** The following shall be codified as Section
51 43-33-155, Mississippi Code of 1972:

52 43-33-155. (1) (a) Each participating distribution
53 electric utility shall collect a nonbypassable monthly charge of
54 One-tenth of One Cent (1/10 of 1¢) per kilowatt-hour per month,
55 not to exceed One Dollar (\$1.00) per month, from each residential
56 account receiving electricity.

57 (b) Each participating distribution natural gas utility
58 shall collect a nonbypassable monthly charge of Three Cents (3¢)
59 per hundred cubic feet per month, not to exceed One Dollar (\$1.00)
60 per month, from each residential account receiving natural gas.

61 (c) Participating distribution electric utilities and
62 participating distribution natural gas utilities collecting CEAP
63 charges shall remit the CEAP charge revenues to the State
64 Treasurer or to a local nonprofit charitable organization approved
65 by the Public Service Commission as provided in subsection (2).
66 If remitted to the State Treasurer, he shall deposit the revenue



67 into a special fund hereby created and known as the "CEAP Fund."
68 The CEAP Fund shall be administered by the Department of Human
69 Services, Division of Community Services, according to Sections
70 43-33-151 through 43-33-157 and those rules and regulations
71 adopted by the department for the administration of the fund. The
72 State Treasurer shall make disbursements from the CEAP Fund in
73 accordance with rules promulgated by the department. The
74 unencumbered or unobligated monies remaining in the CEAP Fund at
75 the end of any fiscal year will be maintained in the fund, and
76 will be available for expenditure during subsequent fiscal years
77 until expended for the purposes for which originally collected.

78 (2) Participating utilities may remit the CEAP charge
79 revenue to a nonprofit charitable organization as defined under
80 Section 501(c)(3) of the Internal Revenue Code. The charitable
81 organization shall comply with all requirements established by the
82 Public Service Commission and shall be approved for participation
83 by the Public Service Commission before receiving any CEAP
84 revenue. The charitable organization shall maintain the CEAP
85 revenue in a separate trust fund and expend it in accordance with
86 the guidelines provided by the Public Service Commission. The
87 Public Service Commission shall issue guidelines for the
88 administration of the charitable organization's trust fund which
89 shall be similar to the rules adopted by the department in
90 administering the CEAP Fund.

91 (3) Whether an eligible utility chooses to participate in
92 CEAP or to terminate the utility's participation in CEAP is solely
93 at the discretion of the utility. There is no necessity or
94 requirement for approval by any regulatory authority of the
95 utility's participation or termination of participation in CEAP of
96 any utility decision regarding participation in CEAP or of the
97 billing and collection of the charges required under subsection
98 (1) of utilities participating in CEAP. However, a utility's
99 participation must be pursuant to Sections 43-33-151 through



100 43-33-157. No responsibility or liability attaches to any
101 decision by a utility to participate, not participate or terminate
102 participation in CEAP.

103 (4) (a) Once an eligible utility opts to participate in
104 CEAP, the billing of the charge pursuant to subsection (1) will
105 begin with the first billing cycle of the prospective billing
106 month after the utility has provided conspicuous notice to each of
107 its customers of the charge to be collected unless the customer
108 notifies the utility of the customer's desire not to participate
109 in the CEAP program. The notice must be provided to all
110 residential customers of the participating utility, with
111 instructions on how the customer may opt out of participating in
112 the CEAP program, with no less than three (3) billings preceding
113 the billing cycle in which the utility intends to begin collecting
114 the CEAP charges. Customers may opt out of participating in the
115 CEAP program at any time.

116 (b) When a utility terminates its participation in
117 CEAP, the termination will be effective after the end of the
118 billing month that the utility designates as the final month of
119 the utility's participation, which end of the month must be
120 prospective from the date on which the utility makes its decision
121 to terminate its participation.

122 (5) CEAP funds collected by a participating utility may be
123 distributed only to eligible customers who reside in the
124 participating utility's certificated area from which the funds
125 were collected. All funds from CEAP shall be distributed pursuant
126 to the rules adopted by the department, or guidelines adopted by
127 the Public Service Commission, which rules or guidelines shall
128 include the purposes for which funds may be distributed,
129 including, but not necessarily limited to:

130 (a) Energy efficiency measures allowed by the U.S.
131 Department of Energy under the federal Weatherization Assistance
132 Program, 42 USC, Section 6861 et seq., or its successor;



133 (b) Home water conservation measures;
134 (c) Incidental housing repairs determined by the
135 department to be necessary to ensure the viability of energy
136 efficiency investments;
137 (d) Electric and natural gas bill affordability
138 assistance; and
139 (e) Program administrative costs; however, the
140 department or the approved charitable organization, whichever the
141 case may be, shall not expend more than ten percent (10%) of the
142 CEAP charge revenues remitted to it on program administrative
143 costs in any given year. Program administrative costs shall
144 include funds expended to provide, directly or indirectly,
145 training and technical assistance to local agencies delivering
146 CEAP services. This training and technical assistance may include
147 providing information concerning conservation practices to income
148 eligible customers. The department's rules, and the Public
149 Service Commission's guidelines, shall provide that the
150 distribution of funds from CEAP shall be for the purpose of making
151 natural gas and electric utility bills more affordable to income
152 eligible customers.

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



166 or economic vulnerability to weather conditions or energy supply
167 interruptions as eligible for assistance from CEAP.

168 (7) The department or the charitable organization, whichever
169 the case may be, shall require the customer to show proof of
170 verifiable income in order to be eligible for assistance through
171 CEAP and shall maintain records of applications for assistance
172 through CEAP, including proof of income. All records and
173 applications approved and rejected shall be available for audit.
174 If any customer has been convicted of the sale or manufacturing of
175 any illegal drug, then the customer shall not be eligible for
176 assistance through CEAP at any time.

177 (8) An eligible residential customer may receive one or more
178 of the forms of assistance available from CEAP and may not be
179 required to participate in the state or federal energy assistance
180 or weatherization assistance programs as a condition of
181 participating in CEAP.

182 (9) Services funded through CEAP will be provided without
183 consideration of the source of revenues if the low-income customer
184 receiving assistance is a customer of a participating distribution
185 electric utility or participating distribution natural gas utility
186 collecting the CEAP charge from its residential customers.

187 **SECTION 4.** The following shall be codified as Section
188 43-33-157, Mississippi Code of 1972:

189 43-33-157. (1) The department and the Public Service
190 Commission shall monitor the provision of services funded from
191 CEAP in order to ensure the effective provision of assistance for
192 low-income persons.

193 (2) The State Auditor shall audit all records of the program
194 annually and deliver to the Legislature an annual report which
195 includes the following:

196 (i) The number of households eligible to
197 participate in CEAP;



198 (ii) The number of households that participated in
199 CEAP in the preceding year;

200 (iii) Program revenues, expenditures, and benefits
201 provided; and

202 (iv) A description of the program activities.

203 **SECTION 5.** The following shall be codified as Section
204 43-33-159, Mississippi Code of 1972:

205 43-33-159. Sections 43-33-151 through 43-33-159, Mississippi
206 Code of 1972, shall stand repealed on July 1, 2004.

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

