

*****Adopted*****

SUBSTITUTE 1 FOR AMENDMENT No. 1 PROPOSED TO

House Bill NO. 944

By Senator(s) Minor

**Amend by striking all after the enacting clause and inserting
in lieu thereof the following:**

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 which has notified the utility of
57 the customer's desire to opt in CEAP.

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

64 (c) Participating distribution electric utilities and
65 participating distribution natural gas utilities collecting CEAP
66 charges shall remit the CEAP charge revenues to the State
67 Treasurer or to a local nonprofit charitable organization as
68 provided in subsection (2). If remitted to the State Treasurer,
69 he shall deposit the revenue into a special fund hereby created
70 and known as the "CEAP Fund." The CEAP Fund shall be administered
71 by the Department of Human Services, Division of Community

72 Services, according to Sections 43-33-151 through 43-33-157 and
73 those rules and regulations adopted by the department for the
74 administration of the fund. The State Treasurer shall make
75 disbursements from the CEAP Fund in accordance with rules
76 promulgated by the department. The unencumbered or unobligated
77 monies remaining in the CEAP Fund at the end of any fiscal year
78 will be maintained in the fund, and will be available for
79 expenditure during subsequent fiscal years until expended for the
80 purposes for which originally collected.

81 (2) Participating utilities may remit the CEAP charge
82 revenue to a nonprofit charitable organization as defined under
83 Section 501(c)(3) of the Internal Revenue Code. If remitted to a
84 nonprofit charitable organization, the charitable organization
85 shall maintain the CEAP revenue in a separate trust fund and
86 expend it in accordance with Sections 43-33-151 through 43-33-157.

87 (3) Whether an eligible utility chooses to participate in
88 CEAP or to terminate the utility's participation in CEAP is solely
89 at the discretion of the utility. There is no necessity or
90 requirement for approval by any regulatory authority of the
91 utility's participation or termination of participation in CEAP of
92 any utility decision regarding participation in CEAP or of the
93 billing and collection of the charges required under subsection
94 (1) of utilities participating in CEAP. However, a utility's
95 participation must be pursuant to Sections 43-33-151 through
96 43-33-157. No responsibility or liability attaches to any
97 decision by a utility to participate, not participate or terminate
98 participation in CEAP.

99 (4) (a) Once an eligible utility opts to participate in
100 CEAP, the billing of the charge pursuant to subsection (1) will
101 begin with the first billing cycle of the prospective billing
102 month after the utility has provided conspicuous notice to each of
103 its customers of the charge to be collected and the customer has
104 notified the utility of the customer's desire to participate in
105 CEAP. The notice must be provided to all residential customers of
106 the participating utility, with instructions on how the customer

107 may begin and terminate his participation in CEAP. When a
108 customer terminates his participation in CEAP, the termination
109 shall be effective after the end of the billing month that the
110 customer designates as the final month of participation; provided,
111 however, that a customer may terminate his participation only
112 after the completion of his sixth billing cycle in the program.

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

119 (5) CEAP revenue collected by a participating utility may be
120 distributed only to eligible customers who reside in the
121 participating utility's certificated area from which the funds
122 were collected. All funds from CEAP shall be distributed for the
123 following purposes:

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

127 (b) Home water conservation measures;

128 (c) Incidental housing repairs determined by the
129 department or the charitable organization to be necessary to
130 ensure the viability of energy efficiency investments;

131 (d) Electric and natural gas bill affordability
132 assistance; and

133 (e) Program administrative costs; however, the
134 department or the charitable organization, whichever the case may
135 be, shall not expend more than ten percent (10%) of the CEAP
136 charge revenues remitted to it on program administrative costs in
137 any given year. Program administrative costs shall include funds
138 expended to provide, directly or indirectly, training and
139 technical assistance to local agencies delivering CEAP services.
140 This training and technical assistance may include providing
141 information concerning conservation practices to income eligible

142 customers. The distribution of funds from CEAP shall be for the
143 general purpose of making natural gas and electric utility bills
144 more affordable to income eligible customers.

145 (6) The department or the charitable organization, whichever
146 the case may be, shall determine a maximum income eligibility for
147 receipt of services funded by CEAP which maximum income
148 eligibility may not exceed one hundred and seventy-five percent
149 (175%) of the federal poverty guideline, as determined annually by
150 the U.S. Department of Health and Human Services. However, the
151 department or the charitable organization may define households
152 participating in means-tested state or federal programs with
153 similar eligibility guidelines, including, but not limited to,
154 Food Stamps, Temporary Assistance to Needy Families and
155 Supplemental Security Income, as eligible for assistance through
156 CEAP. The department or the charitable organization may define
157 other low-income populations with particular physical or economic
158 vulnerability to weather conditions or energy supply interruptions
159 as eligible for assistance from CEAP.

160 (7) The department or the charitable organization, whichever
161 the case may be, shall require the customer to show proof of
162 verifiable income in order to be eligible for assistance through
163 CEAP and shall maintain records of applications for assistance
164 through CEAP, including proof of income. All records and
165 applications approved and rejected shall be available for audit.
166 If any customer has been convicted of the sale or manufacturing of
167 any illegal drug, then the customer shall not be eligible for
168 assistance through CEAP at any time.

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

174 (9) Services funded through CEAP will be provided without
175 consideration of the source of revenues if the low-income customer
176 receiving assistance is a customer of a participating distribution

177 electric utility or participating distribution natural gas utility
178 collecting the CEAP charge from its residential customers.

179 **SECTION 4.** The following shall be codified as Section
180 43-33-157, Mississippi Code of 1972:

181 43-33-157. (1) The department or the charitable
182 organization, whichever the case may be, shall monitor the
183 provision of services funded from CEAP in order to ensure the
184 effective provision of assistance for low-income persons.

185 (2) The State Auditor shall audit all expenditures of the
186 CEAP Fund annually and deliver to the Legislature an annual report
187 which includes the following:

188 (a) The number of households eligible to participate in
189 CEAP;

190 (b) The number of households that participated in CEAP
191 in the preceding year;

192 (c) Revenues, expenditures and benefits provided from
193 the CEAP Fund administered by the department; and

194 (d) A description of the program activities from
195 revenue and expenditures of the CEAP Fund.

196 **SECTION 5.** The following shall be codified as Section
197 43-33-159, Mississippi Code of 1972:

198 43-33-159. Sections 43-33-151 through 43-33-159, Mississippi
199 Code of 1972, shall stand repealed on July 2, 2002.

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

**Further, amend by striking the title in its entirety and
inserting in lieu thereof the following:**

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 CERTAIN RECORDS OF THE PROGRAM ANNUALLY AND TO
13 REPORT 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.