



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
PUBLIC SERVICE COMMISSION

MARLON I. BROWN, DPA
DIRECTOR

KATHERINE L. PERETICK
COMMISSIONER

DANIEL C. SCRIPPS
CHAIR

ALESSANDRA CARREON
COMMISSIONER

June 24, 2025

Dear Opt-In Participant:

Thank you for your participation and support of the Public Act 95 (P.A. 95) Low-Income Energy Assistance Fund (LIEAF) Surcharge Collection Program. The attached information is being provided to electric utilities who opted to participate in collecting the nonbypassable surcharge amounts for the billing months September 1st to August 31st. We hope you find the following information to be resourceful.

Attachments for the LIEAF Surcharge Participant:

- ☐ MPSC Case No. U-17377 Order dated **04-24-2025(NEW) Surcharge Rate \$1.25.**
- ☐ Public Act 95 of 2013 and MCL-460-9T
- ☐ ACH Wire Transfer Guideline – Updated May 9, 2025.
- ☐ Written Check Guideline – Updated May 9, 2025.
- ☐ LIEAF Surcharge – Letter Ruling 2013-5_MI Dept of Treasury.

Previous Year LIEAF Surcharge Participant:

Record check: Please verify that your monthly LIEAF 2024-2025 collections and remittances are up-to-date, beginning with the billing month of September 1, 2024, ending August 31, 2025.

Contacts at Michigan Public Service Commission:

Wanda Jones, Manager, LIEAF/MEAP Grants, (517) 284-8163, jonesw1@michigan.gov
LaMonique Coleman, Auditor, (PA 95 LIEAF Remittances), (517) 284-8183,
colemanl12@michigan.gov

Should you have questions, please do not hesitate to contact us.

Thank you,

LaMonique Coleman

LaMonique Coleman
Auditor, Michigan Energy Assistance Program
Michigan Public Service Commission
517-284-8183
Colemanl12@michigan.gov



LARA is an equal opportunity employer/program.

Auxiliary aids, services and other reasonable accommodations are available upon request to individuals with disabilities.
7109 W. SAGINAW HIGHWAY • P.O. BOX 30221 • LANSING, MICHIGAN 48909 • www.michigan.gov/mpsc • 517-284-8100

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * * *

In the matter on the Commission's own motion)	
to implement the provisions of 2013 PA 95, as)	
amended.)	Case No. U-17377
_____)	

At the April 24, 2025 meeting of the Michigan Public Service Commission in Lansing,
Michigan.

PRESENT: Hon. Daniel C. Scripps, Chair
Hon. Katherine L. Peretick, Commissioner
Hon. Alessandra R. Carreon, Commissioner

ORDER

Section 9t of Public Act 95 of 2013 (Act 95) created the Low-Income Energy Assistance Fund (LIEAF) within the Michigan State Treasury. MCL 460.9t. Public Act 168 of 2024 and Public Act 169 of 2024 (Act 169) amended Section 9t of Act 95 and provide that the Commission may, “after an opportunity to comment, annually approve a low-income energy assistance funding factor no later than May 1 of each year for the subsequent fiscal year.” MCL 460.9t(8).¹

The low-income energy assistance funding factor (funding factor) is a nonbypassable surcharge to be added to each retail billing meter (but not charged on more than one residential meter per residential site), payable monthly by every customer that receives retail distribution service from an electric utility, municipally owned electric utility, or cooperative electric utility that does not opt out of the funding factor, regardless of the identity of the customer's electric

¹ As a result of amendments to the statute, all statutory references within this order reflect the statute as amended.

generation supplier. MCL 460.9t(15)(b). The funding factor must be the same across all customer classes, must appear as a separate line item on each customer's bill, and may increase to \$1.25 per month in 2025, with up to a \$0.25 increase each year thereafter up to a maximum cap of \$2.00 per month, subject to adjustments beginning in 2029.² MCL 460.9t(8). MCL 460.9t(5) requires the Commission, together with the Michigan Department of Health and Human Services, to:

ensure that all money collected for the [LIEAF] from a geographic area is returned, to the extent possible, to that geographic area and ensure the fund is administered to promote all of the following:

- (a) Statewide access to the Michigan energy assistance program [MEAP] established in section 3 of the Michigan energy assistance act, 2012 PA 615, MCL 400.1233, ensuring that funds collected from a specific geographic area are, to the extent possible, returned to eligible low-income customers in that specific geographic area.
- (b) Collaboration between the department of health and human services, the commission, energy providers, and entities that administer assistance programs to ensure that, to the extent possible, eligible low-income customers in a geographic area are receiving funds proportional to what customers in that geographic area are being assessed.
- (c) For energy providers and entities that administer assistance programs, education and outreach on availability of the assistance programs and funding.

Section 9 of Act 169 provides that electric utilities, including municipally owned and cooperative electric utilities, with fewer than 45,000 residential electric customers may elect to opt out of the funding factor by annually filing a notice with the Commission by April 1 (opt out

² "Beginning in 2029, and each year thereafter, the commission shall adjust the cap on the low-income energy assistance funding factor by the percentage increase in the United States Consumer Price Index for the immediately preceding calendar year." MCL 460.9t(8). MCL 460.9t(15)(c) defines the United States Consumer Price Index as the "United States Consumer Price Index for all urban consumers as defined and reported by the United States Department of Labor, Bureau of Labor Statistics."

notice).³ MCL 460.9t(9). An electric utility that opts out of the funding factor under MCL 460.9t(9) is required to:

establish and fund an energy assistance program for its residential customers that provides assistance to its residential customers for both their electric and home heating needs consistent with the eligibility requirements of the Michigan energy assistance program established in section 3 of the Michigan energy assistance act, 2012 PA 615, MCL 400.1233. An electric utility, municipally owned utility, or cooperative electric utility shall ensure that the funds available for energy assistance programs established under this subsection are sufficient to provide assistance to all eligible customers who apply, but the utility is not required to spend more for an energy assistance program than what the utility would have collected from the low-income energy assistance funding factor if the utility did not opt out under subsection (9). Beginning October 1, 2025, and annually thereafter, an electric utility, municipally owned utility, or cooperative electric utility that opts out under subsection (9) shall provide notice to its residential customers of available energy assistance provided by the utility. The notice must include a description of the program, eligibility guidelines, application information, and a statement that the utility's assistance program is offered instead of collecting the low-income energy assistance factor. The utility shall include information regarding the assistance program on its website.

MCL 460.9t(10).

Electric utilities, including municipally owned and cooperative electric utilities, that have 45,000 or more residential electric customers or have less than 45,000 residential electric customers but did not opt out of the funding factor by April 1 of each year, are required to “annually provide to the commission by April 1 the number of retail billing meters it serves in th[e] state [of Michigan] that are subject to the low-income energy assistance funding factor.”

³ Electric utilities that opt out of the funding factor by April 1 of each year are required to include in the filing of their opt out notice, “the total number of retail billing meters the [electric] utility serves in th[e] state [of Michigan] that would be subject to the low-income energy assistance funding factor if the [electric] utility were not opting out.” MCL 460.9t(9). Specifically, “[t]he [electric] utility shall provide the number of retail billing meters to the commission as . . . a total of retail billing meters in the [electric] utility’s service territory[,] . . . a total of billing meters by county[,]” and a total of billing meters broken down by customer class. *Id.*

MCL 460.9t(9). Specifically, “[t]he [electric] utility shall provide the number of retail billing meters to the commission as . . . a total of retail billing meters in the [electric] utility’s service territory[,] . . . a total of billing meters by county[,]” and a total of billing meters broken down by customer class.⁴ MCL 460.9t(13). The Commission thereafter determines the funding factor by May 1, after providing an opportunity for comments on a proposed factor. *See*, MCL 460.9t(8).

The Commission issued an order in this case on February 11, 2025 (February 11 order), proposing a funding factor of \$1.25 for the billing months of September 2025 through August 2026 and providing for the filing of comments through March 4, 2025. The Commission did not receive any comments regarding the amount of the proposed funding factor.

The Commission finds that the LIEAF funding factor shall be \$1.25 per meter per month for the September 2025 through August 2026 billing months. An electric utility, municipally owned electric utility, or cooperative electric utility that collects money under MCL 460.9t shall remit that money to the Michigan State Treasurer for deposit in the LIEAF on a monthly basis no later than 30 days after the last day of each calendar month. MCL 460.9t(8). Utilities that have elected to participate and need further assistance on how to arrange for remittances to the LIEAF may contact Wanda Clavon-Jones of the Commission’s MEAP Section at jonesw1@michigan.gov or (517) 643-2669. The Commission notes, however, that the required meter count reporting is for LIEAF surcharge and fund estimate calculations only. The Commission clarifies that the number of meters reported by utilities in this docket will likely differ from the actual number of retail meters billed in the program year. All actual retail billing meters meeting the requirements must

⁴ To verify that the electric utility, municipally owned electric utility, or cooperative electric utility is not charging the funding factor on more than one residential meter per residential site, the Commission is requiring the electric utilities that do not opt out of the funding factor to provide the Commission with the total number of retail billing meters by customer class. *See*, MCL 460.9t(15)(b).

be subjected to the nonbypassable LIEAF surcharge for electric utilities that do not opt out of the MEAP, and participating utilities are required to remit the actual LIEAF amounts collected each month.

The Commission also finds that the following electric utilities eligible to opt out of the funding factor under MCL 460.9t(9) filed their opt out notice and respective meter counts in broad accordance with the February 11 order:⁵

- Bayfield Electric Cooperative, Inc. (Bayfield);⁶
- City of Harbor Springs;
- City of Wakefield;
- Coldwater Board of Public Utilities;
- Grand Haven Board of Light & Power;
- Lowell Light & Power;
- Wyandotte Department of Municipal Service; and
- Zeeland Board of Public Works.

⁵ On April 1, 2025, the City of Ann Arbor filed a Notice Regarding Opt Out of Funding Factor. In the notice, the City of Ann Arbor reports that it expects to shortly create a new supplemental Sustainable Energy Utility (A2SEU). As of the date of that filing, that entity did not exist. Within that context, the City of Ann Arbor reports that it opts out of the funding factor and has no meters. For purposes of this order, the Commission confirms that the forthcoming A2SEU should not charge the LIEAF funding factor nor fulfill obligations of an opt-out entity under MCL 460.9t for this program year.

⁶ While the Commission accepted Bayfield's late filing of its opt out notice for this order, the opt out notice Bayfield filed does not comply with MCL 460.9t. As a result, Bayfield must provide an updated opt out notice that complies with MCL 460.9t and the February 11 order within 30 days of the date of this order. Bayfield is also put on notice that failure to timely file an opt out notice under MCL 460.9t(9) in the future will result in Bayfield opting in by default to the funding factor for that year.

The Commission also finds that the following electric utilities required to and/or opting in to collect the funding factor under MCL 460.9t filed their respective meter counts in broad accordance with the February 11 order:

- Alpena Power Company;
- Alger-Delta Co-Operative Electric Association;
- Chelsea Department of Electric & Water;
- Cherryland Electric Cooperative;
- City of Bay City;
- City of Charlevoix;
- City of Crystal Falls;
- City of Dowagiac;
- City of Eaton Rapids;
- City of Escanaba;
- City of Gladstone;
- City of Hart;
- City of Norway;
- City of Petoskey;
- City of Portland;
- City of Sebewaing;
- City of South Haven;
- City of St. Louis;
- City of Stephenson;
- City of Sturgis;

- Cloverland Electric Co-Operative;
- Consumers Energy Company;
- Croswell Municipal Light & Power Department;
- Daggett Electric Department;
- DTE Energy Company;
- Great Lakes Energy Cooperative;
- Hillsdale Board of Public Utilities;
- Holland Board of Public Works;
- Homeworks Tri-County Electric Cooperative;
- Indiana Michigan Power Company;
- Lansing Board of Water & Light;
- Marquette Board of Light & Power;
- Marshall Electric Department;
- Midwest Energy Cooperative;
- Negaunee Department of Public Works;
- Newberry Water and Light Board;
- Niles Utilities Department;
- Northern States Power Company;
- Presque Isle Electric & Co-Op (Presque Isle);⁷

⁷ The Commission notes that the meter count Presque Isle filed does not comply with MCL 460.9t. As a result, Presque Isle must provide an updated meter count that complies with MCL 460.9t and the February 11 order within 30 days of the date of this order. The Commission also notes that Presque Isle, while eligible to do so, did not file an opt out notice pursuant to MCL 460.9t(9) and the February 11 order and has thus opted in to the funding factor by default for the upcoming program year.

- The Ontonagon County Rural Electrification Association;
- Thumb Electric Cooperative of Michigan;
- Traverse City Light & Power;
- Union City Electric Department;
- Upper Michigan Energy Resources Corporation;
- Upper Peninsula Power Company;
- Village of Baraga;
- Village of Clinton;
- Village of L'anse; and
- Village of Paw Paw.

Based on the information reported, and subject to the accuracy of the reporting, the LIEAF surcharge is estimated to collect \$75,323,070 from opt-in utility retail metered customers for the September 2025 through August 2026 billing months.

For all future filings, electric utilities are directed to report their meter counts in a manner consistent with Consumers Energy Company's March 31, 2025 filing in this docket.⁸ *See*, Case No. U-17377, filing # U-17377-0243; *see also*, February 11 order, p. 3, n. 3.

⁸ The funding factor "must not be charged on more than 1 residential meter per residential site." MCL 460.9t(15)(b). The "Multiple Meters" column referred to in Consumers Energy Company's March 31, 2025 filing in this docket covers residential meters exceeding one residential meter per residential site.

THEREFORE, IT IS ORDERED that:

A. The Low-Income Energy Assistance Fund funding factor is \$1.25 per meter per month for the September 2025 through August 2026 billing months. Electric utilities with 45,000 or more residential electric customers or fewer than 45,000 residential electric customers that did not opt out of the funding factor shall begin collecting the nonbypassable surcharge in the September 2025 billing month. Within 30 days of the date of this order, the electric utilities collecting the nonbypassable surcharge shall file a tariff sheet with the Commission reflecting the surcharge.

B. Electric utilities with fewer than 45,000 residential electric customers that opted out of the funding factor by filing a notice with the Commission pursuant to MCL 460.9t(9) shall establish and fund an energy assistance program consistent with the Michigan energy assistance program year October 1, 2025 through September 30, 2026, for their eligible residential customers that provides assistance to their residential customers for both their electric and home heating needs consistent with the eligibility requirements of the Michigan energy assistance program established under MCL 400.1233.

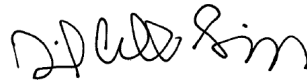
C. For all future filings, electric utilities are directed to report their meter counts in a manner consistent with Consumers Energy Company's March 31, 2025 filing in this docket.

The Commission reserves jurisdiction and may issue further orders as necessary.

Any party desiring to appeal this order must do so in the appropriate court within 30 days after issuance and notice of this order, pursuant to MCL 462.26. To comply with the Michigan Rules of Court's requirement to notify the Commission of an appeal, appellants shall send required notices to both the Commission's Executive Secretary and to the Commission's Legal Counsel.

Electronic notifications should be sent to the Executive Secretary at LARA-MPSC-Edockets@michigan.gov and to the Michigan Department of Attorney General - Public Service Division at sheacl@michigan.gov. In lieu of electronic submissions, paper copies of such notifications may be sent to the Executive Secretary and the Attorney General - Public Service Division at 7109 W. Saginaw Hwy., Lansing, MI 48917.

MICHIGAN PUBLIC SERVICE COMMISSION



Daniel C. Scripps, Chair

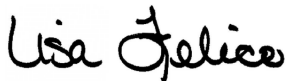


Katherine L. Peretick, Commissioner



Alessandra R. Carreon, Commissioner

By its action of April 24, 2025.



Lisa Felice, Executive Secretary

Act No. 95
Public Acts of 2013
Approved by the Governor
July 1, 2013
Filed with the Secretary of State
July 1, 2013
EFFECTIVE DATE: July 1, 2013

**STATE OF MICHIGAN
97TH LEGISLATURE
REGULAR SESSION OF 2013**

Introduced by Senators Nofs, Bieda, Caswell, Hopgood, Proos, Young, Anderson, Brandenburg, Jones, Schuitmaker, Walker, Marleau and Pappageorge

ENROLLED SENATE BILL No. 284

AN ACT to amend 1939 PA 3, entitled "An act to provide for the regulation and control of public and certain private utilities and other services affected with a public interest within this state; to provide for alternative energy suppliers; to provide for licensing; to include municipally owned utilities and other providers of energy under certain provisions of this act; to create a public service commission and to prescribe and define its powers and duties; to abolish the Michigan public utilities commission and to confer the powers and duties vested by law on the public service commission; to provide for the continuance, transfer, and completion of certain matters and proceedings; to abolish automatic adjustment clauses; to prohibit certain rate increases without notice and hearing; to qualify residential energy conservation programs permitted under state law for certain federal exemption; to create a fund; to provide for a restructuring of the manner in which energy is provided in this state; to encourage the utilization of resource recovery facilities; to prohibit certain acts and practices of providers of energy; to allow for the securitization of stranded costs; to reduce rates; to provide for appeals; to provide appropriations; to declare the effect and purpose of this act; to prescribe remedies and penalties; and to repeal acts and parts of acts," (MCL 460.1 to 460.11) by adding section 9t.

The People of the State of Michigan enact:

Sec. 9t. (1) The low-income energy assistance fund is created within the state treasury.

(2) The state treasurer may receive money or other assets from any source for deposit into the fund. The state treasurer shall direct the investment of the fund. The state treasurer shall credit to the fund interest and earnings from fund investments.

(3) Money in the fund at the close of the fiscal year shall remain in the fund and shall not lapse to the general fund.

(4) The department of licensing and regulatory affairs shall be the administrator of the fund for auditing purposes.

(5) Subject to the limitations imposed in this section, the department of human services shall expend money from the fund, upon appropriation, as provided in the Michigan energy assistance act, 2012 PA 615, MCL 400.1231 to 400.1236. The department of human services, in consultation with the public service commission, shall ensure that all money collected for the fund from a geographic area is returned, to the extent possible, to that geographic area.

(6) Subject to the limitations imposed in this subsection, the public service commission may, after an opportunity to comment, annually approve a low-income energy assistance funding factor no later than July 31 of each year for the subsequent fiscal year. The low-income energy assistance funding factor shall be the same across all customer classes and shall not exceed \$1.00. The amount used by the public service commission to calculate a low-income energy assistance funding factor during each fiscal year shall not exceed \$50,000,000.00 minus both the amount appropriated from the general fund in that fiscal year for home energy assistance and the amount remaining in the fund from the prior fiscal year. **An electric utility, municipally owned electric utility, or cooperative electric utility that collects money under this subsection shall remit that money to the state treasurer for deposit in the fund on a monthly basis no later than 30 days**

after the last day in each calendar month. The electric utility, municipally owned electric utility, or cooperative electric utility shall list the low-income energy assistance funding factor as a separate line item on each customer's bill.

(7) An electric utility, municipally owned electric utility, or cooperative electric utility may elect to not collect a low-income energy assistance funding factor under this section by annually filing a notice with the public service commission by July 1. Notwithstanding any other provision of this act, an electric utility, municipally owned electric utility, or cooperative electric utility that elects to not collect a low-income energy assistance funding factor under this section shall not shut off service to any residential customer from November 1 to April 15 for nonpayment of a delinquent account.

(8) An electric utility, municipally owned electric utility, or cooperative electric utility that does not opt out under subsection (7), or an association representing a municipally owned electric utility or cooperative electric utility that does not opt out under subsection (7), shall annually provide to the public service commission by July 1 the number of retail billing meters it serves in this state that are subject to the low-income energy assistance funding factor.

(9) Nothing in this act gives the public service commission the power to regulate a municipally owned electric utility.

(10) As used in this section:

(a) "Fund" means the low-income energy assistance fund created in subsection (1).

(b) "Low-income energy assistance funding factor" means a nonbypassable surcharge on each retail billing meter payable monthly by every customer receiving a retail distribution service from an electric utility, municipally owned electric utility, or cooperative electric utility that does not opt out under subsection (7), regardless of the identity of the customer's electric generation supplier. The low-income energy assistance funding factor shall not be charged on more than 1 residential meter per residential site.

This act is ordered to take immediate effect.

Carol Morey Viventi

Secretary of the Senate

Ray E. Randall

Clerk of the House of Representatives

Approved

.....
Governor

MICHIGAN PUBLIC SERVICE COMMISSION (EXCERPT)
Act 3 of 1939

460.9t Low-income energy assistance fund.

Sec. 9t. (1) The low-income energy assistance fund is created in the state treasury.

(2) The state treasurer may receive money or other assets from any source for deposit into the fund. The state treasurer shall direct the investment of the fund and credit to the fund interest and earnings from fund investments. Beginning December 1, 2025, and by each December 1 thereafter, the state treasurer shall report to the commission the total amount of money that was collected by the fund and the remaining balance of the fund from the immediately preceding fiscal year.

(3) Money in the fund at the close of the fiscal year remains in the fund and does not lapse to the general fund.

(4) The department of licensing and regulatory affairs is the administrator of the fund for auditing purposes.

(5) Subject to the limitations imposed in this section, the department of health and human services shall expend money from the fund, on appropriation, as provided in the Michigan energy assistance act, 2012 PA 615, MCL 400.1231 to 400.1235. The department of health and human services, in consultation with the commission, shall ensure that all money collected for the fund from a geographic area is returned, to the extent possible, to that geographic area and ensure the fund is administered to promote all of the following:

(a) Statewide access to the Michigan energy assistance program established in section 3 of the Michigan energy assistance act, 2012 PA 615, MCL 400.1233, ensuring that funds collected from a specific geographic area are, to the extent possible, returned to eligible low-income customers in that specific geographic area.

(b) Collaboration between the department of health and human services, the commission, energy providers, and entities that administer assistance programs to ensure that, to the extent possible, eligible low-income customers in a geographic area are receiving funds proportional to what customers in that geographic area are being assessed.

(c) For energy providers and entities that administer assistance programs, education and outreach on availability of the assistance programs and funding.

(6) Beginning March 1, 2027, and by each March 1 thereafter, the department of health and human services shall provide to the house and senate appropriations subcommittee for the department of health and human services budget and the house and senate standing committees on energy a report that contains all of the following information:

(a) The distribution of money from the fund across this state.

(b) A summary of total funds received and assistance awarded for each county in this state.

(c) A summary of the education, marketing, and outreach to improve the distribution of funds.

(7) The department of health and human services may combine the report required under subsection (6) with the report required under section 3 of the Michigan energy assistance act, 2012 PA 615, MCL 400.1233.

(8) Subject to the limitations imposed in this subsection, the commission may, after an opportunity to comment, annually approve a low-income energy assistance funding factor no later than May 1 of each year for the subsequent fiscal year. The low-income energy assistance funding factor must be the same across all customer classes. Before the effective date of the 2024 amendatory act that amended this section, the low-income energy assistance funding factor must not exceed a cap of \$1.00. Beginning on the effective date of the 2024 amendatory act that amended this section, the commission may increase the low-income energy assistance funding factor to \$1.25 and by not more than \$0.25 each year thereafter. Subject to this subsection, the low-income energy assistance funding factor must not exceed a cap of \$2.00. Beginning in 2029, and each year thereafter, the commission shall adjust the cap on the low-income energy assistance funding factor by the percentage increase in the United States Consumer Price Index for the immediately preceding calendar year. If the remaining balance reported under subsection (2) is greater than 10% of the funds collected by the low-income energy assistance funding factor in the fiscal year for which the remaining balance was reported, the commission shall set the low-income energy assistance funding factor at a rate at which the total funds collected will not exceed the total amount of funds collected by the low-income energy assistance funding factor in the year for which the report under subsection (2) is made minus the remaining balance reported under subsection (2). An electric utility, municipally owned electric utility, or cooperative electric utility that collects money under this subsection shall remit that money to the state treasurer for deposit in the fund on a monthly basis no later than 30 days after the last day in each calendar month. The electric utility, municipally owned electric utility, or cooperative electric utility shall list the low-income energy assistance funding factor as a separate line item on each customer's bill.

(9) An electric utility, municipally owned electric utility, or cooperative electric utility with fewer than

45,000 residential electric customers may elect to opt out of a low-income energy assistance funding factor under this section by annually filing a notice with the public service commission by April 1. The notice filed by the utility must include the total number of retail billing meters the utility serves in this state that would be subject to the low-income energy assistance funding factor if the utility were not opting out. The utility shall provide the number of retail billing meters to the commission as both a total of retail billing meters in the utility's service territory and a total of billing meters by county.

(10) An electric utility, municipally owned electric utility, or cooperative electric utility that opts out under subsection (9) must establish and fund an energy assistance program for its residential customers that provides assistance to its residential customers for both their electric and home heating needs consistent with the eligibility requirements of the Michigan energy assistance program established in section 3 of the Michigan energy assistance act, 2012 PA 615, MCL 400.1233. An electric utility, municipally owned utility, or cooperative electric utility shall ensure that the funds available for energy assistance programs established under this subsection are sufficient to provide assistance to all eligible customers who apply, but the utility is not required to spend more for an energy assistance program than what the utility would have collected from the low-income energy assistance funding factor if the utility did not opt out under subsection (9). Beginning October 1, 2025, and annually thereafter, an electric utility, municipally owned utility, or cooperative electric utility that opts out under subsection (9) shall provide notice to its residential customers of available energy assistance provided by the utility. The notice must include a description of the program, eligibility guidelines, application information, and a statement that the utility's assistance program is offered instead of collecting the low-income energy assistance factor. The utility shall include information regarding the assistance program on its website. Beginning December 1, 2026, and annually thereafter, an electric utility, municipally owned utility, or cooperative electric utility that opts out under subsection (9) shall submit to the commission a report that contains the following information:

(a) The total amount of funds available for energy assistance for the utility's customers.

(b) The total number of the utility's customers, by county, that applied for energy assistance through the utility program.

(c) The total number of the utility's customers, by county, that received assistance.

(d) The total amount of assistance provided to the utility's customers, by county, including a description of the amount of assistance provided for each home heating commodity.

(e) Any other information the commission considers necessary to demonstrate compliance with this subsection.

(11) The commission may develop a template that utilities may use to meet the reporting requirements of subsection (10).

(12) The attorney general or a customer of a municipally owned utility or cooperative electric utility that opts out under subsection (9) may commence a civil action for injunctive relief against the municipally owned utility or cooperative electric utility if that utility fails to meet the requirements of this section. The attorney general or customer shall commence an action under this subsection in the circuit court for the county in which the principal office of the utility is located. The attorney general or customer shall not file an action under this subsection unless the attorney general or customer has given the utility at least 60 days' written notice of the intent to sue, the basis for the suit, and the relief sought. Not later than 30 days after the utility receives written notice of the intent to sue, the utility and the attorney general or customer shall meet and make a good-faith attempt to determine if there is a credible basis for the action. The utility shall take all reasonable and prudent steps necessary to comply with the applicable requirements of this section within 90 days after the meeting if there is a credible basis for the action. If the parties do not agree as to whether there is a credible basis for the action, the attorney general or customer may proceed to file the suit. The commission shall ensure that an electric utility that opts out under subsection (9) complies with this subsection and may, after opportunity for a hearing, take steps to enforce the requirements of this subsection.

(13) An electric utility, municipally owned electric utility, cooperative electric utility, that does not opt out under subsection (9), or association representing a municipally owned electric utility or cooperative electric utility that does not opt out under subsection (9), shall annually provide to the commission by April 1 the number of retail billing meters it serves in this state that are subject to the low-income energy assistance funding factor. The utility shall provide the number of retail billing meters to the commission as both a total of retail billing meters in the utility's service territory and a total of billing meters by county.

(14) This act does not give the commission the power to regulate a municipally owned electric utility.

(15) As used in this section:

(a) "Fund" means the low-income energy assistance fund created in subsection (1).

(b) "Low-income energy assistance funding factor" means a nonbypassable surcharge on each retail billing meter payable monthly by every customer receiving a retail distribution service from an electric utility,

municipally owned electric utility, or cooperative electric utility, that does not opt out under subsection (9), regardless of the identity of the customer's electric generation supplier. The low-income energy assistance funding factor must not be charged on more than 1 residential meter per residential site.

(c) "United States Consumer Price Index" means the United States Consumer Price Index for all urban consumers as defined and reported by the United States Department of Labor, Bureau of Labor Statistics.

History: Add. 2013, Act 95, Imd. Eff. July 1, 2013;—Am. 2024, Act 168, Eff. Apr. 2, 2025;—Am. 2024, Act 169, Eff. Apr. 2, 2025.

ACH WIRE TRANSFER
LIEAF P.A. 95 SURCHARGE RATE - \$1.25 Per Meter Per Month (NEW)

ACH wire transfers are highly recommended and is the preferred method to remit your LIEAF Surcharge funds monthly. Your accounting department will need to provide the following information to your financial institution to ensure the funds are credited to the LIEAF account.

ACH Wire Transfer for LIEAF P.A. 95 Surcharge Remittance

Financial Institution:	JPM Chase Bank, N.A.
Bank Address:	1116 W. Long Lake Road, Bloomfield Hills, MI 48302
Routing and Transit Number:	072000326
Account Number:	675528137 (the account for LIEAF Surcharge Funds)
Account Name:	State Treasurer, State of Michigan LARA ACH
Contact @ JPM Chase Bank:	Mary Marciniak, telephone: (312) 732-6898
The Amount transferred:	\$
The Settlement Date:	(the date your LIEAF funds are transferred).

Please email LARA after ACH Wire Transfer is completed (NEW)

After each authorized ACH transfer, please send an email notification of the above information to the Department of Licensing and Regulatory Affairs (LARA):

Email: LARA-FTP-SKU@michigan.gov

Monthly Remittance:

Case No. U-17377. The MI Public Service Commission (MPSC) every July, in accordance to P.A. 95, will adopt and set forth a LIEAF Surcharge funding factor rate, per meter per month, applicable to billing months starting with September 1st, and ending with August 31st. **The MPSC Order dated 04-24-25 adopted a new surcharge rate of \$1.25.**

Public Act 95. The ACT of July 1, 2013 allows the Michigan Public Service Commission to administer and annually approve a low-income energy assistance funding factor (LIEAF), not to exceed \$50,000,000. Beginning in 2025 the cap on the LIEAF was removed, and the commission may increase the low-income energy assistance funding factor to \$1.25 and by not more than \$0.25 each year thereafter. Subject to this subsection, the low-income energy assistance funding factor must not exceed a cap of \$2.00.

P.A. 95 sets forth a provision for the monthly remittance schedule. It states: **“An electric utility, municipally owned electric or cooperative electric utility that collects money under Act 95 shall remit that money to the State Treasurer for deposit on a monthly basis no later than 30 days after the last day of each calendar month”.**

Link to Website [Low Income Energy Assistance](#)

UPDATED: 05-09-2025

WRITTEN CHECK

LIEAF SURCHARGE RATE (P.A. 95) – \$1.25 PER METER PER MONTH – (NEW RATE)

Monthly ACH wire transfers are highly recommended and is the preferred method to remit your LIEAF Surcharge funds. If your accounting department is unable to wire transfer, written checks may be remitted but more detail is required in the check stub description area. Please include **the LIEAF account number 6099, the month, and check date**. This detail is important and helpful to ensure your funds are routed and posted correctly by the state and then credited to the special LIEAF account 6099 at the Department of Licensing and Regulatory Affairs (LARA).

IMPORTANT

Monthly LIEAF Surcharge Remittance by Written Check

Check Stub must have “check date”, the “month”, & “LIEAF 6099”.

Example: **“LIEAF-6099 Sept 2025 P.A. 95”**

Correct address: LARA - MI Public Service Commission
P.O. Box 30221
Lansing, MI 48909

Monthly Remittance:

Case No. U-17377. The MI Public Service Commission (MPSC) every July, in accordance to P.A. 95, will adopt and set forth a LIEAF Surcharge funding factor rate, per meter per month, applicable to billing months starting with September 1st, and ending with August 31st.

The MPSC Order dated 04-24-25 adopted a new surcharge rate of \$1.25.

Public Act 95. The ACT of July 1, 2013 allows the Michigan Public Service Commission to administer and annually approve a low-income energy assistance funding factor (LIEAF), not to exceed \$50,000,000. Beginning in 2025 the cap on the LIEAF was removed, and the commission may increase the low-income energy assistance funding factor to \$1.25 and by not more than \$0.25 each year thereafter. Subject to this subsection, the low-income energy assistance funding factor must not exceed a cap of \$2.00.

P.A. 95 sets forth a provision for a monthly remittance schedule. It states: **“An electric utility, municipally owned electric or cooperative electric utility that collects money under Act 95 shall remit that money to the State Treasurer for deposit on a monthly basis no later than 30 days after the last day of each calendar month”.**

Link to Website [Low Income Energy Assistance](#)



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

ANDY DILLON
STATE TREASURER

LETTER RULING 2013-5

LR 2013-5. Taxation of the Low-Income Energy Assistance Fund (LIEAF) Surcharge

You ask whether the Low-Income Energy Assistance Fund (LIEAF) surcharge itemized on the monthly bills of utility customers under MCL 460.9t is subject to tax under the General Sales Tax Act.

The LIEAF surcharge is not subject to sales tax. The LIEAF surcharge is a tax legally imposed directly on the consumer and is separately stated on the utility bill; therefore, it is excluded from “sales price” under MCL 205.51(1)(d)(ix) upon which sales tax is imposed. MCL 205.52(1).

Low-Income Energy Assistance Fund and the Michigan Energy Assistance Act. LIEAF is a fund created by 2013 PA 95. Under PA 95, the Public Service Commission sets a low-income energy assistance funding factor for electric utility companies. The factor is a “nonbypassable surcharge” on retail billing meters and is payable monthly by every electric utility customer. The maximum monthly surcharge is \$1. While electric utility customers must pay the itemized surcharge if it is on their bill, the surcharge will not be billed if an electric utility company opts out of LIEAF. If an electric utility company opts out, it is prohibited from shutting off service from November 1st through April 15th to any residential customer who has a delinquent account.

The surcharge is collected by the electric utility companies and remitted to the Michigan Department of Treasury where it is deposited into a dedicated fund (LIEAF). The legislature then appropriates money from LIEAF to be spent by the Department of Human Services as provided by the Michigan Energy Assistance Act (2012 PA 615).

Relevant sales tax statutes. Tax is imposed under the General Sales Tax Act on “gross proceeds” (MCL 205.52(1)), which is defined as “sales price.” MCL 205.51(1)(d). “Sales price” means “the total amount of consideration ... for which tangible personal property or services are sold” “Sales price” includes “charges by the seller for any services necessary to complete the sale” (MCL 205.51(1)(d)(iii)) but excludes “any taxes legally imposed directly on the consumer that are separately stated on the invoice, bill of sale, or similar document given to the purchaser.” MCL 205.51(1)(d)(ix).

The LIEAF surcharge is not for a service necessary to complete the sale. If the electric utility company does not opt out of LIEAF, the “nonbypassable” surcharge must be paid by its customers to complete the sale. Although all customers are billed the surcharge, customers do not receive additional services from the electric utility company. Customers with delinquent accounts may receive assistance from the State through a LIEAF contractor but customers do not pay the surcharge in exchange for a service necessary to complete a sale.

The LIEAF surcharge is excluded from the “sales price” because it is a separately-itemized tax. The LIEAF surcharge is a tax legally imposed directly on the consumer that is separately stated on

the utility bill. In *Bolt v City of Lansing*, 459 Mich 152 (1998), the Michigan Supreme Court established three criteria for distinguishing between a fee and a tax.

1) *A fee must serve a regulatory purpose rather than a revenue-raising purpose.*

The purpose of the LIEAF surcharge is to raise money to help low income customers pay delinquent utility bills. There does not appear to be a regulatory purpose.

2) *A fee must be proportionate to the necessary costs of the service.*

Customers pay a flat LIEAF surcharge per meter that is unrelated to the amount of energy used or services consumed. Further, customers see no increase or decrease in services as a result of the surcharge.

3) *A user fee must be voluntary.*

Customers have no choice if the electric utility company does not “opt out,” since the LIEAF surcharge is “nonbypassable” and “payable monthly by every customer.”

The LIEAF surcharge is not paid in exchange for a service necessary for the completion of the sale because customers receive no service from their electric utility company in exchange for the payment. However, the LIEAF surcharge is a tax imposed directly on the consumer and is paid to the State. Because the LIEAF surcharge is a tax legally imposed directly on the consumer that is separately stated on the electric utility bill, it is excluded from “sales price” and is not subject to tax under the General Sales Tax Act.

September 23, 2013

LR 2013-5

Michael A. Eschelbach

Director, Bureau of Tax Policy