



Michigan
Office of the Auditor General
REPORT SUMMARY

Performance Audit

Report Number:
 641-0425-06L

Utility Consumer Participation Board

Department of Labor and Economic Growth

Released:
 May 2007

The Utility Consumer Participation Board was created by Act 304, P.A. 1982, (Section 460.6l of the Michigan Compiled Laws). The five-member Board provides grants to qualified applicants that represent the interests of Michigan's residential energy (gas, electric, and other fuel) utility customers at residential energy proceedings before the Michigan Public Service Commission. Funding is generated through annual assessments of certain regulated utility companies.

Audit Objective:

To assess the effectiveness of the Board's efforts to award grants to qualified applicants in accordance with applicable statutes and administrative rules.

Audit Conclusion:

We concluded that the Board was effective in its efforts to award grants to qualified applicants in accordance with applicable statutes and administrative rules. However, we noted one reportable condition (Finding 1).

Reportable Condition:

The Board awarded a grant and disbursed funds to an applicant not statutorily qualified to receive funding (Finding 1).

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Audit Objective:

To assess the effectiveness of the Board's efforts to verify that grantees provided equitable representation of residential utility customers' interests at proceedings before the Michigan Public Service Commission.

Audit Conclusion:

We concluded that the Board was moderately effective in its efforts to verify that grantees provided equitable representation of residential utility customers' interests at proceedings before the Michigan Public Service Commission. We noted two reportable conditions (Findings 2 and 3).

Reportable Conditions:

The Board did not coordinate the representation efforts of its grantees with the representation efforts of the Department of Attorney General at residential energy proceedings before the Michigan Public Service Commission (Finding 2).

The Board did not validate the annual cost savings to Michigan's residential energy utility customers reported in its annual reports (Finding 3).

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Audit Objective:

To assess the Board's compliance with its enabling legislation.

Audit Conclusion:

We concluded that the Board was generally in compliance with its enabling legislation. However, we noted one reportable condition (Finding 4).

Reportable Condition:

The Board needs to improve its compliance with its enabling legislation regarding bimonthly meetings and public service announcements (Finding 4).

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Agency Response:

Our audit report contains 4 findings and 4 corresponding recommendations. The Board's preliminary responses indicate that the Board agrees with 2 recommendations and partially agrees with 2 recommendations.

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A copy of the full report can be obtained by calling 517.334.8050 or by visiting our Web site at: <http://audgen.michigan.gov>



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