

State of Rhode Island and Providence Plantations



DEPARTMENT OF HUMAN SERVICES

November 12, 2014

BY HAND DELIVERY & ELECTRONIC MAIL

Luly E. Massaro, Commission Clerk
Rhode Island Public Utilities Commission
89 Jefferson Boulevard
Warwick, RI 02888

RE: Docket 4290

Dear Ms. Massaro:

On behalf of the Department of Human Services, I have enclosed ten (10) copies of the department's responses to PUC First set of Data Requests for Docket 4290.

Thank you for your attention to this filing. If you have any questions concerning this transmittal, please contact me at 401-462-6816.

Sincerely,

A handwritten signature in black ink, appearing to read "Deborah A. Barclay". The signature is written in a cursive style and is positioned above the printed name.

Deborah A. Barclay
General Counsel

Enclosures

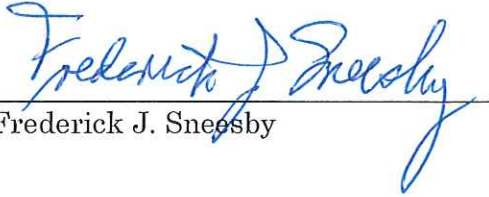
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PUBLIC UTILITIES COMMISSION



Sandra M. Powell, Director

Certificate of Service

I hereby certify that a copy of the cover letter and/or any materials accompanying this certificate were electronically transmitted to the individuals listed below. Paper copies of this filing are being hand delivered to the Rhode Island Public Utilities Commission and the RI Division of Public Utilities and Carriers.



Frederick J. Sneesby

November 12, 2014
Date

**Docket No. 4290 – Department of Human Services
DHS Response to First Set of Data Requests for Docket No. 4290 Filing
Service List updated 10/08/14**

Name/Address	E-mail Address	Phone
Deborah A. Barclay, General Counsel Dept. of Human Services 57 Howard Avenue Cranston RI 02920	Deborah.barclay@ohhs.ri.gov	401-462-6816
	SandraM.Powell@dhs.ri.gov	
Frederick Sneesby Dept. of Human Services	Lewis.Babbitt@dhs.ri.gov	
	Frederick.sneesby@dhs.ri.gov	
Christopher Kearns RI Office of Energy Resources	Christopher.Kearns@energy.ri.gov	
	Marion.Gold@energy.ri.gov	
	Nicholas.Ucci@energy.ri.gov	
Raquel Webster, Esq. National Grid 280 Melrose St. Providence, RI 02907	Thomas.teehan@nationalgrid.com	401-784-7667
	Celia.obrien@nationalgrid.com	
	Joanne.scanlon@nationalgrid.com	
	Raquel.webster@nationalgrid.com	
Leo Wold, Esq. Dept. of Attorney General 150 South Main St. Providence, RI 02903	Lwold@riag.ri.gov	401-222-2424
	Steve.scialabba@dpuc.ri.gov	
	John.spirito@dpuc.ri.gov	
	James.lanni@dpuc.ri.gov	
	dmacrae@riag.ri.gov	
	Jmunoz@riag.ri.gov	
File an original & 10 copies w/: Luly E. Massaro, Commission Clerk Public Utilities Commission 89 Jefferson Blvd. Warwick, RI 02888	Luly.massaro@puc.ri.gov	401-780-2107
	Cynthia.WilsonFrias@puc.ri.gov	
	Todd.bianco@puc.ri.gov	
	Alan.nault@puc.ri.gov	
Steven Hartford, Governor's Office Policy Dir.	steven.hartford@governor.ri.gov	401-222-8135
Bob Bromley, Senate Finance	rbromley@rilin.state.ri.us	
Henry Shelton The George Wiley Center	debbiec@georgewileycenter.org	
	b.flambeau@juno.com	
	jrosiello@mgolaw.com	
Elizabeth Morancy	emorancy@cox.net	

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

PUBLIC UTILITIES COMMISSION

IN RE: OFFICE OF ENERGY RESOURCES :
PROPOSED LIHEAP ENHANCEMENT CHARGE : DOCKET NO. 4290
FOR CALENDAR YEAR 2015 :

COMMISSION'S FIRST SET OF DATA REQUESTS
DIRECTED TO THE DEPARTMENT OF HUMAN SERVICES (DHS)
(Issued October 21, 2014)

- 1-1. What was the amount (or range if no set amount) of LIHEAP primary grants made on electric and gas accounts in 2014?

Primary grants were set last year with a mix of Federal funds (\$50-100) and the Henry Shelton funds (\$450). This year that funding mix will be more balanced \$340-\$440 in Federal funds and \$450 of the Enhancement funds.

- 1-2. What was the amount (or range if no set amount) of LIHEAP crisis grants made on electric and gas accounts in 2014?

Crisis grants are based on the amount the client needs for a service reinstatement. A client can receive up to a maximum of \$1000 dollars of Federal funds. Following the legislative rules, an Enhancement credit of \$450 is applied to an account that receives a LIHEAP grant, Crisis or Primary.

- 1-3. When will DHS have the information available to determine the level of LIHEAP Enhancement credits?

The Enhancement credit for 2015 is already set for 450.00, same as last year.

- 1-4. Has DHS prepared any estimates of how the LIHEAP Enhancement credit will be designed in 2015 compared to 2014?

The Enhancement credit will be applied in the same manner as last year.

- 1-5. Will a customer that receives a crisis grant receive two LIHEAP Enhancement credits if they also receive a primary grant?

As the legislation reads every time a client receives LIHEAP funds an Enhancement credit is applied. In following that language, a client does receive multiple Enhancement credits.

- 1-6. In its order approving the rate for the 2014 LIHEAP Enhancement charge, the PUC required The Narragansett Electric Company d/b/a National Grid to work with the

Department of Human Services to develop appropriate reports that provide the Office of Energy resources with an account balance or reconciliation.

A. Was the report provided by National Grid useful to DHS? Why or why not?

National Grid has supplied DHS with account balance details. This report provides the best insight in how much funds are available currently, and future projections can be calculated for planning purposes.

B. Does DHS have any recommended changes to the form or schedule that would allow DHS to better administer the program? If so, what are they?

DHS would recommend that getting this report in May and again in September would be most beneficial for planning purposes. DHS sets these grants based on funding availability.

C. What are the most critical dates or time periods for which DHS needs balance information in order to effectively administer the program?

Please refer to Question 1-6 B

1-7. According to DHS, the LIHEAP Enhancement Fund will have a balance of approximately \$5 million. Based on DHS' experience administering the program during the prior twelve-month period, please provide a schedule showing projected revenues, expenditures, and balance at September 30, 2015.

Please refer to attachment 1A

1-8. Please explain why DHS believes it is reasonable to carry a balance into the fourth quarter of each calendar year and what a reasonable level is to carry over from year to year.

DHS believes it is necessary to carry a fourth quarter balance, due to how and when Energy Assistance grants are applied. The bulk of Energy Assistance (LIHEAP) grants are applied from January thru May. In order to have enough funds available in the Enhancement account to leverage the LIHEAP grants, the balance will have to build up. In 2013-2014 National Grid applied approximately 9.6 million in a 5 month period. Please refer to attachment 1A on projected expenditures and projected collections. The carryover should be 4 to 5 million in order to meet the projected need.

			\$	8,051,576.00	
13-Oct	\$ 616,548.00	\$ 1,200.00	\$	8,666,924.00	
13-Nov	\$ 621,089.00	\$ -	\$	9,288,013.00	
13-Dec	\$ 621,602.00	\$ 78,600.00	\$	9,831,015.00	
14-Jan	\$ 557,082.00	\$ -	\$	10,388,097.00	
14-Feb	\$ 547,722.00	\$ 900.00	\$	10,934,919.00	\$ 6,012,150.00
14-Mar	\$ 552,355.00	\$ 3,735,450.00	\$	7,751,824.00	
14-Apr	\$ 549,606.00	\$ 1,253,250.00	\$	7,048,180.00	
14-May	\$ 551,823.00	\$ 2,531,700.00	\$	5,068,303.00	
14-Jun	\$ 546,621.00	\$ 941,400.00	\$	4,673,524.00	
14-Jul	\$ 546,878.00	\$ 1,207,350.00	\$	4,013,052.00	
14-Aug	\$ 545,063.00	\$ 121,950.00	\$	4,436,165.00	
14-Sep	\$ 546,232.00	\$ 1,350.00	\$	4,981,047.00	
14-Oct	\$ 545,000.00		\$	5,526,047.00	
14-Nov	\$ 545,000.00		\$	6,071,047.00	20,026 Households
14-Dec	\$ 545,000.00		\$	6,616,047.00	\$ 450.00 grant award
15-Jan	\$ 545,000.00		\$	7,161,047.00	\$ 9,011,700.00
15-Feb	\$ 545,000.00		\$	7,706,047.00	
15-Mar	\$ 545,000.00		\$	8,251,047.00	
15-Apr	\$ 545,000.00		\$	8,796,047.00	
15-May	\$ 545,000.00	\$ 9,011,700.00	\$	329,347.00	

LIHEAP Enhancement Plan Reconciliation
In accordance with R.I.G.L. § 39-1-27.12
For the Period October 1, 2013 through December 31, 2014

Electric & Gas Service

<u>Month</u>	<u>Beginning Over/(Under) Recovery Balance</u> (a)	<u>LIHEAP Enhancement Charge Revenue - Gas & Electric Service</u> (b)	<u>LIHEAP Enhancement Credits Issued - Gas & Electric Service</u> (c)	<u>Monthly Over/(Under)</u> (d)	<u>Ending Balance</u> (e)	<u>Interest Balance</u> (f)	<u>Interest Rate</u> (g)	<u>Interest</u> (h)	<u>Ending Over/(Under) Recovery w/ Interest</u> (i)
Oct-13	\$8,051,576	\$616,548	\$1,200	\$615,348	\$8,666,924	\$8,359,250	0.00%	\$0	\$8,666,924
Nov-13	\$8,666,924	\$621,089	\$0	\$621,089	\$9,288,013	\$8,977,469	0.00%	\$0	\$9,288,013
Dec-13	\$9,288,013	\$621,602	\$78,600	\$543,002	\$9,831,015	\$9,559,514	0.00%	\$0	\$9,831,015
Jan-14	\$9,831,015	\$557,082	\$0	\$557,082	\$10,388,097	\$10,109,556	1.80%	\$15,164	\$10,403,261
Feb-14	\$10,403,261	\$547,722	\$900	\$546,822	\$10,950,083	\$10,676,672	1.80%	\$16,015	\$10,966,098
Mar-14	\$10,966,098	\$552,355	\$3,735,450	(\$3,183,095)	\$7,783,003	\$9,374,551	2.35%	\$18,358	\$7,801,362
Apr-14	\$7,801,362	\$549,606	\$1,253,250	(\$703,644)	\$7,097,718	\$7,449,540	2.35%	\$14,589	\$7,112,307
May-14	\$7,112,307	\$551,823	\$2,531,700	(\$1,979,877)	\$5,132,430	\$6,122,368	2.35%	\$11,990	\$5,144,419
Jun-14	\$5,144,419	\$546,621	\$941,400	(\$394,779)	\$4,749,640	\$4,947,030	2.35%	\$9,688	\$4,759,328
Jul-14	\$4,759,328	\$546,878	\$1,207,350	(\$660,472)	\$4,098,856	\$4,429,092	2.35%	\$8,674	\$4,107,530
Aug-14	\$4,107,530	\$545,063	\$121,950	\$423,113	\$4,530,643	\$4,319,086	2.35%	\$8,458	\$4,539,101
Sep-14	\$4,539,101	\$546,232	\$1,350	\$544,882	\$5,083,984	\$4,811,542	2.35%	\$9,423	\$5,093,406
* Oct-14	\$5,093,406	\$553,735	\$0	\$553,735	\$5,647,141	\$5,370,274	2.35%	\$10,517	\$5,657,658
* Nov-14	\$5,657,658	\$554,612	\$0	\$554,612	\$6,212,270	\$5,934,964	2.35%	\$11,623	\$6,223,893
* Dec-14	\$6,223,893	\$554,829	\$0	\$554,829	\$6,778,722	\$6,501,307	2.35%	\$12,732	\$6,791,454
	\$8,051,576	\$8,465,798	\$9,873,150						

Column Descriptions:

- (a) Prior month column (i); beginning balance per 2013 LIHEAP Enhancement Plan Reconciliation, page 1, column (e)
- (b) Per company revenue reports
- (c) LIHEAP Enhancement credits processed
- (d) Column (b) - column (c)
- (e) Column (a) + Column (d)
- (f) (Column (a) + Column (e)) ÷ 2
- (g) Rate of interest paid on cust. deposits - per the PUC order in Docket No. 4290 issued 3/26/2014 regarding the Company's 2013 LIHEAP Enhancement reconciliation, the Company is required to apply interest at the rate of interest applied to customer deposits to the balance in the 2014 LIHEAP reconciliation
- (h) (Column (f) x (Column (g) ÷ 12))
- (i) Column (e) + Column (h)

* Forecasted revenue