

State of Rhode Island and Providence Plantations



DEPARTMENT OF HUMAN SERVICES

November 26, 2018

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

**Re: Docket 4290 - Department of Human Services Proposed LIHEAP Enhancement
Charge for Calendar Year 2019
Responses to PUC Data Requests – Set 1**

Dear Ms. Massaro,

Enclosed please find ten (10) copies of the RI Department of Human Services responses to the First Set of Data Requests issued by the Public Utilities Commission in the above referenced matter.

Thank you for your assistance. If you have any questions, please contact me at 401-461-6816.

Sincerely,

A handwritten signature in black ink, appearing to read "Deborah A. Barclay", is written over a horizontal line.

Deborah A. Barclay
General Counsel

Enclosure

cc: Docket 4290 Service List



RHODE ISLAND DEPARTMENT OF HUMAN SERVICES

Responses to Data Requests:

IN RE: DEPARTMENT OF HUMAN SERVICES :
PROPOSED LIHEAP ENHANCEMENT : DOCKET 4290
CHARGE FOR CALENDAR YEAR 2019

COMMISSION'S FIRST SET OF DATA REQUESTS DIRECTED TO DHS
(Issued November 7, 2018)

Request 1-1

National Grid's October 1, 2018 semi-annual reconciliation indicates that for the period September 2017 to August 2018, the balance in the LIHEAP enhancement fund was never less than \$4.1 million and that the balance as of August 2018 was \$5.5 million. Please explain what strategy DHS will utilize going forward to reduce this over collection balance and prevent such a large over collection in the future.

The amount of LIHEAP Enhancement Funds grants awarded to customers has been calculated too conservatively over the past two years, being set at \$250 per customer. The tendency of LIHEAP program staff traditionally has been to hedge the level of Enhancement Fund awards against the possibility of severe weather or a sharp increase in the number of LIHEAP participants. The Department of Human Services is changing this approach now that the known history of collections and expenditures for this Fund has demonstrated that such a conservative approach is not warranted.

For the calendar year 2019, the Department of Human Services has increased the award from \$250 to \$370. Although predictions cannot be precise due to the unknown factors of temperature and demand through the winter, the department calculates that this 48% increase in the grant amount will result in a Fund balance of less than \$3 million as of September 2019.

The department has also expanded the administrative period of LIHEAP, opening operations earlier in the year. This will result in a greater capacity for outreach and follow-up which will, in turn, increase the numbers of participants.

The department has also agreed to a different payment schedule of federal funds to National Grid, spread out over several months rather than lump sum payments being made at the end of the heating season. This will help to monitor the use of LIHEAP Enhancement Funds more in real time with balances that will better inform decisions about the amount of the customer grant awards for the coming year.

RI Department of Human Services Responses to Data Requests:

IN RE: DEPARTMENT OF HUMAN SERVICES :
PROPOSED LIHEAP ENHANCEMENT : DOCKET 4290
CHARGE FOR CALENDAR YEAR 2019

COMMISSION'S FIRST SET OF DATA REQUESTS DIRECTED TO DHS
(Issued November 7, 2018)

Request 1-2

Given the changes to National Grid's low-income programs resulting from the decisions in Docket 4770, please explain how DHS will determine the grant amounts to be awarded to eligible customers.

LIHEAP participants who receive federal grants to defray the cost of gas or electric utilities also benefit from the LIHEAP Enhancement Fund and any low-income customer discount from the utility company. In the past, National Grid also contributed a grant to each LIHEAP participant; that grant is discontinued. Going forward, LIHEAP utility clients will receive a federal grant, a LIHEAP Enhancement Fund grant, and at least a 25% discount on their utility bills. Through a data match with National Grid, all LIHEAP utility participants receive the discounts.

Rhode Islanders who heat their homes with deliverable fuels contribute to the LIHEAP Enhancement Fund (through electricity bills) but are not eligible for any Enhancement Fund grants or customer discounts. They do, however, benefit indirectly because LIHEAP Enhancement Funds supplement the assistance given to LIHEAP utility participants thus freeing up federal dollars that can be directed to LIHEAP deliverable fuel participants.

In designing the LIHEAP Benefit Matrix, the goal is to establish some equity between the assistance given to utility and deliverable fuel LIHEAP participants. The federal LIHEAP grant, the LIHEAP Enhancement Fund grant, and the utility company discounts are factored into calculating the overall assistance given to LIHEAP utility customers. The assistance given to LIHEAP deliverable fuel participants is then balanced against the utility assistance calculation.

The RI Department of Human Services will work with National Grid to determine the average household discounts under Docket 4770 so that this can be more precisely factored into the assignment of LIHEAP Federal grant awards and the level of LIHEAP Enhancement Fund awards.

The principle goal of the Low-Income Home Energy Assistance Program is to give the most assistance to as many households as possible with the highest energy burden and lowest income. Currently, grant awards are aligned with five tiers of federal poverty levels:

2018 Poverty Guidelines for the 48 Contiguous States and the District of Columbia

Persons in family/household	100% FPL Monthly	75% FPL	100% FPL	125% FPL	150% FPL	151% Plus
1	\$1,012	\$9,105	\$12,140	\$15,175	\$18,210	\$18,211
2	\$1,372	\$12,345	\$16,460	\$20,575	\$24,690	\$24,691
3	\$1,732	\$15,585	\$20,780	\$25,975	\$31,170	\$31,171
4	\$2,092	\$18,825	\$25,100	\$31,375	\$37,650	\$37,651
5	\$2,452	\$22,065	\$29,420	\$36,775	\$44,130	\$44,131
6	\$2,812	\$25,305	\$33,740	\$42,175	\$50,610	\$50,611
7	\$3,172	\$28,545	\$38,060	\$47,575	\$57,090	\$57,091
8	\$3,532	\$31,785	\$42,380	\$52,975	\$63,570	\$63,571
9	\$3,892	\$35,025	\$46,700	\$58,375	\$70,050	\$70,051
10	\$4,252	\$38,265	\$51,020	\$63,775	\$76,530	\$76,531
11	\$4,612	\$41,505	\$55,340	\$69,175	\$83,010	\$83,011
12	\$4,972	\$44,745	\$59,660	\$74,575	\$89,490	\$89,491
13	\$5,332	\$49,065	\$63,980	\$78,895	\$93,810	\$93,811

LIHEAP GRANTS				
<u>Poverty Level and Heating Category</u>	<u>Heating Source</u>			
	<u>Deliverables</u>	<u>N/GAS</u>	<u>Electric</u>	<u>Other</u>
Up to 75% Federal Poverty Level (FPL)	\$1,000	\$520	\$635	
76-100%	\$950	\$470	\$575	
101-125%	\$900	\$420	\$510	
126-150%	\$830	\$390	\$475	
151% +	\$820	\$370	\$450	

The Rhode Island Department of Human Services is also enhancing its ability to track household energy use for both utility and deliverable fuel LIHEAP participants. Combining household income information with the actual household energy burden of LIHEAP participants will guide a more precise construction of the LIHEAP Benefit Matrix. Finally, the relative heating value of various fuel sources is another factor that can be included in the assignment of benefit levels for the various fuel sources.

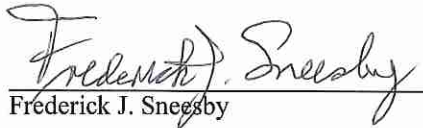
The LIHEAP Enhancement Fund functions alongside all the factors mentioned above. The goal will be to maximize the use of the Enhancement Fund.

Prepared by Frederick Sneesby

Certificate of Service

I hereby certify that a copy of the cover letter and any materials accompanying this certificate was electronically transmitted to the individuals listed below.

The paper copies of this filing are being hand-delivered to the Rhode Island Public Utilities Commission and to the Rhode Island Division of Utilities and Carriers.



 Frederick J. Sneesby

November 26, 2018

 Date

Docket No. 4290 – Office of Energy Resources – LIHEAP Enhancement Charge Filing Service List updated 10/18/18

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