



STATE OF RHODE ISLAND

DIVISION OF PUBLIC UTILITIES & CARRIERS

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Memorandum

To: Luly Massaro, Commission Clerk
Rhode Island Public Utilities Commission

From: Joel A. Munoz, Rate Analyst
Rhode Island Division of Public Utilities & Carriers

Date: December 4, 2020

Re: Docket No.: 4290 – In Re: Department of Human Services
Proposed LIHEAP Enhancement Charge

On August 27, 2020, the Rhode Island Department of Human Services (DHS) filed its rate request for the Low-Income Home Energy Assistance Program (“LIHEAP”) Enhancement Fund in accordance with R.I. Gen Laws Section 39-1-27.12. DHS requested that the Public Utilities Commission (“Commission”) set the rate at \$0.81 per month for each customer for calendar year 2021, or an equivalent monthly amount so as not to exceed the statutory annual funding cap of \$7,500,000.

On September 18, 2020, Narragansett Electric Company d/b/a National Grid (“National Grid”) filed its 2020 reconciliation for the LIHEAP Enhancement Plan, for the period of September 1, 2019, through August 31, 2020, in accordance with Commission Order No. 22670.

National Grid’s filing reports a beginning balance \$4,855,631. Total revenue collected was \$7,491,039 with an additional accrual of \$103,695 in interest. Credits issued to customers totaled \$10,303,150, compared to a little over \$8,354,000 last year. There is a net decrease in fund balance of \$2,708,416 during this period, compared to a net decrease of \$691,218 for the same period last year. As of August 31, 2020, the fund balance was \$2,147,215, compared to \$4,855.631 for the same period last year.

The current LIHEAP Enhancement factor is \$0.80. The Division recommends that the factor remain the same and therefore recommends approval of a factor of \$0.80 for calendar year 2021 in order to generate as close as possible to, but not greater than \$7,500,000, the statutory cap. (See Response to PUC 1-3). The recommendation is based on consideration of the economic difficulties for the state's most vulnerable customers exacerbated by the COVID-19 pandemic. The Division also recognizes that the funds are being utilized and credited to customers in a time of greater need, as is evident by the significant increase in credits issued to customers this year, the net decrease in the fund balance this year as compared to last year, and the reconciliation balance being a much lower over-recovery this year as opposed to last.

Finally, please note that the Division issued Data Requests to the DHS on November 24, 2020 and the responses are due on or before December 11th. Under the schedule the Division may provide supplemental comments concerning the data responses no later than December 14th.