

STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION

IN RE: DEPARTMENT OF HUMAN SERVICES :
PROPOSED LIHEAP ENHANCEMENT : DOCKET 4290
CHARGE FOR CALENDAR YEAR 2023 :

COMMISSION'S FIRST SET OF DATA REQUESTS ISSUED TO RHODE ISLAND
DEPARTMENT OF HUMAN SERVICES

Issued October 31, 2022
Responses due November 15, 2022

1. The LIHEAP Enhancement Plan Reconciliation filed by Rhode Island Energy on September 23, 2022 indicates that the available balance in the account as of September 2021 was \$2,597,939 and the balance in the account as of August 2022 was \$5,289,735.
 - a. Please explain why the year over year balance nearly doubled.

The number of gas and electric grants issued in FFY 2022 was less than what we expected it to be. We anticipated a significant increase in applicants for LIHEAP because other benefit programs, such as unemployment benefits, were expected to end during this time. Since unemployment benefits are counted as income, we believed that this would make more households with unemployed members eligible for LIHEAP. In reality, we saw a drop in LIHEAP applicants during FFY 2022, particularly in households that heat with natural gas. This may have been due to a number of factors including the availability of the rent relief funding for utility assistance.

It is important to note that DHS must determine the amount of the enhancement grant in August prior to the heating season. This is when we develop the benefit matrix for LIHEAP for the upcoming heating season because it must be submitted with the annual model plan due at the federal Office of Community Services at Health and Human Services by September 1. In addition, we need to do this work over the summer so that the benefit amounts can be programmed into the software and renewal applications can be mailed in August and September.

The amount of the enhancement grant factors into developing the benefit matrix because the enhancement fund allows DHS to lower the amount of federal funds used for grants to gas and electric households since those households will also receive an enhancement grant to bring their overall assistance up. Using the enhancement grant to increase the amount of assistance received by households that heat with gas and electric, allows more of the federal funding to assist households that heat with deliverable fuels such as oil and propane.

Households that heat with deliverable fuels do not receive the enhancement grant. In short, the enhancement grant allows more households to be assisted.

However, projecting how many households will apply for LIHEAP in the upcoming heating season and how many of those will heat with each type of heating fuel (natural gas, electric, oil, propane, kerosene, wood, and others) will never be exact. If the number of households applying is overestimated, we could make the enhancement grant too small. But, if the number of households applying is underestimated, we might make the enhancement grant too large and run out of enhancement funds. In the case of FFY 2022, we overestimated the number of households that would apply, but as explained we had no way of knowing this at the time of setting the enhancement amount.

b. Please explain how DHS plans to reduce this balance.

DHS set the enhancement grant at \$450 in FFY 2023. We estimate that this will significantly reduce the balance.

c. What is the target balance for the account for August 2023? Please explain how the target balance will be achieved.

DHS anticipates that there will be a balance of \$2,288,788 in August of 2023. See below for projections.

Month	Beginning Over/(Under) Bal	Enhance Revenue	Enhance Credits	Reversed Credits	Month Over/(Under)	Ending Bal	Interest Bal	Interest Rate	Interest	Ending Over/(Under)
		estimated rev			(b - c)+d	a+e	(a + f)/2	estimated rate	(g x h)/12	
Sep-22	\$ 5,289,735	\$ 620,000	\$ 5,000	\$ -	\$ 615,000	\$ 5,904,735	\$ 5,597,235	1.450%	\$ 6,763	\$ 5,911,498
Oct-21	\$ 5,911,498	\$ 620,000	\$ -	\$ -	\$ 620,000	\$ 6,531,498	\$ 6,221,498	1.450%	\$ 7,518	\$ 6,539,016
Nov-21	\$ 6,539,016	\$ 620,000	\$ -	\$ -	\$ 620,000	\$ 7,159,016	\$ 6,849,016	1.450%	\$ 8,276	\$ 7,167,292
Dec-21	\$ 7,167,292	\$ 620,000	\$ -	\$ -	\$ 620,000	\$ 7,787,292	\$ 7,477,292	1.450%	\$ 9,035	\$ 7,796,327
Jan-22	\$ 7,796,327	\$ 620,000	\$ 1,130,400	\$ -	\$ (510,400)	\$ 7,285,927	\$ 7,541,127	1.450%	\$ 9,112	\$ 7,295,039
Feb-22	\$ 7,295,039	\$ 620,000	\$ 1,405,829	\$ -	\$ (785,829)	\$ 6,509,210	\$ 6,902,124	1.450%	\$ 8,340	\$ 6,517,550
Mar-22	\$ 6,517,550	\$ 620,000	\$ 2,811,659	\$ -	\$ (2,191,659)	\$ 4,325,891	\$ 5,421,721	1.450%	\$ 6,551	\$ 4,332,443
Apr-22	\$ 4,332,443	\$ 620,000	\$ 2,811,659	\$ -	\$ (2,191,659)	\$ 2,140,784	\$ 3,236,613	1.450%	\$ 3,911	\$ 2,144,695
May-22	\$ 2,144,695	\$ 620,000	\$ 1,874,439	\$ -	\$ (1,254,439)	\$ 890,256	\$ 1,517,476	1.450%	\$ 1,834	\$ 892,090
Jun-22	\$ 892,090	\$ 620,000	\$ 374,888	\$ -	\$ 245,112	\$ 1,137,202	\$ 1,014,646	1.450%	\$ 1,226	\$ 1,138,428
Jul-22	\$ 1,138,428	\$ 620,000	\$ 93,722	\$ -	\$ 526,278	\$ 1,664,706	\$ 1,401,567	1.450%	\$ 1,694	\$ 1,666,400
Aug-22	\$ 1,666,400	\$ 620,000	\$ -	\$ -	\$ 620,000	\$ 2,286,400	\$ 1,976,400	1.450%	\$ 2,388	\$ 2,288,788
		\$ 7,440,000	\$ 9,372,195							