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Peter F. Neronha
Attorney General

November 15, 2023

Via Electronic Mail

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

RE: Docket No. 23-33-EL – In Re: Department of Human Services Proposed LIHEAP Enhancement Charge

Dear Ms. Massaro:

On behalf of the Division of Public Utilities and Carriers, please accept for filing the attached Memoranda from Al Contente, Utility Analyst, that provides the Division's comments in the above mentioned docket.

Thank you for your attention to this submission.

Very truly yours,

/s/ Gregory S. Schultz

Gregory S. Schultz
Special Assistant Attorney General
On behalf of the Division of Public Utilities and Carriers

Enclosure

cc: 23-33-EL Service List

Linda George, Esq., Division Administrator
John Spirito, Esq., Division Deputy Administrator
Christy Hetherington, Esq., Division Chief Legal Counsel
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STATE OF RHODE ISLAND

DIVISION OF PUBLIC UTILITIES & CARRIERS
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**To: Luly Massaro, Commission Clerk
Rhode Island Public Utilities Commission**

**From: Al Contente, Utility Analyst
Division of Public Utilities & Carriers**

Date: November 15, 2023

**Re: Docket No.: 23-33-EL – In Re: Department of Human Services Proposed LIHEAP
Enhancement Charge**

On September 21, 2023 (filing dated September 15, 2023), the Rhode Island Department of Human Services (“DHS”) made its annual Low-Income Home Energy Assistance Program (“LIHEAP”) enhancement charge filing in accordance with R.I. Gen. Laws §39-1-27.12(b). DHS requested that the Public Utilities Commission (“Commission”) set the calendar year 2024 charge at \$0.81 per month for each electric or gas distribution customer, or, in the alternative, set the charge at an equivalent monthly amount so as not to exceed the statutory annual funding cap of \$7,500,000.

The LIHEAP Enhancement Plan was enacted in 2011 by the RI General Assembly after the federal government decreased the funds available to the federal LIHEAP program. The statute requires an annual collection through a monthly charge to customers of Rhode Island electric and natural gas distribution companies excluding Pascoag Utility District and Block Island Utility District customers, R.I. Gen. Laws §39-1-27.12. Therefore, the charge only applies to customers of Narragansett Electric Company d/b/a Rhode Island Energy (“RIE”) and the LIHEAP Enhancement Grants are only available to eligible customers of RIE. The statute mandates a minimum annual collection of \$6,500,000 and maximum annual collection of \$7,500,000. It also caps the collection per electric or gas customer at \$10.00 per year, R.I. Gen. Laws §39-1-27.12(c). The statute names DHS as the agency that designates to the gas or electric distribution company the qualifying customer accounts and the amounts to be credited, R.I. Gen. Laws §39-1-27.12(e).

Table 1 below shows a 5-year history of the LIHEAP charge along with the revenues, credits issued, other activity and the ending balance for the 12-month period ending August 31st of each year. During each of the periods, the LIHEAP charge was set at the maximum amount to collect as close to \$7.5 million as possible without exceeding it. In most years, the credits were close to or over the amount of revenues thereby lowering the accumulated balance. However, in 2022, the credits were significantly lower than revenues. In 2022, DHS attributes the lower level of grant payments to the availability of federal funds paid directly to customers for rent relief which also included payments for utility arrearages. Those funds were for a single-year program which is now closed.

The Division wanted to ensure that the need for full funding was necessary and issued a set of Data Requests to DHS. In response to DIV DR 1-2, the DHS responded that they anticipate there will be an estimated 18,131 recipient households receiving a total of \$9,337,464 for 2024. The LIHEAP Enhancement Grant was raised to \$515.00 for 2024 where in 2023 it was \$450.00. As a result, the Division expects the annual balance to decrease from the current estimated total of \$4.1 million to an estimated total of \$1.9 million at the end of the 2024 program year.

The Division supports raising the grant amount to \$515.00 for 2024 due to the continued high gas and electric rates. The grant amount will provide much needed assistance to the most vulnerable population.

Table 1

	2019	2020	2021	2022	2023
LIHEAP Charge	\$0.80	\$0.80	\$0.80	\$0.79	\$0.79
For the 12 months ending August 31st each year,					
Revenue	\$7,488,720	\$7,491,039	\$7,471,411	\$7,435,593	\$7,427,564
Credits	\$8,354,870	\$10,303,150	\$7,063,760	\$4,793,300	\$8,757,000
Other - Interest & Reversals	\$174,932	\$103,695	\$43,073	\$49,502	\$52,529
Balance	\$4,855,631	\$2,147,215	\$2,597,939	\$5,289,734	\$4,132,125

Based on the current fuel and energy prices and the forecasts of the projected needs for the upcoming year provided by the DHS, the Division concluded that it is reasonable to continue to set the LIHEAP Charge at the maximum level. In response to the Commission’s Data Request 1-3, RIE responded that a factor of \$0.79 would provide revenues as close as possible to the \$7.5 million maximum without exceeding it. Therefore, the Division recommends approval of a LIHEAP charge of \$0.79 for effect on January 1, 2024.