



State of Rhode Island
Division of Public
Utilities & Carriers

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

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

Date: November 8, 2019

Subject: Docket No.: 4290 – LIHEAP Enhancement Plan Reconciliation
and Proposed LIHEAP Enhancement Charge for Calendar 2020

LIHEAP Enhancement Plan Reconciliation

On September 18, 2019, Narragansett Electric Company d/b/a National Grid (“National Grid” or the “Company”) filed its 2019 reconciliation for the Low-Income Home Energy Assistance Program (LIHEAP) Enhancement Plan, for the period of September 1, 2018, through August 31, 2019, in accordance with the Public Utilities Commission’s (“Commission”) Order No. 22670.

The filing reports a beginning balance of \$5,546,849 as of September 1, 2018, and an ending balance of \$4,855,631 as of August 31, 2019. Total revenue collected was \$7,488,720 with an additional accrual of \$174,476 in interest. Credits issued to customers totaled \$8,354,870, with a small reversal of credits totaling \$456. A net decrease in fund balance of \$691,218 occurred during the period September 1, 2018 through August 31, 2019.

The filing also includes a count of LIHEAP recipients during the period September 1, 2018 and August 31, 2019. A combined total of 22,945 gas and electric customers received fuel assistance or emergency payment, which is an increase of 322 customers or 1.5% compared to the previous year’s combined total of 22,623 customers.

Proposed LIHEAP Enhancement Charge for Calendar 2020

On September 30, 2019, Rhode Island Department of Human Services (DHS) filed its rate request for the LIHEAP Enhancement Fund in accordance with R.I. Gen. Laws § 39-1-27.12. DHS requested that the PUC set the rate at \$0.80 per month for each customer for calendar year 2020, or an equivalent monthly amount so as not to exceed the statutory annual funding cap of \$7,500,000. DHS is aware of the \$4.8 million balance but as

explained in its response to Commission Data Request 1-3, it has increased the LIHEAP Enhancement credit to customers from \$370 to \$520 for the 2020 calendar year and estimates that it will reduce the \$4.8 million balance to \$1.7 million as of September 2020.

Also, in Data Response 1-3, DHS lists the various ways in which it collaborates with the Company and CAP agencies on outreach events designed to assist customers who cannot afford their utility bills. This outreach work should increase participation in the LIHEAP Enhancement Program for the 2019/2020 heating season.

Division Recommendation

Pursuant to RIGL 39-1-27.12, the LIHEAP Enhancement Charge to any customer is capped at \$10 per calendar year and projected annual revenue shall not exceed \$7,500,000. Due to both DHS's and National Grid's commitment to outreach to income eligible customers, the potential increase in LIHEAP participation, and the increase in the customer credit amount, the Division does not object to setting the LIHEAP Enhancement Charge at a level that generates the maximum revenues allowed under the law without exceeding the statutory cap. National Grid projects that a monthly \$0.80 charge on both gas and electric bills will yield a total revenue of \$7,477,082 for 2020 which remains within the statutory cap. The Division also supports the maximum revenue allowed based on the amount of credits issued to customers totaling \$8,353,870 during this past reporting period, which was more than the collected revenue of \$7,488,720, and resulted in a net decrease of \$691,218 in the balance.

Based on our review and analysis, the Division recommends that the Commission set the monthly LIHEAP Enhancement Charge at \$0.80 effective January 1, 2020 for both gas and electric customers.