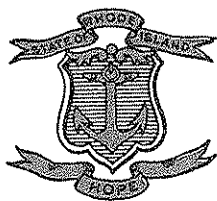


STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS



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November 23, 2010

Chairman Elia Germani
Commissioner Mary E. Bray
Commissioner Paul J. Roberti

Ms. Luly E. Massaro, Commission Clerk
Rhode Island Public Utilities Commission
89 Jefferson Boulevard
Warwick, Rhode Island 02889

IN RE: EMERGENCY REGULATIONS TO THE
RULES AND REGULATIONS GOVERNING
TERMINATION OF RESIDENTIAL
ELECTRIC, GAS, AND WATER SERVICE

Dear Members of the Commission:

This is to respectfully request that previously adopted emergency regulations to restore gas and electric service to protected low-income customers be further extended through January 2, 2011.

The justifications for taking this action are three.

First, the processing of Low Income Home Energy Assistance Program applications started later and is taking longer than in previous years. In June 2010, the US Government Accountability Office (GAO) issued a report *Low-Income Home Energy Assistance Program, Greater Fraud Prevention Controls Are Needed* (GAO-10-621). The RI Office of Energy Resources upon reviewing the GAO report determined both that a new LIHEAP Program Manual would need to be written (the old Manual was at least twelve years old and inadequate in many regards) and that LIHEAP contracts with community action agencies would need to be revised substantially to comply with GAO recommendations. This was a major undertaking, but it was accomplished in October; it did, however, delay the start by community action agencies of taking and processing LIHEAP applications. Furthermore, because higher levels of verification eligibility have been required, the application process itself takes longer.

Second, the level of LIHEAP funding has gone down, currently to approximately sixty percent (60%) of last year's level; the OER's projections are that demand will increase by

nearly ten percent (10%) over last year in the number of households to be served; the current heating season is projected by the Energy Information Administration (EIA) to very slightly warmer than normal but significantly colder than last year, and the price of home heating oil is projected by the EIA to cost more than last year. Efforts are underway in Congress to increase the LIHEAP appropriation beyond what is provided for in the Continuing Resolution now in effect; the outcome is unlikely to be known until sometime in December. The realistic expectation is that LIHEAP funding will be less than last year, the demand will be greater, the winter colder, and oil prices higher.

Third, the OER has allocated roll-over funds from last year and reprogrammed Health and Human Services funds for weatherization to help support restoration of electric and gas service based on the amounts set forth in the regulations currently in effect; the OER does not have additional funding available for restoration of gas and electric service at a higher proportion of the balances owed.

I believe that the conditions set forth above justify granting an extension of the rules now in effect. Reports to the OER daily are that there is substantial hardship already in the low-income community, not extending the current rules would increase that hardship. Thus I respectfully submit that there are both a condition of hardship warranting for extending the current rules and a rational basis for extending the current rules.

Very truly yours,



Kenneth F. Payne
Administrator

CC: Docket No. 1725 Service List
As of 10/12/10