

Memorandum

To: L. Massaro
Commission Clerk

From: Alberico Mancini
Division of Public Utilities & Carriers

Date: 12/13/2017

Re: Narragansett Electric – LIHEAP Enhancement Plan Reconciliation Filing and Proposed 2017 Dept. of Human Services (DHS) LIHEAP Enhancement Charge. Docket 4290.

On October 2, 2017 Narragansett Electric Company d/b/a National Grid (“National Grid” or “Company”) filed its 2017 reconciliation of the Low Income Home Energy Assistance Program (LIHEAP) Enhancement Plan for the period September 1, 2016 through August 31, 2017.

The filing reports a beginning balance of \$975,422¹ as of September 1, 2016 and an ending balance of \$2,548,975 as of August 31, 2017. Total revenue collected was \$7,172,718 with an additional accrual of \$51,585 in interest. Credits issued to customers totaled \$5,650,750. A net increase in fund balance of \$1,573,553 occurred during the period September 1, 2016 through August 31, 2017.

The filing also includes a count of LIHEAP recipients during the period September 1, 2016 and August 31, 2017. A combined total of 22,439 gas and electric customers received fuel assistance, which is a decrease of 1,642 customers or 6.8% compared to the previous year’s combined total of 24,081 customers.

On November 2, 2017, the Rhode Island Department of Human Services (DHS) filed LIHEAP Enhancement Plan Rates in accordance with RIGL 39-1-27.12. For 2017, the PUC increased the enhancement charge to \$0.81 due to the depletion of an over collection in revenues during the program ramp-up. As of June 30, 2017, the overall balance increased to \$1,442,476² from last year’s June 30, 2016 balance of \$471,270. DHS requests that the LIHEAP Enhancement Charge remain at eighty-one cents per month for each customer for the calendar year 2018.

Per RIGL 39-1-27.12, the LIHEAP Enhancement Charge to any customer is capped at ten dollars (\$10) per calendar year and projected annual revenue shall not exceed seven million five hundred thousand

¹ Beginning balance per 2016 LIHEAP Enhancement Plan Reconciliation was adjusted for April 2014 credits of \$594,900 which were previously omitted.

² As noted above, National Grid’s 10/2/17 Reconciliation shows the balance had grown to \$2,548,975 by August 31, 2017.

dollars (\$7,500,000). The Company estimates that the monthly \$0.81 charge on both gas and electric bills will yield \$7,479,115 based on 2018 gas and electric customers forecasted for calendar year 2018.

Based on the projected revenue for calendar year 2018, the Division recommends that the Commission approve the proposed monthly LIHEAP Enhancement Charge of \$0.81 for both gas and electric customers as to not exceed the \$7.5 million cap per RIGL 39-1-27.12.