

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION**

IN RE: DEPARTMENT OF HUMAN SERVICES :
PROPOSED LIHEAP ENHANCEMENT : **DOCKET NO. 4290**
CHARGE FOR CALENDAR YEAR 2020 :

REPORT AND ORDER

I. Introduction

On September 18, 2019, the Narragansett Electric Company d/b/a National Grid (National Grid or Company) filed its semi-annual report 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 (PUC or Commission) Order No. 226702 in the above-referenced docket.¹ On September 30, 2019, the Rhode Island Department of Human Services (DHS) filed its rate request for the LIHEAP Enhancement Fund (Fund), requesting the PUC set the rate at \$0.80 for each customer for the calendar year 2019, or an equivalent monthly amount so as not to exceed the statutory annual funding cap of \$7,500,000. On November 8, 2019, the Division of Public Utilities and Carriers (Division) filed its analysis of DHS’s funding request and recommended that the PUC set the annual rate at \$.80 per customer per month, to fund the program fully, but not exceed the statutory funding cap. On December 17, 2019, the PUC conducted an Open Meeting on this docket and approved a LIHEAP rate of \$0.80, effective January 1, 2020, for calendar year 2020.

II. The Low Income Home Energy Assistance Program (LIHEAP) Enhancement Plan

On July 13, 2011, Governor Lincoln Chafee signed into law the Low-Income Home Energy Assistance Program (LIHEAP) Enhancement Plan, R.I. Gen. Laws § 39-1-27.12. The purpose of

¹ All filings in this docket are available at the PUC offices located at 89 Jefferson Boulevard, Warwick, Rhode Island or at [http://www.ripuc.ri.gov/eventsactions/docket/4290-NGrid-LIHEAP%20Reconciliation-Sept2019%20\(9-18-19\).pdf](http://www.ripuc.ri.gov/eventsactions/docket/4290-NGrid-LIHEAP%20Reconciliation-Sept2019%20(9-18-19).pdf).

the LIHEAP Enhancement Plan was to create a separate fund using a new surcharge on all electric and gas customers' bills.² The money collected would be used to supplement the federal LIHEAP funding that the State receives to assist low income customers in paying their energy bills. "The total projected annual revenue for the LIHEAP enhancement plan through charges to all electric- and natural-gas-distribution company customers shall not exceed seven million five hundred thousand dollars (\$7,500,000) and shall not be below six million five hundred thousand dollars (\$6,500,000)."³

During the 2016 legislative session, the statute was amended to set aside a portion of the LIHEAP Enhancement Plan funding for customers seeking certification to enter into an arrearage plan between April 15 and September 30 of each year and who are "homeless families or individuals who are transitioning from a shelter into housing who provide acceptable documentation to the Department of Human Services (DHS)."⁴

III. Department of Human Services LIHEAP Surcharge Request

DHS is required annually, but no later than October 15, to file with the Commission a recommendation for the LIHEAP enhancement charge rates for each class of electric- and natural-gas distribution company customer for the following year.⁵ This year's DHS request sought a surcharge of \$0.80 or an equivalent monthly amount so as not to exceed the statutory annual funding cap of \$7,500,000.⁶

² The LIHEAP Enhancement Plan is established pursuant to R.I. Gen. Laws § 39-1-27.12, as reflected in the Company's electric tariff, RIPUC No. 2170, and its gas tariff, RIPUC NG-GAS No. 101B, at Section 7, Schedule C, Sheets 3-4.

³ R.I. Gen. Laws §39-1-27.12 (c)(3).

⁴ *Id.*

⁵ R.I. Gen. Laws § 39-1-27.12(b).

⁶ DHS Report; <http://www.ripuc.ri.gov/eventsactions/docket/4290-DHS-LIHEAP%20Enhancement%20Plan%20Rates%209%2030%202019.pdf>

IV. The Company's Semi-Annual LIHEAP Report

The Company's September 18, 2019 report contained a reconciliation of the LIHEAP Enhancement Plan for the period September 1, 2018 through August 31, 2019.⁷ The reconciliation compared actual LIHEAP Enhancement Charge revenue to the actual LIHEAP Enhancement Credits issued to customers during the same period. The filing reported a beginning balance of \$5,546,849 as of September 1, 2018, revenue of \$7488,720, credits issued to customers of \$8,354,870, reversals of credits issued to customers of \$456, and interest of \$174,476, resulting in a net decrease of the fund balance of \$691,218. The ending balance on August 31, 2019 was \$4,855,631.

The Company reported that 3,526 customers received electric fuel assistance and 891 customers received emergency payments for electric service. Gas customers receiving fuel assistance totaled 17,707, with an additional 821 gas customers receiving emergency fuel payments.⁸ There were 146 electric customers who received both fuel assistance and emergency payments. Gas customers receiving both fuel assistance and emergency payments totaled 909.⁹

The Company estimated that with the current surcharge of \$0.80, it would collect \$7,462,539 by the end of calendar year 2018; \$4.85 million from electric customers and \$2.6 million from gas customers.¹⁰ The Company further estimated that if the surcharge remained the same in 2020, the Company would collect a projected total of \$7,477,082, with \$4,845,756 from electric customers and \$2,631,326 from gas customers.¹¹ Finally, the Company approximated that a surcharge of \$0.70 would result in annual LIHEAP revenues of \$6,542,447, while a factor of

⁷ National Grid's LIHEAP Enhancement Plan Reconciliation Filing (Sept. 18, 2019); [http://www.ripuc.gov/eventsactions/docket/4290-NGrid-LIHEAP%20Reconciliation-Sept2019%20\(9-18-19\).pdf](http://www.ripuc.gov/eventsactions/docket/4290-NGrid-LIHEAP%20Reconciliation-Sept2019%20(9-18-19).pdf)

⁸ *Id.* at 2 (Sept. 18, 2019)

⁹ Company's response to PUC 1-1 (Oct. 31, 2019).

¹⁰ Attach. PUC 1-2 (Oct. 31, 2019)

¹¹ Company's response to PUC 1-3 and Attach 1-3 (Oct. 31, 2019).

\$0.80 would generate annual LIHEAP revenues of \$7,477,082. These factors are the lower and upper range of factors that would satisfy the requirements of R.I. Gen Laws §39-1-27.12 (c)(3).¹²

V. Division of Public Utilities and Carriers

On November 8, 2019, Joel Munoz, Rate Analyst with the Division, filed a memorandum summarizing the filing and recommending that the PUC set the monthly LIHEAP Enhancement Charge at \$.80, a level that generates the maximum revenues allowed under the law, without exceeding the statutory cap. Mr. Munoz also noted that credits to customers in the immediate past reporting period totaled \$8,353,870, which was more than the collected revenue of \$7,488,720 and which resulted in a net decrease of the year-end account balance of \$691,218. The Division opined that with DHS's and National Grid's demonstrated commitment for outreach to income-eligible customers and an increase in the maximum grant amount, it was appropriate to support a rate that would generate the maximum allowable revenue.

VI. Commission's Decision and Order

At an Open Meeting held on December 17, 2019, the Commission unanimously approved the rate of \$0.80 per month for each gas and electric customer for calendar year 2020, effective January 1, 2020.

¹² Company's response to PUC 1-4 (Oct. 31, 2019).

Accordingly, it is hereby

(23772) ORDERED:

A LIHEAP Enhancement Charge of \$0.80 per month for each customer for the calendar year 2020, with the term "customer" defined as any person taking service from an electric or gas distribution company at a single point of electricity or gas delivery or electric or gas meter, is hereby approved for bills issued on and after January 1, 2020.

EFFECTIVE AT WARWICK, RHODE ISLAND ON JANUARY 1, 2020 PURSUANT TO AN OPEN MEETING DECISION ON DECEMBER 17, 2019. WRITTEN ORDER ISSUED FEBRUARY 17, 2020

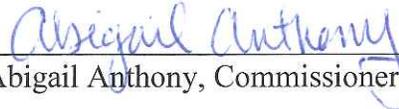
PUBLIC UTILITIES COMMISSION



Margaret E. Curran, Chairperson



Marion S. Gold, Commissioner



Abigail Anthony, Commissioner



Notice of Right of Appeal: Pursuant to R.I. Gen. Laws § 39-5-1, any person aggrieved by a decision or order of the PUC may, within 7 days from the date of the Order, petition the Supreme Court for a Writ of Certiorari to review the legality and reasonableness of the decision or Order.