



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

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October 11, 2011

VIA HAND DELIVERY AND ELECTRONIC MAIL

Luly E. Massaro
Commission Clerk
Rhode Island Public Utilities Commission
89 Jefferson Boulevard
Warwick, Rhode Island 02888

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PUBLIC UTILITIES COMMISSION

Re: Henry Shelton Act
L1HEAP ENHANCEMENT PLAN RATES

Dear Ms. Massaro:

The Rhode Island Office of Energy Resources, in accordance with the 2011 Henry Shelton Act, section 39-1-27.12, herewith files an original and nine (9) copies of L1HEAP Enhancement Plan Rates for 2011.

Sincerely,

Frederick W. Stolle, Esq.
Assistant Director
Division of Legal Services

FWS/njr

"LIHEAP" ENHANCEMENT CHARGE

In accordance with the Henry Shelton Act¹ RIGL section 39-1-27.12, the Rhode Island Office of Energy Resources (OER) files the following rate as the "LIHEAP² Enhancement Charge rate(s)" for 2011:

The LIHEAP Enhancement Charge shall be eighty three and thirty three one hundredths cents (\$ 0.8333) per month for each customer for the calendar year 2012, with the term "customer" defined as any person³ taking service from a electric or gas distribution company⁴ at a single point of electricity or gas delivery or electric or gas meter,⁵ with the maximum total annual LIHEAP Enhancement Charge to any "customer" capped at ten dollars (\$10).

¹ Public Laws of 2011, chapters 382 and 412, which were signed into law by Governor Chafee on July 13, 2011.

² The LIHEAP is the Federal "Low Income Home Energy Assistance Program."

³ "Person" includes an individual, trust, firm, joint stock company, corporation (including a quasi government corporation), partnership, association, syndicate, municipality, political subdivision, municipal or state agency or other government agency, club, nonprofit agency or of any interstate body, and his, her, its, or their lessees, trustees, or receivers appointed by any court.

⁴ The term "electric and natural gas distribution company" is defined in RIGL section 39-1-27.12 (f).

⁵ This definition of "customer" is conceptually congruent with the definition of "customer" in RIGL section 39-1-2 (9), which applies specifically to electric company customers.

The OER believes that the above rate will, if implemented effective January 1, 2012, generate in total for the year between six million five hundred dollars (\$6,500,000) and seven million five hundred thousand dollars (\$7,500,000), as specified by RIGL section 39-1-27.12(3).

The OER recommends that the funds collected from the rates be deposited into a single LIHEAP Enhancement fund or account⁶ held and administered by the electric and gas distribution company to provide a credit to customers accounts that are receiving LIHEAP assistance payments.

The OER has amended its LIHEAP plan for 2012, filed with the U.S. Department of Health and Human Services as September 1, 2011, to make the definition of LIHEAP eligible household in the plan consistent with the definition set forth in section 6 of the Henry Shelton Act, RIGL section 39-2-1(d).

The OER will make designations of qualifying customer accounts receiving LIHEAP payments through the LIHEAP eligibility determinations and payments made by community action agencies as subgrantees of the OER; the OER is making amendments to its contracts with subgrantees to effectuate this purpose. Within the limits of LIHEAP Enhancement Plan funding generated over the course of the year and during the heating seasons or portions thereof in calendar 2012, the OER

⁶ The OER recommends the use of a single fund or account for LIHEAP enhancement funds because the use of separate of accounts, one for gas and one for electric LIHEAP Enhancement Plan rates and credits to customers accounts receiving LIHEAP payments, would result a severe distortion of the availability of funds: there are approximately twice the number of electric than gas "customers" overall, while about one tenth the number of LIHEAP households use electricity for heat as use natural gas for heat; the resulting ratio of 20:1, electric to gas, would utterly confound the reasonable administration of the Henry Shelton Act in an equitable manner for LIHEAP enhancement purposes.

will after consultation⁷ with the Division of Public Utilities and Carriers, the electric and gas distribution company, community action agencies, and advocacy organizations representing the interest of LIHEAP eligible households in LIHEAP issues, establish the amount of credits⁸ to be applied to customers accounts that are receiving LIHEAP payments.

⁷ The consultation process has already commenced, meetings with the Division and the distribution company and with the Wiley Center took place this summer. A community meeting was held on Saturday, October 1, and was attended by about 25 persons, including representatives of the Wiley Center, the Salvation Army, community action agencies, the Division of Public Utilities and Carriers, and the OER.

⁸ Design of the appropriate credit amounts and their application is dependent in part both on the level of Federal appropriations, which have not established at this time, and on any integration of LIHEAP Enhancement Plan provisions of section 2 of the Henry Shelton Act with the maintenance or restoration of utility service and arrearage payment provisions of section 6 of the Henry Shelton Act.