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PROVIDENCE ISLAND AND PROVIDENCE PLANTATION
PUBLIC UTILITIES COMMISSION

IN RE: LOW INCOME ASSISTANCE PROGRAM : DOCKET NO. 1725

PRTID FOR APPROVAL*OF TtOW INaME AS- PRW

Now come Providence Gas Company (ⁿProvGas^w), the Coalition for Consumer Justice (^aCCJⁿ), Direct Action for Rights and Equality ("DARE") and Parents for Progress ("PFP") (collectively, "Petitionersⁿ") and say as follows:

1. ProvGas is a local natural gas distribution company subject to the jurisdiction of the Commission in accordance with the provisions of Title 39 of the General Laws of Rhode Island.

2. CCJ, DARE and PFP are membership organizations whose members are primarily low income Rhode Islanders. All three organizations are presently intervenors in dockets before the Commission advocating the interests of low income ratepayers.

3. Petitioners recognize that low income utility **customers** often struggle to pay their utility bills and that this struggle will be further exacerbated during the upcoming heating season by significant cuts in the federal Low Income Home Energy Assistance Program ("LIHEAP").

4. In anticipation of the substantially decreased FY 1996 LIHEAP funding level, representing a reduction of approximately 35% from FY 1995, the Rhode Island State Energy Office ("RISEOⁿ") has made significant changes to the energy

assistance program.

5. Specifically, RISE0 has reduced the eligibility guidelines for the LI- program from 175% to 150% of the OMB poverty level, resulting in the; elimination of approximately 2,000 households, comprised mostly of elderly and workinglow-income families.

6. RISE0 has also increased the co-payment requirements for households on the Percentage of Income Payment ("PIPP^a) program and lowered the flat grant amounts for non-PIPP households that heat with bulk fuels.

7. Finally, on January 3, 1996, RISE0 announced that the anticipated FY 1996 level of LIHEAP funding of \$5.3 - \$6.0 million has forced it to effectively shut down for this program year. While RISE0 has instructed intake sites for the state LIHEAP program to continue taking applications for assistance, applicants are being advised that they may not receive a grant because of insufficient funding.

8. Funding at the projected level will result in the LIHEAP program serving approximately 13,000 households, which is a significant reduction from the 22,700 households assisted in FY 1995.

9. Petitioner ProvGas has been working with the American Gas Association and members of the Rhode Island congressional delegation to attempt to secure the release of additional LIIW4P funds to Rhode Island, but to date the potential for

release of **any** additional monies. is uncertain.

10. while Petitioners support the development of a comprehensive solution to the issue of heating assistance for low income customers by the Heating' Assistance Conunission established by the General Assembly, they acknowledge that the Commission has not had an opportunity to formulate recommendations in time for the 1995-1996 heating season.

11. Accordingly, Petitioners desire to implement a one-**year**, non-renewable low income assistance program for the 1995-1996 heating season, which will be coordinated with the PIPP program administered by the RISEO.

WHEREFORE, Petitioners respectfully request that the commission approve and adopt the proposed one-year low-income assistance program for the **19951996** heating season as set forth below.

PROPOSED LOW INCOME ASSISTANCE: PROGRAM
FOR THE 1995-1996 HEATING SEASON

1. Both PIPP participants and nonparticipants who elect to go on budget billing would be eligible to participate in the Petitioners' proposed low income assistance program.

2. PIPP nonparticipants who elect to go on budget billing would be granted a total amount of Eighty-Five dollars (\$85.00), which would be credited to their account each month upon payment of the customer's budget installment amount, resulting in a monthly credit of Seven Dollars and Eight Cents

(\$7.08) per month. This amount will supplement the One-Hundred Dollar (\$100.00) grant provided to PIPP nonparticipants by the State Energy Office.

3. With respect to PIPP participants, ProvGas would subsidize twenty-five percent (25%) of each participant's monthly copayment amount. The amount would be credited to the customer's account monthly over a twelve-month period upon payment of the customer's copayment.

4. The amount available for payments to ProvGas' eligible customers will not exceed One Million Dollars (\$1,000,000.00).


5. From the remaining pool of dollars not spent on credits to PIPP participants and PIPP nonparticipants on budget billing, individual assistance would be granted to those ProvGas customers identified by RISEG who have applied for the PIPP program but have been denied assistance because of the reduction in federal LIHEAP funding in accordance with the guidelines administered by the RISEO.

6. **ProvGas** will invest twenty percent (20%) of the funds to be provided to the total of PIPP participants and PIPP nonparticipants **under** the program.


7. The remaining eighty percent (80%) of the program funds will be recovered from firm ratepayers via a surcharge on their bills. The surcharge would be

collected over a twelve-month period.

CCJ, DARE and
PARENTS FOR PROGRESS
By their Attorney


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Respectfully Submitted,
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