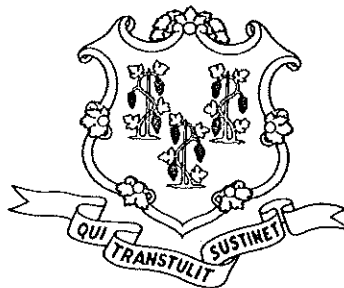


**2012/2013 ALLOCATION PLAN**  
**FOR THE**  
**LOW INCOME HOME ENERGY ASSISTANCE PROGRAM**  
**BLOCK GRANT**

**AS APPROVED ON OCTOBER 1, 2012**



**DANNEL P. MALLOY**  
**GOVERNOR**

**DEPARTMENT OF SOCIAL SERVICES**  
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**I. INTRODUCTION**

The Connecticut Energy Assistance Program (CEAP) is designed to help offset the winter heating costs of Connecticut's lower income households, specifically those households whose incomes fall at or below 150 percent of the federal poverty guidelines as well as households with elderly, disabled and/or children under the age of six, with incomes between 150 percent and 200 percent of the federal poverty guidelines.

Households with incomes below 60 percent of the state median income who are not eligible to receive assistance under CEAP will be eligible to receive assistance under the Contingency Heating Assistance Program (CHAP).

The CEAP is funded by the U. S. Department of Health and Human Services' (HHS) Low Income Home Energy Assistance Program (LIHEAP) Block Grant, which has not yet received a funding level for Federal Fiscal Year (FFY) 2013. In order to plan the program in a timely manner, \$88.2 million in federal funds is assumed. This figure is based on an FFY 2013 LIHEAP funding level of \$3.47 billion, as recommended by the Appropriations Committees of both the U.S. House of Representatives and the U.S. Senate. Based on this national funding level, Connecticut would receive approximately \$79.5 million in FFY 2013 LIHEAP Block Grant funds. We are also estimating that we will receive approximately \$450,000 in FFY 2012 LIHEAP Leveraging Funds. In addition, \$7.95 million in FFY 2012 LIHEAP carry-forward funds and \$275,000 in LIHEAP vendor refunds are available. The total available funds as identified in the Plan are \$88.2 million. This constitutes the Department of Social Services' best estimate of the funding that may be available under this Plan.

The Department of Social Services (DSS), with the help of its partners, the Community Action Agencies, administers CEAP. DSS will monitor the program, and will make a report to the General Assembly's committees of cognizance by January 30, 2013, regarding the program's status.

The administration will work, in conjunction with others, including local governments, private human services providers and the General Assembly's committees of cognizance, to assist Connecticut residents who are CEAP eligible in maximizing potential energy assistance options.

Energy assistance benefits shall include the following:

**A. HEAT BENEFITS**

1. BASIC BENEFIT
2. CRISIS ASSISTANCE BENEFIT
3. SAFETY NET ASSISTANCE BENEFIT

**B. RENTAL ASSISTANCE BENEFITS**

Benefits in the CEAP Program vary to reflect need, cost or energy burden. The Plan is designed to provide the highest level of assistance to those households who have the lowest incomes and the highest energy needs in relation to income, taking into account household size and vulnerability.

The provision of assistance under CEAP is subject to the availability of funds. This block grant may be subject to reductions at the federal level as a result of the Budget Control Act of 2011. If the funds provided for payments under this Plan are judged by the state to be in danger of exhaustion prior to the scheduled end date, then the state reserves the right to close the program or portions of the program early. If federal funding is provided in an amount higher or lower than the level assumed under this Plan, program services and benefits may be adjusted.

This Plan provides a framework for overall program operation. DSS will develop policy and procedures which further detail the rules of operation.

## II. ADMINISTRATION

The Department of Social Services' responsibilities in the administration of the CEAP will be to:

- A. Prepare and submit the LIHEAP Allocation Plan to the Governor and, following legislative approval, submit the Plan to the federal government.
- B. Compile and submit any program reports required under state and federal law to the appropriate bodies.
- C. Act as grantee agency for the State for all LIHEAP funds.
- D. Ensure coordination of the CEAP with other energy and conservation assistance programs offered by the State and other public or private entities.
- E. Contract with Community Action Agencies (CAAs) or any other qualified non-profit or for profit entities to provide standardized services to all eligible households, including those households receiving assistance from DSS programs, and to process applications from any such households wishing to apply for benefits.
- F. Initiate agreements with energy vendors to ensure program standardization and provide current lists of eligible vendors to DSS contractors.
- G. Provide CAAs with lists of households whose Temporary Family Assistance benefits are being discontinued as a result of time limitations.
- H. Provide handouts which inform clients in writing of other energy and conservation-related programs administered or funded by the State.
- I. Complete weekly and monthly fiscal and program activity reports.

- J. Allocate the personnel resources necessary to provide reasonable protection against client and vendor fraud, develop anti-fraud strategies designed to strengthen program integrity, maintain a fraud referral method for reporting suspected program abuse and investigate all reported claims of suspected program abuse.
- K. Track carryover funds from the 2011/2012 program.
- L. Provide, once the block grant has been determined, a budget estimating total program expenditures and, for DSS and each contracting agency, a line-item budget of administrative expenditures for CEAP.
- M. Provide CAAs with the daily price per gallon for #2 home heating oil purchased under the CEAP.
- N. Track the number of gallons of #2 home heating oil purchased under the CEAP. Track the average fixed margin price, the average retail price, and savings per gallon for #2 home heating oil.
- O. Monitor the performance of DSS contractors in delivering services and in reporting to DSS.
- P. Provide standard application forms/format for all energy programs administered by the Department. The application form shall include a statement that non-qualified aliens are not eligible for energy assistance benefits (other household members who are either qualified aliens or citizens may be eligible for energy assistance benefits).
- Q. Maintain a system to verify Social Security Numbers as part of the ongoing effort to maximize program integrity.

### III. PROGRAM DEFINITIONS

For the purposes of this Plan, the following terms are defined:

Boarders – Persons whose meals are included in their rent.

Dwelling Unit - Any residential property, (i.e., apartment, house or stationary mobile home) in which the occupants have exclusive kitchen facilities. It does not include commercial property, boarding homes, group homes, hotels, motels, cars, vans, recreational vehicles, campers, seasonal residences, or any other accommodation that has not been issued a certificate of occupancy.

Household - Any individual or group of individuals who are living together in a dwelling unit, including, but not limited to, all individuals who are related by blood, marriage or adoption, and whose residential energy is purchased in common, or who make payments for energy in the form of rent. Persons renting a room(s) within a dwelling unit are considered to be household members. Households do not include individuals who reside at an institution of higher learning, are incarcerated, or are unrelated foster children or unrelated foster adults.

Income/Mean of Support - Gross salaries/wages, tips, pensions, dividends, annuity distributions, interest, rental income, estate or trust income, royalties, social security and supplemental security income (excluding Medicare premium if applicable), veterans' benefits (excluding Aid and Attendance pension benefits), unemployment compensation, workers' compensation, monetary and non-monetary contributions from friends and relatives, alimony, child support, lottery winnings, self-employment income, and governmental assistance not otherwise excluded as income.

Life-threatening - Any situation in which an eligible household is unable to secure primary deliverable heating fuel and is without or within one week of being without said fuel.

Liquid Assets - Assets which are readily convertible to cash. Liquid assets include: savings accounts, checking accounts, bonds, stocks/shares, certificates of deposit, annuities and individual retirement accounts. (Individual retirement accounts are considered to be liquid assets if the accounts are in the name of a household member who is at least 59 ½ years old.)

Mixed Income Household - Any household in which one or more, but not all, members are receiving State Supplement to the Aged, Blind and Disabled, Refugee Cash Assistance and/or Temporary Family Assistance benefits administered through DSS.

Non-qualified Aliens - Individual(s) who are in this country illegally and individual(s) who are here legally but temporarily, on student or tourist visas.

Primary Source of Heat - The principal fuel source used by a household to heat its dwelling unit.

Rental Assistance Households - Households which do not make direct vendor payments for their primary source of heat. Such households include owners of dwelling units where the primary source of heat is not individually metered and is not separately billed to the household by a vendor.

Retail Price - The price charged by a vendor for services or product, exclusive of any discounts, delivered or provided to similarly situated, non-CEAP households.

Vendors - Persons or companies providing legal heating fuel in legally measured amounts supported by proper documentation.

Vulnerable Household - Any household in which one or more members is either elderly (defined as 60 years of age or older), disabled or under the age of six.

#### IV. INCOME ELIGIBILITY

- A. Any household in which all household members are participating in one or more of the following DSS programs will automatically be considered income eligible for the CEAP, but must meet all other eligibility requirements to receive benefits:
1. Temporary Family Assistance
  2. State Supplement to the Aged, Blind and Disabled
  3. Refugee Cash Assistance Program

- B. Any household whose annual gross income is at or below 150 percent of the federal poverty guidelines is income eligible for the CEAP.

150 PERCENT OF FEDERAL POVERTY GUIDELINES

Household Size	1	2	3	4	5	6	7	8
Annual Income	\$16,755	22,695	28,635	34,575	40,515	46,455	52,395	58,335

(For households with more than eight members, add \$5,940 for each additional member.)

- C. Any vulnerable household whose annual gross income is at or below 200 percent of the federal poverty guidelines is income eligible for the CEAP.

200 PERCENT OF FEDERAL POVERTY GUIDELINES

Household Size	1	2	3	4	5	6	7	8
Annual Income	\$22,340	30,260	38,180	46,100	54,020	61,940	69,860	77,780

(For households with more than eight members, add \$7,920 for each additional member.)

- D. Any household whose annual gross income is at or below 60 percent of the state median income guidelines and not eligible to receive assistance under CEAP, is income eligible for the Contingency Heating Assistance Program (CHAP). This includes -

- (1) Vulnerable households whose annual gross income is between 200 percent of the federal poverty guidelines and 60 percent of the state median income.
- (2) Non-vulnerable households whose annual gross income is between 150 percent of the federal poverty guidelines and 60 percent of the state median income guidelines.

60 PERCENT OF STATE MEDIAN INCOME GUIDELINES

Household Size	1	2	3	4	5	6	7	8
Annual Income	\$31,815	41,605	51,394	61,184	70,973	80,762	82,598	84,433

**V. ELIGIBILITY CERTIFICATION**

- A. Basic Eligibility Criteria for Categorically Eligible Households

All households that are categorically eligible as described in section IV., subsection A. must apply in order to receive energy assistance benefits. Income from sources cited in that section must be verified, and documentation of liquid assets may be required.

Categorically eligible households whose annual gross income is above 150 percent of the federal poverty guidelines shall be determined income eligible at the Level 3 benefit amount, but must meet all other program requirements in order to receive energy assistance.

B. Basic Eligibility Criteria for All Other Households

(1) Income Documentation

All other households will be required to document their income for the four weeks prior to the date of application, which will then be annualized. Households shall have the option of documenting income for the previous twelve months prior to the date of application if that more accurately reflects their annual gross income. Households receiving income from self-employment shall complete a Self-Employment Worksheet, detailing income for the previous six or twelve calendar months.

(2) Assets

A liquid assets test will be an additional eligibility requirement. Households covered in this section must complete an assets declaration form. (Utility heated households and Rental Assistance households which meet the criteria in section IV., subsection A are not required to complete the assets declaration form. All deliverable fuel heated households will be required to complete the assets declaration form in order to determine eligibility for Safety Net Assistance benefits.) Households must provide verification of all liquid assets.

The liquid asset limit is \$10,000 for homeowners and \$7,000 for all other households. Households, whose liquid assets exceed the appropriate limit, may still be eligible for energy assistance if the household's annual gross income, when added to the excess liquid assets is within the income guidelines.

All income and assets documentation must be verifiable, or supported by affidavits, and households must comply with all reasonable requests for assistance in verifying documentation. The State, through its agents or grantees, reserves the right to investigate and verify the income and assets of households in order to protect the integrity of its programs.

C. Households Claiming No Income

Households claiming no income in the previous four weeks must sign an affidavit declaring their means of support for that period. The affidavit shall include authorization to verify all income and the financial status of the household. Documentation of liquid assets shall also be required.

D. Household "52 Week" Option

Any household has the option of having eligibility determination based on income from all household members for the previous 52 weeks from the date of application if that more accurately reflects the household's annual income. Documentation of liquid assets shall also be required.



E. Mixed Income Households

All mixed income household members receiving income must provide income documentation. Mixed income households will be considered income eligible for energy assistance if the combined household annual gross income, including DSS cash benefits, is within the income guidelines as detailed in section IV., subsections B, C and D. Mixed income households are also subject to liquid assets eligibility criteria, as detailed in section V., subsection B(2).

F. Temporary Family Assistance (TFA) Disqualified Households

Households whose TFA benefits have been terminated as a result of time limitations will be contacted directly by the CAA to encourage their participation in the energy assistance programs.

G. Prioritized Services

Deliverable fuel heated households who are either without heating fuel, or within one week of being without heating fuel at the time of application, will be eligible to receive prioritized services. Such services shall include prompt eligibility processing. Households which are determined to be eligible will receive a fuel delivery authorization within 24 hours of the date of application.

H. Notification and Appeals

The CAA shall perform the eligibility determination and shall provide a notice of the results of such determination to the household within 45 calendar days, excluding state-designated holidays. DSS may work with the CAAs on any discrepancy in the determinations, with DSS' final decision taking precedence.

If a household wishes to appeal the eligibility determination made, it has the right to do so. All households will be notified in writing of their rights and obligations, and the procedures for appeal at the time of application.

I. Social Security Numbers

Only Social Security Numbers provided by the applicant will be entered in the Social Security Number fields on the application. Social Security Numbers will be required for all household members.

Exceptions are made for applicants and/or household members who have either:

- (1) Applied for, but not yet received a Social Security Number; or,
- (2) Are not required to have a Social Security Number (includes battered spouses and victims of human trafficking).

J. Non-qualified Aliens

Non-qualified aliens are not eligible for LIHEAP benefits. Other household members who are either qualified aliens or citizens may be eligible for energy assistance benefits.

K. Households with Non-qualified Aliens

Non-qualified aliens shall not be included as part of the household when determining eligibility for energy assistance benefits. Income/liquid assets from non-qualified aliens shall be included when determining eligibility for energy assistance benefits.

VI. **PROGRAM INTEGRITY**

Social Security Numbers shall continue to be collected for all CEAP applicants and household members, except those identified in section V., subsections I(1) and I(2). The Department will continue to utilize the automated Social Security Number data transfer system which has been implemented with the CAAs. This system electronically transmits to the Department the Social Security Numbers of all applicants and household members requesting CEAP assistance.

As part of the Department's ongoing effort to ensure that CEAP benefits are provided only to eligible households, all CAAs have been provided look-up access to the Department's Eligibility Management System (EMS).

EMS enables CAAs to confirm the identity of those applicants and household members who are either currently or have previously received assistance through various Department-run programs, including, but not limited to, Temporary Family Assistance, Supplemental Nutrition Assistance Program, Refugee Cash Assistance Program and State Supplement to the Aged, Blind and Disabled. EMS serves as a valuable resource, assisting CAAs with issues concerning household composition, address and income.

In an effort to ensure the authenticity of vendors, all heating oil and propane vendors wishing to participate in the CEAP must provide verification that they have registered with the Department of Consumer Protection (DCP) in accordance with section 16a-23m of the Connecticut General Statutes.

VII. **FRAUD**

Persons who misrepresent their circumstances in applying for energy assistance are subject to prosecution and/or recoupment of any benefits provided, following due process as defined in agency regulations and are ineligible for the remainder of the current program year. In addition, said households will also be prohibited from participation for a period of two program years following the year in which the misrepresentation occurred. Persons who divert benefits to ineligible households are subject to the same penalties, following proper due process as defined in agency regulations.

Vendors or home energy suppliers committing fraud, misrepresentation, or a violation of any aspect of their Vendor Document are subject to prosecution and suspension, if convicted, from the CEAP. Vendors suspected of fraud, misrepresentation, or of violating the Vendor Document, may be suspended from participation in the CEAP while legal proceedings are pending. Vendors convicted of fraud are suspended from participation in the CEAP for a period of five years following the year in which the offense occurred.

The Department has established a Fraud Hotline (1-800-842-2155) to permit individuals and vendors to report cases of suspected program abuse.

**VIII. BASIC BENEFIT LEVELS**

Basic Benefit awards are determined based on income, household size, vulnerability and liquid assets. Households with vulnerable members and the lowest incomes receive the highest awards. Note: Boarders are not eligible to receive Basic Benefits.

A. The chart below details the CEAP Basic Benefit awards:

Poverty Guidelines	<u>CEAP BASIC BENEFITS</u>	
	Vulnerable Households	Non-Vulnerable Households
Up to 100% FPG	\$575	\$525
101% FPG - 125% FPG	\$500	\$450
126% FPG - 150% FPG	\$425	\$375
151% FPG - 200% FPG	\$350	n/a

B. The chart below details the CHAP Basic Benefit award:

Poverty Guidelines	<u>CHAP BASIC BENEFIT</u>	
	Vulnerable Households	Non-Vulnerable Households
151% FPG - 200% FPG	n/a	\$300
200% FPG - 60% SMI	\$300	\$300

If the state receives funding at a level other than that specified in the Plan, Basic Benefits and/or income eligibility criteria may be adjusted.

**IX. RENTAL ASSISTANCE BENEFIT LEVELS**

Rental Assistance Benefits are available to those households who do not make direct to vendor payments for their primary source of heat, have annual gross incomes up to 150 percent of federal poverty guidelines and pay more than 30 percent of their gross income towards rent.

Note: Boarders are not eligible to receive Rental Assistance Benefits.

Households that are determined eligible for rental assistance will receive a check to defray heating costs.

The chart below details the Rental Assistance Benefit awards:

Poverty Guidelines	<u>RENTAL ASSISTANCE BENEFITS</u>
Up to 100%	\$120
101% - 125%	\$110
126% - 150%	\$100

Rental assistance households must present verifiable documentation of current rent. Rental assistance households that move and become responsible for their primary heat may receive Basic Benefits up to the maximum available to a household at the appropriate benefit level, less any Rental Assistance Benefits already received. For example, a rental assistance household which moves to a non-rental assistance situation, which had already received \$120 in Rental Assistance Benefits and is now eligible for a \$600 Basic Benefit, can receive up to \$480 of Basic Benefits towards their primary source of heat. Crisis Assistance and Safety Net Assistance benefits may be provided if the new primary source of heat is a deliverable fuel and the household meets the criteria.

Conversely, if a household moves from a situation where they are responsible for payment of their primary source of heat, to a dwelling unit where they do not make direct vendor payments for their primary source of heat, they may receive the difference between what they have received in Basic Benefits and what they would be eligible for under the Rental Assistance Benefits matrix. For example, if a household at 100 percent of poverty which has used \$100 of its \$600 Basic Benefit then moves to a Rental Assistance situation, the household will be eligible for a Rental Assistance

Benefit of \$20 if they meet the eligibility criteria for Rental Assistance Benefits. The household will no longer be eligible for a Basic Benefit. Such households must document the change in circumstances, including verification of rent, but need not have income redetermined.

No more than one Rental Assistance Benefit will be issued per dwelling unit.

If the state receives funding at a level other than that specified in the Plan, Rental Assistance Benefits may be adjusted.

#### **X. LIHEAP SNAP BENEFITS**

LIHEAP benefits are available to SNAP recipient households who do not make direct to vendor payments for their primary source of heat, have a shelter and/or utility obligation and pay less than 30 percent of their gross income toward rent.

Eligible households shall receive a direct cash benefit in the amount of \$1. This benefit will be issued by the Department to all eligible households. Receipt of a LIHEAP SNAP Benefit shall qualify the household to have their SNAP benefits recalculated, using the maximum Heating/Cooling Standard Utility Allowance (SUA). For most households, the SUA recalculation will result in increased SNAP benefits.

The provision of this benefit is dependent upon requirements as specified in the upcoming federal Farm Bill. Based on the final language within that bill, it may be necessary to make modifications to either the amount of or the continuing provision of this benefit.

#### **XI. CRISIS ASSISTANCE**

The state will implement a Crisis Assistance Program to address the heating needs of deliverable fuel heated households who have exhausted their Basic Benefits and are still in need of assistance.

CEAP eligible, deliverable fuel heated households who are unable to secure primary heat will be eligible to receive a Crisis Assistance benefit of \$400. CHAP eligible, deliverable fuel heated households will be eligible to receive a Crisis Assistance benefit of \$100. If a deliverable fuel heated household is determined eligible for Crisis Assistance, a fuel delivery will be authorized within 18 hours of the household's request.

A redetermination of income eligibility will not be required to receive Crisis Assistance.

## **XII. SAFETY NET ASSISTANCE**

### **A. Deliverable Fuel Heated Households**

Subject to the availability of funds, Safety Net Assistance benefits will be available to CEAP eligible deliverable fuel heated households who have exhausted their Basic Benefits and Crisis Assistance benefits and are in a life-threatening situation. The Safety Net Assistance benefit will be \$400.

CEAP eligible, vulnerable households may be eligible to receive up to three Safety Net Assistance benefits during the program year. CEAP eligible, non-vulnerable households may be eligible to receive up to two Safety Net Assistance benefits during the program year. Households receiving assistance through CHAP are not eligible to receive Safety Net Assistance benefits.

CEAP eligible households requesting Safety Net Assistance benefits must complete a risk assessment determination. The risk assessment determination involves a review of the household's income, liquid assets and expenditures. If it is determined that the household has insufficient resources to cover the cost of the fuel delivery on its own, then a Safety Net Assistance fuel delivery may be authorized.

### **B. Utility Heated Households**

CEAP utility heated households are protected from winter disconnection, per CGS 16-262c, and are therefore not eligible to receive the needs based Crisis Assistance benefits and Safety Net Assistance benefits. If a utility heated household's service has been disconnected, or is being threatened with disconnection, the CAA will work directly with the utility vendor to either reinstate the service or to prevent the disconnection.

To the extent possible, utility heated households facing unaffordable service arrearages shall be assisted by the CAA in enrolling in the Matching Payment Program (MPP). The MPP is a state-mandated initiative, per CGS 16-262c, which enables CEAP eligible households to maximize their energy benefits, reduce and/or eliminate their service arrearages and empower them to gain greater control of their energy costs. Under the MPP, CEAP eligible households enter into a payment arrangement with their utility vendor. As long as all customer payments have been made by the deadline, the utility vendor will provide a dollar-for-dollar match of both the total customer payments and the CEAP benefit. The resulting match is applied to the customer's back bill, down to a \$0 balance. Please note, only publicly regulated utilities are mandated to participate in the MPP.

Utility heated households who are unable to meet their utility payment arrangement may be assisted by the CAA in negotiating a reduced payment arrangement with the utility vendor through the below budget worksheet process.

**XIII. PROGRAM DATES**

- November 15 - First day for fuel deliveries which can be paid by the program.  
- First day for authorization of fuel deliveries.
- March 15 - Deadline for fuel authorizations or deliveries.
- May 1 - Last day that a household can apply to establish its eligibility for benefits unless the household is utility heated and has a shut off notice for its primary source of heat.
- May 15 - Last day that a utility heated household with a shut off notice for its primary source of heat can apply to establish its eligibility for benefits.
- May 31 - Last day to submit deliverable fuel bills.

**XIV. ADDITIONAL BENEFITS/SERVICES**

Should funds received exceed the amount required to meet the benefit levels specified in this Plan, the additional funds shall be utilized to provide additional Crisis Assistance and/or Safety Net Assistance benefits to CEAP and/or CHAP eligible households, provide an additional benefit on behalf of utility heated households, increase Basic Benefits, increase Rental Assistance Benefits, increase LIHEAP SNAP Benefits, extend the deliverable fuel authorization period, extend the program intake period, provide heating system replacements to address unsafe/inoperable appliances and provide heating assistance to DSS-funded homeless shelters.

Should contingency funds be released and designated to be used for cooling measures, funds will be used in accordance with guidance provided by HHS.

**XV. PAYMENTS**

In order for deliverable fuel heated households to receive CEAP Heat Benefits, bills must be presented and must be in the name of a household member who is of majority status or an emancipated minor. For households that heat with propane, kerosene, wood, or coal, CEAP Heat Benefit payments will be based upon the cost of the delivery as stated on a valid bill. For households that heat with oil, CEAP Heat Benefit payments will be made in accordance with the Fixed Margin Pricing Program. Payments will be made only for primary deliverable heating sources delivered on or after November 15, 2012. Payments will be issued regardless of any customer payments made against the bill. Unless otherwise specified in this Plan, all payments will be vendor payments.

In order for utility heated households to receive Basic Benefits, the account must be in the name of a household member who is of majority status, or an emancipated minor. Verification of the account number must be provided. Only residential accounts are eligible for payment. Basic Benefit payments will be credited to the household's account regardless of other payments made to the account. Basic Benefits are for utility costs incurred from November 15, 2012 – May 1, 2013. Should the Basic Benefit exceed the charges for service incurred during this period, the utility company shall refund the difference directly to DSS by September 30, 2013. If a household moves and cannot be located, and a credit balance resulting from a CEAP payment(s) exists in their account, then the balance is to be returned directly to DSS within sixty (60) days of the close of the utility account.

Basic Benefit payments to electric distribution companies will be credited in accordance with Department of Energy and Environmental Protection regulations adopted pursuant to section 16-245d. of the Connecticut General Statutes.

No payments will be issued on behalf of, nor services authorized to, unoccupied dwelling units.

If a household moves and their heating source and/or utility company changes, they may redesignate any unobligated portion of their Basic Benefit. Crisis Assistance benefits and/or Safety Net Assistance benefits may be provided to CEAP eligible households if the new primary source of heat is a deliverable fuel and the household meets the eligibility requirements as detailed in sections XI. and XII.

If a household's heating system becomes inoperable, the household has the option of redetermining the primary source of heat. The household may choose to go back to the original primary source of heat once the heating system has been repaired.

Basic Benefits may pay for the cost of a start-up of a household's natural gas heating system (not including reconnection fees). CEAP Heat Benefits may pay for the cost of a start-up of a household's deliverable fuel heating system, provided the charge is the same that the vendor charges to all similarly situated customers who are not receiving CEAP assistance.

Basic Benefits may be used to cover the cost of a clean, tune and test of a household's deliverable fuel heating system. Renters must receive written landlord permission in order to receive this service.

Each site making authorizations or payments will be responsible for keeping an up-to-date control card or computer record for each eligible household. This control file will detail the benefits awarded to the household, and will include the heating source, deliveries/services authorized, and payments issued on behalf of the household.

Payments made directly to, or on behalf of CEAP households shall not be considered income or resources for any purpose under any Federal or State law per section 2605(f)(1) of the LIHEAP statute.

## **XVI. VENDORS**

All energy vendors wishing to participate in the CEAP must sign a Vendor Document which details the conditions under which payments will be made to each type of vendor. The only exceptions will be vendors of wood and coal, whose practices as energy suppliers to CEAP clients will be governed by existing state statutes.

The purpose of the Vendor Document is to ensure program standardization, fair treatment of CEAP customers by vendors, and to establish the conditions for payments on behalf of customers receiving assistance from the CEAP, including a requirement that vendors provide the same price discounts (including early payment discounts) to customers receiving CEAP assistance as the vendors provide to similarly situated customers.

The Vendor Document will also establish the pricing/reimbursement mechanism that the state will utilize on behalf of oil heated households.

Vendors who sign the Vendor Document and verify their registration with the DCP will be placed on a list of "approved vendors" which will be supplied to the CAAs by DSS. Such documents do not guarantee vendors the right to participate in the CEAP should the State establish, in accordance with the provisions of Section 4-28b of the Connecticut General Statutes, further criteria for participation in the CEAP, or in cases where the vendor is suspected of fraud, misrepresentation or of violating the Vendor Document.

The state reserves the right to inspect/audit the records of any deliverable fuel vendor presenting a bill for payment by the CEAP, in order to verify the bill either before or after payment is made.

The state reserves the right to inspect/audit the records of utility companies receiving payment under the CEAP, in order to verify that the proper customer accounts are being credited.

**XVII. FIXED MARGIN PRICING PROGRAM**

Information from the Oil Price Information Service (OPIS) will be used to determine the daily Fixed Margin Price, which will be used to pay oil vendors making deliveries to CEAP households. The Fixed Margin Price will be based on the daily New Haven Rack Average OPIS Standard No. 2 Fuel Oil with 0.3 sulfur content, Gross No. 2 Distillate Price, plus a fixed margin of 31 cents per gallon.

The Fixed Margin Pricing Program also includes county differentials in the pricing mechanism to reflect transportation, delivery costs and operation costs. The differentials are based on a county-by-county comparison of the retail prices of 67,600 oil deliveries completed under last year's energy assistance program.

The county differentials are as follows, and include the 31 cents fixed margin:

Middlesex County	\$0.343
Hartford County	\$0.349
New London County	\$0.352
New Haven County	\$0.355
Litchfield County	\$0.377
Tolland County	\$0.409
Windham County	\$0.410
Fairfield County	\$0.425

Under the Fixed Margin Pricing Program pricing mechanism, oil deliveries made on Wednesday, December 7, 2011 were paid based on the Tuesday New Haven Rack Average OPIS Price, as provided on Tuesday, December 6, 2011 by OPIS. The price was determined as follows:

\$3.057	New Haven Rack Average OPIS Price, Tuesday, 12/6/11
.310	Fixed Margin
.115	County Differential – Fairfield County
\$3.482	Total Fixed Margin Price for #2 oil, Wednesday, 12/7/11 (Fairfield County)

Please note, since each county has a different county differential, the Total Fixed Margin Price on any given day will vary from county to county.

Vendors who deliver in multiple counties will be paid in accordance with the county differential in which the delivery is made. DSS will determine all fixed margin prices.



The pricing mechanism may be adjusted by DSS to respond to unanticipated changes in the #2 heating oil market.

Vendors must put their retail price on all delivery tickets, bills or statements. If the vendor's posted retail price is lower than the Fixed Margin Price, the vendor will be paid in accordance with the retail price.

For those deliveries of home heating oil paid by the program, vendors shall not charge CEAP customers the difference between their retail price and the CEAP payment.

DSS staff may monitor and verify the accuracy of the retail prices reported by vendors.

#### **XVIII. INTAKE PILOT**

Pending the availability of administrative funds, the Department is interested in implementing a paperless energy assistance intake pilot with the Thames Valley Council for Community Action, Inc. The pilot will involve the utilization of scanners at two of the agency's intake facilities. These offices will have the ability to scan energy assistance applications and supporting documentation for approximately 1,000 applicants. It is anticipated that the pilot will result in increased efficiencies (i.e., less staff time spent filing, copying, etc.), reduced supply costs (i.e., less need for file folders, paper, file cabinets, etc.) and a reduction in storage costs (i.e., records will be stored electronically). In addition, scanned applications will be immediately available to main office staff for review and certification, thereby eliminating the time, effort and costs associated with transmitting the case file either via mail or e-mail.

#### **XIX. INFORMATION AND REFERRAL**

The State of Connecticut will work with others, including local governments and other private human services providers, to implement localized information and referral systems that will address the needs of CEAP eligible households who have exhausted all of their benefits. 211 will continue to serve as the referral network system, and will work to identify services for CEAP households in order to alleviate crisis situations following exhaustion of benefits.

DSS will provide to all of its recipient households energy assistance notifications, informing them of the availability of benefits. Referral flyers describing fuel assistance programs, weatherization services, energy conservation loans and private fuel banks are made available at DSS and CAA offices.

CAAs will continue to maintain a network of approximately 120 intake sites throughout the state (i.e., senior citizen centers, municipal social services offices, etc.). In addition, CAAs will assist homebound households in applying for CEAP benefits. This may involve the utilization of mail-in applications or the performance of outreach visits to homebound households.

CAAs use a single application to determine eligibility for the CEAP, as well as for weatherization services. In addition to the U. S. Department of Energy's weatherization program, additional services under the Home Energy Solutions-Income Eligible (HES-IE) program are also supported by the Connecticut Energy Efficiency Fund which provides weatherization measures to help income eligible residents reduce their energy bills by making their homes more energy efficient.

The companies administering HES-IE enter into written agreements with the CAAs for the provision of the weatherization services/materials to low income households. In order to qualify, households must have been approved by the CAA and must meet other criteria, (i.e., high usage, high arrearage, etc.).

Efforts will be made to identify other energy resources, either municipal, charitable or private (such as Operation Fuel and the Soldiers', Sailors' and Marines' Fund), which may be available to low income households. The Department will work with these providers, and other state agencies and municipalities, to establish a coordinated response to alleviate potential crises due to a low income household's inability to pay for heat. This response may include such actions as providing alternative housing arrangements, such as referral to shelters, as well as direct service intervention, when appropriate, by protective services agencies.

Operation Fuel is a private, non-profit organization which distributes privately raised funds through a network of fuel banks that accept and approve applications from households in need of emergency fuel deliveries or protection against utility shut-offs. Operation Fuel provides assistance to households with incomes up to 60 percent of the state median income guidelines. Those households which meet the Operation Fuel guidelines are issued referrals by the CAA for these benefits.

In addition, Operation Fuel can, as funding permits and with the approval of its Board of Directors, on an annual basis provide limited assistance to CEAP eligible households who are facing a crisis because they have exhausted all available CEAP benefits, or because they did not apply for CEAP benefits by the required deadlines.

**XX. ASSURANCE 16 ACTIVITIES**

In accordance with LIHEAP regulations, and pending the availability of funds, CAAs will provide enhanced case management in an effort to assist low-income households in reducing their overall energy needs/burden. Such services shall include, but are not limited to, risk assessment, counseling, energy education/awareness and assistance with energy suppliers/vendors. These services are aimed at enabling households to achieve a greater degree of energy self-sufficiency.

**XXI. BUDGET**

A. The estimated LIHEAP budget for 2012/2013 is derived as follows:

\$ 79,532,717	2013 LIHEAP Block Grant (est.)
450,000	2012 LIHEAP Leveraging Funds (est.)
7,950,000	2012 LIHEAP Carry-Forward Funds (est.)
<u>275,281</u>	2012 Vendor Refunds
\$ 88,207,998	Total 2012/2013 (est.)

B. LIHEAP benefit payment/administration breakdown<sup>1</sup>

\$ 79,109,726	LIHEAP Benefit Payments
7,998,272	LIHEAP Administration <sup>2</sup>
1,000,000	Assurance 16
<u>100,000</u>	LIHEAP SNAP
\$ 88,207,998	

## C. Estimates of the 2012/2013 LIHEAP caseload:

Total eligible households	-	118,000
Total eligible with elderly	-	33,500
Total eligible with disabled	-	34,900
Total eligible with young children	-	26,600

Of the total estimated 2012/2013 LIHEAP eligible caseload, we anticipate that 28.4% will have elderly members, 29.6% will have disabled members and 22.6% will have a young child/children.

## D. Footnotes to Section XXIII., Budget

- 1 To the extent that a reduction in funds available under LIHEAP requires modification of the administrative and/or Assurance 16 budgets, DSS shall make such reallocation as is necessary.
- 2 Includes funds for program audits. DSS may require changes in the details of CEAP management and staffing at a CAA as a condition of awarding administrative funds to a CAA, when such changes are judged necessary by DSS to ensure that the funds awarded will have a significant positive impact on program performance.