

STATE OF CONNECTICUT

DEPARTMENT OF SOCIAL SERVICES

Deidre S. Gifford, MD, MPH
Commissioner



Ned Lamont
Governor
Susan Bysiewicz
Lt. Governor

OFFICE OF THE COMMISSIONER

October 26, 2022

Christian A. Herb, President
Connecticut Energy Marketers Association
10 Alcapp Ridge
Cromwell, CT 06415

Delivered via email: chris@ctema.com

Re: Connecticut Energy Assistance Program

Dear Mr. Herb,

Thank you for consolidating and sharing the perspectives of the deliverable fuel vendor community as we embark on the Connecticut Energy Assistance Program's 2022-2023 season. We greatly appreciate your partnership in ensuring that our neighbors and communities stay warm each winter. We are all working hard to ensure that we are operating a fair program that maximizes assistance to needy families using our finite federal funds.

As you have relayed and as we have heard directly, the deliverable fuel vendor community has identified concerns about market volatility and high energy costs driven in large part by the war in Ukraine, as well as higher operating costs overall. This in turn has caused a need for faster reimbursement processes and more operational funding support. As described below, we are taking several immediate steps to address those concerns in advance of the fuel deliveries that start on November 1, and we will continue to evaluate other possible changes as the program year progresses.

- In recognition of the continued market volatility and increase in operating costs, we will build further on the significant increase in the margin over rack that we instituted last year and increase the margin over rack an additional \$0.05 per gallon, bringing the base margin over rack to \$0.50/gallon for this program season. We will continue to use the New Haven terminal pricing as the base price, plus the county differential.
- To help accelerate payment processes, we will require that all community action agencies accept email submissions of delivery tickets and invoices.
- To help reduce the risk of potential cash flow issues for vendors and to accelerate reimbursement, DSS will work closely with our community action agency partners to

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ensure that there are always available funds to make fuel vendor payments, and we will set a goal of issuing all vendor payments no later than 10 business days after the date a complete invoice is received. We will explore making a 10 business day turnaround mandatory during this program year.

- To accelerate payment processes and reduce administrative burden, all deliverable fuel vendors will have the option to choose EFT payment methods and community action agencies will be required to make payments by EFT when a vendor requests payment by EFT. All community action agencies will be required to implement this policy as soon as possible but no later than January 1, 2023.

Looking ahead, we will continue to review the basis by which we set our prices to ensure that the geographical location of our clients and vendors does not adversely affect program access. We will continue to monitor the market situation and the input of our vendor community, as we have always done.

Thank you again for your partnership in the Connecticut Energy Assistance Program.

Sincerely,

A handwritten signature in blue ink, appearing to read "Deidre S. Gifford".

Deidre S. Gifford, MD, MPH
Senior Advisor to the Governor for Health and Human Services
Commissioner, CT Department of Social Services

c: Peter Hadler, Director
Cassandra Norfleet-Johnson, Program Administration Manager