



STATE OF CONNECTICUT

DEPARTMENT OF SOCIAL SERVICES

55 Farmington Avenue, Hartford, Connecticut 06105

TO: All Petroleum Product Vendors

FROM: Carlene O. Taylor, Program Administration Manager
Office of Community Services

SUBJECT: Supplier/Vendor Conditions of Participation Form

DATE: October 6, 2017

Attached please find the 2017-2018 Supplier/Vendor Conditions of Participation Form (hereinafter referred to as the "Document") for vendors of low sulfur oil, kerosene and propane, setting forth the conditions of participation in the energy assistance program administered by the state Department of Social Services (DSS). The conditions referenced in this Document apply to fuel deliveries made to households determined by Community Action Agencies (CAAs) to be eligible for benefits provided through the Connecticut Energy Assistance Program (CEAP).

If your company wishes to participate in the delivery of fuel in accordance with the CEAP program, please complete the form, sign the attached Document, and have it notarized.

Once completed, the preferred method for submitting the document is to email it to energy.vendors@ct.gov Please enter your business name in the subject line. As an alternative, you may fax a copy to CEAP Energy Services at (860) 424-4952. You may also mail the Document to:

Connecticut Department of Social Services
Office of Community Services
55 Farmington Avenue, 10th Floor
Hartford, Connecticut 06105

Please note the following:

- **Procedures relating to heating system repairs/replacements will be the same as last year.** Contractors/vendors performing the work will be selected competitively. CAAs will not issue an authorization for a fuel delivery in cases where heating systems, including leaking fuel tanks, have been "red tagged" by a vendor certified to evaluate heating systems.
- **The first date for fuel deliveries is November 15th.**
- **The fuel authorization process remains the same as last year.** Vendors will deliver up to the identified amount provided by the CAA. Vendors will receive authorizations from the Community Action Agency for "Basic," "Crisis Assistance" and "Safety Net Assistance" benefits **prior** to each delivery. **Only one delivery is to be made per authorization** (Example - If you receive an authorization for \$660 and only deliver \$400, the remaining \$260 cannot be made under that same authorization. A follow-up authorization **must** be requested for that balance).

- **Vendors must provide verification of their registration with the Department of Consumer Protection**, in accordance with Sec. 16a-23m of the Connecticut General Statutes.
- Deliveries made under the Fixed Margin Pricing Program will be paid based on the daily **Gross Ultra Low Sulfur Red Dye Distillate** price. Vendors can obtain these prices by **checking the Vendor Information section of our website at www.ct.gov/staywarm after 3:00 p.m. each day.** The posted prices reflect the amount that will be paid for deliveries of heating oil made on the following day.
- Upon request and if funds are available, CEAP will cover the cost for a clean, tune and test of a deliverable fuel heating system for eligible deliverable fuel heated households. Renters must receive written permission from their landlord in order to receive this benefit. **In order to be eligible for payment, the clean, tune and test must be authorized by the Community Action Agency.**
- Eligible Energy assistance clients may use a portion of their benefits to pay for a restart of their deliverable fuel heating system. Restart payment will be made, provided that sufficient funds remain in the eligible household's benefits. **No more than one restart payment will be paid per household per program year.** Payment for additional restarts will be the responsibility of the participating household.

DSS will use information from the Oil Price Information Service (OPIS) 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 **OPIS Gross Ultra Low Sulfur Red Dye Distillate** price, plus a fixed margin of 33 cents per gallon.

In addition, the Fixed Margin Pricing Program will continue to include county differentials in the pricing mechanism. The county differentials are as follows, and **include the 33 cents fixed margin:**

Middlesex County	\$0.363
Hartford County	\$0.369
New London County	\$0.372
New Haven County	\$0.375
Litchfield County	\$0.397
Tolland County	\$0.429
Windham County	\$0.430
Fairfield County	\$0.445

The following example is for demonstration purposes.

Under the Fixed Margin Pricing Program pricing mechanism in place last year, oil deliveries made on Tuesday, December 8, 2015 were paid based on the previous day's New Haven Rack Average OPIS Price, as provided in this example on Monday, December 5, 2016. The price was determined as follows:

\$1.716	New Haven Rack Average OPIS Price, Monday, 12/5/16
.330	Fixed Margin in FFY2017
<u>.115</u>	County Differential – Fairfield County
\$2.161	Total Fixed Margin Price for Tuesday, 12/6/16 (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 the county the delivery is made. DSS will determine all fixed margin prices.

In the event of the shutdown of state offices due to an emergency, e.g., hazardous weather, the last posted fixed margin price shall remain in effect until the state offices reopen.

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.

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

Deliveries made before an energy assistance customer's eligibility has been determined may be paid, if the customer is found eligible, and the delivery was made on or after **November 16, 2017**. Payment in these cases can only be paid from a basic benefit award.

The attached Document once received and accepted by DSS, shall be in effect from October 1, 2016 through September 30, 2017. Important dates are provided below:

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| ▪ November 15, 2017 | First day for fuel deliveries that can be paid by the program. |
| ▪ March 15, 2018 | Deadline for fuel authorizations or deliveries |
| ▪ May 1, 2018 | The 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, 2018 | Last day that utility heated household with a shut-off notice for its primary heat can apply to establish its eligibility for benefits. |
| ▪ May 31, 2018 | Last day to submit deliverable fuel bills. |

The U.S. Department of Health and Human Services (HHS), which administers the Low Income Home Energy Assistance Program (LIHEAP) nationwide, is requiring the tracking of heating consumption data for households receiving assistance through this program. This information will be used to better gauge the energy burden of LIHEAP households, with the goal of focusing maximum benefits and energy conservation measures on those households with the highest need. **HHS is requiring states to secure consumption information from the ten largest heating oil vendors and the ten largest propane vendors** (the largest utility companies will also need to provide consumption information for LIHEAP households). Part III, Section 20 of this Supplier/Vendor Conditions of Participation Form relates to this HHS requirement.

Please keep this memorandum for your records. If you have any questions concerning the completion of the Document, please call the Energy Services Unit at 1-800-842-1132.