

**COMMONWEALTH OF PENNSYLVANIA**

**LOW-INCOME HOME ENERGY  
ASSISTANCE PROGRAM**

**FISCAL YEAR 2013**

**FINAL STATE PLAN**

**TOM CORBETT**

**GOVERNOR**

*Commonwealth of Pennsylvania*

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**SECRETARY**

*Department of Public Welfare*

**PUB 223**

**THE MISSION OF THE DEPARTMENT OF PUBLIC WELFARE IS TO:**

Promote, improve, and sustain the quality of family life,

Break the cycle of dependency,

Promote respect for employees,

Protect and serve Pennsylvania's most vulnerable citizens,

and

Manage our resources effectively.

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**COMMONWEALTH OF PENNSYLVANIA  
LOW-INCOME HOME ENERGY ASSISTANCE PROGRAM  
Fiscal Year 2013 Final State Plan**

## **INTRODUCTION**

The Department of Public Welfare (DPW) adopts the Commonwealth's Final State Plan for the Federal Fiscal Year 2013 (FY 2013) Low-Income Home Energy Assistance Program (LIHEAP), in accordance with the Low-Income Home Energy Assistance Act of 1981 (Title XXVI of Pub. L. 97-35, the Omnibus Budget Reconciliation Act of 1981, 42 U.S.C. Section 8621 et seq.) as amended by the Human Services Reauthorization Act of 1984 (Pub. L. 98-558), the Human Services Reauthorization Act of 1986 (Pub. L. 99-425), the Augustus F. Hawkins Human Services Reauthorization Act of 1990 (Pub. L. 101-501), the National Institutes of Health Revitalization Act of 1993 (Pub. L. 103-43), the Low-Income Home Energy Amendments of 1994 (Pub. L. 103-552), the Coats Human Services Reauthorization Act of 1998 (Pub. L. 105-285), and the Energy Policy Act of 2005 (Pub. L. 109-58).

LIHEAP is a Federally-funded program which enables the State to help low-income households meet their home heating needs.

LIHEAP is administered by DPW and consists of three components: cash benefits to help eligible low-income households pay for their home-heating fuel; crisis payments, if needed, to resolve weather-related, supply shortage, and other household energy-related emergencies; and energy conservation and weatherization measures to address long-range solutions to the home-heating problems of low-income households. Energy conservation and weatherization services and certain related crisis payments are provided by the Department of Community and Economic Development (DCED), under its Weatherization Assistance Program in compliance with the Department of Energy and the Title XXVI requirements.

## **LIHEAP FEDERAL FUNDING**

President Obama's FY 2013 budget request was released on February 13, 2012. The budget proposes to fund the FY 2013 LIHEAP at \$2.82 billion in block grant funds with \$200 million in emergency contingency funds. Pennsylvania's share of the block grant is estimated to be \$166.03 million.

There are no State Energy Conservation Act funds (ECAF) allocated for program year 2012-13. DPW will receive an additional \$2.45 million in leveraging funds and anticipates carrying forward a balance of \$18 million. This results in a total budget of \$186.48 million. 15 percent of the block grant will be allocated to DCED for the Weatherization Assistance Program and up to 10 percent of the block grant will be allocated for administrative costs, leaving an adjusted minimum total of \$144.98 million available for LIHEAP benefits.

## **PUBLIC COMMENT**

In addition to soliciting advice from the LIHEAP Advisory Committee (LAC), DPW held public hearings on the LIHEAP proposed Plan for Fiscal Year (FY) 2013 in compliance with Federal LIHEAP requirements. This year, hearings were held in Philadelphia (July 10), Harrisburg (July 12), and Pittsburgh (July 18). A total of 43 persons attended the hearings: 20 in Philadelphia; 10 in Harrisburg; and 13 in Pittsburgh. A total of 15 individuals or organizations provided oral testimony at the hearings and 8 individuals or organizations presented written mail-in testimony. LAC recommendations and all other comments and testimony were taken into consideration in developing program parameters for the Final State Plan.

## **PROGRAM PARAMETERS**

The FY 2013 LIHEAP parameters include:

- an opening date of November 1, 2012 and closing date of March 29, 2013 for the cash component;
- an opening date of November 1, 2012 and closing date of January 1, 2013 for the crisis exception program;
- an opening date of January 2, 2013 and closing date of March 29, 2013 for the crisis component;
- the income eligibility limit will be set at 150 percent of the Federal Poverty Income Guidelines (FPIGs);
- a minimum cash benefit of \$100;
- a maximum cash benefit of \$1,000;
- a minimum crisis benefit of \$25;
- a maximum crisis benefit of \$400.

### **Program Year**

Based on anticipated available funding for benefits and administrative costs, DPW proposes to open the cash component on November 1, 2012 with a closing date of March 29, 2013. DPW will begin operating the crisis exception program on November 1, 2012 and close the program on January 1, 2013. DPW will open the crisis component on January 2, 2013 and close the program on March 29, 2013. As in past years, DPW may extend or shorten the program year, depending on the availability of funds.

Prior to the cash program opening date, DPW will mail applications or a postcard

directing people to apply online to persons who received LIHEAP benefits in the 2011-2012 program year.

Comment:

Public hearing testimony supported various recommendations for program extension. One testifier recommended the institution of a summer cooling program, stating heat-related emergencies can be just as dangerous as cold weather emergencies. Seven testifiers recommended a spring Crisis program to help with termination notices received from utilities.

Sixteen testifiers (including PULP, CLS, utility companies, fuel vendors, and advocacy groups) recommended eliminating the crisis exception program and supported operating the cash and the regular crisis component concurrently. Five testifiers requested an opening date in October for both components to allow for fuel delivery and reconnection of utility service going into the heating season.

Eight testifiers requested an opening date for both components on November 1, 2012.

Thirteen testifiers supported a program closing date for both components in April. Dates ranged from April 12 to April 30, 2013.

Eleven testifiers requested that the program remain open until all funds are exhausted.

Five testifiers requested that Pennsylvania establish a contingency plan in the case it receives additional funding.

Five testifiers requested that the program seek additional funding in the form of a state supplement to the federal funding.

Three testifiers requested more intake sites for applications in Philadelphia.

Response:

The proposed program dates were determined by expenditure projections, based on anticipated funding and traditional expenditure patterns, and represent the maximum length for which the program can be sustained. Therefore, the program dates will remain as proposed, with the FY 2013 cash component opening on November 1, 2012 with a closing date of March 29, 2013. DPW will begin operating the crisis exception program on November 1, 2012 and close the program on January 1, 2013. The crisis component will open on January 2, 2013 with a closing date of March 29, 2013.

If the Federal appropriation changes significantly, DPW will adjust the program operating dates as necessary.

DPW will either mail applications or send postcards directing people to apply online to all households who received LIHEAP last year.

### **Income Eligibility Guidelines**

Based on anticipated funding, DPW proposed a maximum income eligibility limit of 150 percent of the FPIGs for the FY 2013 LIHEAP. The income limits for FY 2013 will be based on the FPIG levels published on January 26, 2012 by the Department of Health and Human Services in the Federal Register.

#### Comment:

Three testifiers supported maintaining the income limits at 150 percent of the FPIGs.

Three testifiers requested that DPW set the eligibility limits at 200 percent of the FPIGs.

Two testifiers requested DPW create an automatic enrollment program based on information already collected from other DPW programs.

#### Response:

The income limits for FY 2012 and FY 2013 are listed below:

<u>Household Size</u>	<u>FY 2012 Income Limit</u>	<u>FY 2013 Income Limit</u>
	<u>150%</u>	<u>150%</u>
1	\$16,335	\$ 16,755
2	22,065	22,695
3	27,795	28,635
4	33,525	34,575
5	39,255	40,515
6	44,985	46,455
7	50,715	52,395
8	56,445	58,335
9	62,175	64,275
10	67,905	70,215

For each additional person add:

\$ 5,730

\$ 5,940

Due to different criteria that is used to determine a "household" between all the different programs DPW administers, we are not offering an automatic enrollment program

at this time.

**Minimum Cash Benefit**

DPW proposed to set the minimum cash component benefit at \$100.

Comment:

Three testifiers supported maintaining the minimum cash grant to \$100.

Two testifiers recommended increasing the minimum cash grant to \$300.

Response:

Based on anticipated Federal funding, DPW has made the decision to set the minimum cash benefit at \$100.

**Maximum Cash Benefit**

DPW proposed to set the maximum cash component benefit at \$1,000.

Comment:

Two testifiers recommended eliminating the maximum amount for a cash grant. Testifiers stated that only households with the greatest need for energy assistance qualify for the highest cash grant amounts.

One testifier recommended the maximum Cash benefit be between \$1,000 and \$1,500, depending on federal funding received.

One testifier recommended the maximum Cash benefit be reduced to \$800.

Response:

Based on anticipated Federal funding, DPW has made the decision to set the maximum cash benefit at \$1000.

**Minimum Crisis Benefit**

DPW proposed to set the minimum crisis component benefit at \$25.

Comment:

One testifier recommended increasing the minimum amount for a crisis grant to \$50.

One testifier recommended increasing the minimum amount for a crisis grant to

\$100.

Response:

DPW will set the minimum crisis component benefit at \$25.

**Maximum Crisis Benefit**

DPW proposed to increase the maximum crisis component benefit at \$400.

Comment:

Six testifiers supported increasing the amount of the maximum crisis grant to \$400; and one testifier suggested the maximum amount be \$500 if LIHEAP is fully funded like previous years.

Response:

Based on anticipated Federal funding, DPW has made the decision to set the maximum crisis component benefit at \$400.

**Crisis and Crisis Exception Program**

Households who qualify for a cash grant and are without heat either its main or secondary heating source has been completely shut-off or the household has almost run out of its supply of main heating fuel prior to the opening of the crisis program may be eligible to receive a crisis exception benefit, subject to the minimum and maximum crisis amounts allowed under the current LIHEAP State Plan. The crisis exception benefit will only be issued if the amount of the household's cash grant is insufficient to restore heat to the residence.

Households may apply for and, if eligible, receive regular crisis benefits regardless of whether they apply for or receive a LIHEAP cash benefit. To qualify for a crisis benefit, a household shall be without heat or in imminent danger of being without heat because of a weather-related or energy-supply-shortage emergency.

Comment:

Five testifiers recommended the requirement that the clients receive a Cash grant in order to be eligible for a Crisis Exception payment be eliminated.

Six testifiers recommended that Crisis policy be changed to state that a termination notice from a utility be sufficient proof of a crisis.

Response:

The Crisis Exception Program (CEP) was designed to assist households who

had a heating emergency before the beginning of the regular Crisis program. In order to preserve funding for the Crisis program that is mandated to be open until March 15<sup>th</sup>, DPW created the CEP to help households with a heating emergency that their regular Cash grant wouldn't have been enough to resolve. Therefore, DPW will maintain the CEP as it currently exists.

To qualify for Crisis, a household shall be without heat or in imminent danger of being without heat because of a weather-related or energy-supply-shortage emergency. Since utility companies cannot shut-off service until April 1<sup>st</sup> because of the moratorium, a termination notice during the winter isn't proof the household is in imminent danger of being without heat. However, utility bills sent and received by households after February 1<sup>st</sup> with a termination notice of service after April 1<sup>st</sup> are considered eligible for Crisis and can receive a Crisis grant.

### **Weatherization Transfer**

The amount of funds allocated to DCED for the Weatherization Assistance Program will be 15 percent of Pennsylvania's Federal LIHEAP block grant allocation.

#### **Comment:**

Four testifiers recommended transferring the full 15 percent of the LIHEAP block grant allocation to DCED. Reasons for support of the 15 percent weatherization transfer to DCED included:

- Reducing fuel consumption is a practical way of alleviating the burden of energy costs for low-income households;
- Repair or replacement of dangerous or malfunctioning heating systems is a valuable public service.

Seven testifiers objected to the transfer of funds to DCED for weatherization when there is little public funding for energy assistance. Testifiers asked that the allocation for weatherization be reduced or eliminated for FY 2012.

#### **Response:**

For FY 2013, DPW will transfer 15 percent of LIHEAP funds to DCED for the Weatherization Assistance Program. Legislation that was recently signed into law mandates DPW transfer 15 percent to DCED for the Weatherization Assistance Program.

### **Application of Cash Benefits**

Public utilities that operate customer assistance programs (CAPs) will apply the LIHEAP cash component benefits only to the customer's monthly 'Asked to Pay' amount. No LIHEAP funds may be applied to CAP customer's pre-program arrearages or actual usage amounts.

Comment:

Six testifiers opposed restricting the application of cash benefits for CAP customers. They cited the following reasons:

- Restricting the LIHEAP cash grant only to the ‘Asked to Pay’ amount will force the utility companies to subsidize the cost of the program by charging non-CAP customers even more.
- Monthly CAP payments are meant to teach households fiscal responsibility. By allowing the cash grant to pay the monthly amount, the household will not develop good payment habits.
- CAP households will have less incentive to conserve energy if they do not have a payment responsibility.

Response:

The purpose of LIHEAP is to help low income households meet their home heating needs. The LIHEAP Federal statute, regulations and Pennsylvania’s approved state plan require that LIHEAP funds be applied in full to the account of those households determined LIHEAP eligible. Therefore, in order to assure compliance with federal regulations, utility companies must apply LIHEAP cash grants only to the “Asked to Pay” amount the CAP customer is required to pay.

**Heat and Eat Initiative**

To enhance participation and benefits for households enrolled in the Supplemental Nutrition Assistance Program (SNAP), DPW will issue a \$1.00 heating assistance benefit to SNAP households that are responsible for heating costs and have not already been approved for LIHEAP during the current program year. SNAP applicants or recipients who are homeless or living in institutions are not eligible to receive the \$1.00 heating assistance benefit.

Per Federal SNAP regulation, receipt of a heating assistance benefit, regardless of the amount of the benefit, enables SNAP recipients to maximize the SNAP Standard Utility Allowance (SUA). Households receiving the \$1 heating assistance benefit that are recipients of SNAP will receive the highest SNAP SUA. Using the highest allowable SUA in the SNAP benefit calculation may significantly increase SNAP benefits for many households. The annual \$1 heating assistance benefit will qualify the household for the maximum SNAP SUA for the current federal fiscal year.

Comment:

No comments were made about the Heat and Eat Initiative.

### **Proposed Policy Clarification 1**

If an overpayment occurs that was not caused by fraud, error or misrepresentation, by the client or the vendor, the overpayment will be considered an administrative error. No restitution is required by the client or the vendor and no referral will be made to the Office of Inspector General.

#### **Comment:**

No comments were made about this proposed policy clarification.

### **Proposed Policy Clarification 2**

The applicant may choose whether the time period to be used in determining gross annual income shall be for the 12 months or the calendar month prior to the month of application.

#### **Comment:**

Three testifiers supported changing the time period used in determining gross annual income from 90 days prior to the month of application to only using the calendar month prior to the month of application. One person opposed the change and wanted the time period to remain 90 days.

#### **Response:**

DPW will change the time period used to determine income eligibility from 90 days prior to the month of application to the calendar month prior to the month of application. This change more closely aligns LIHEAP with the income collection rules for other DPW programs such as Cash Assistance, Medical Assistance and SNAP (food stamps). By having the income collection rules similar to the other programs, this should make it easier for the households to provide the verification necessary in order to receive assistance.

### **Proposed Policy Clarification 3**

Removing the term “undergraduate” from section 601.84(1) of the State Plan and revising it to make clear that educational assistance from scholarships, grants, and loans to any student is excluded as income unless it is solely for basic living needs such as housing and food and the amount of income from other sources used to pay out-of-pocket expenses for books and other required educational fees.

#### **Comment:**

No comments were made about removing the term undergraduate from section 601.84 of the State Plan.

**Proposed Policy Clarification 4**

A person who has unearned income may get a deduction for expenses that he or she has to pay to get the income. These expenses include, but are not limited to, the following:

- Attorney fees;
- Court costs;
- Transportation costs;
- The amount paid to a rental agency to handle rental property;
- Court-ordered fees paid to a guardian who controls the person's income.

**NOTE:** The CAO must make sure to subtract expenses to determine the unearned income used for the gross income test.

**Comment:**

No comments were made about the inclusion of these income deductions for unearned income in the State Plan.

**Proposed Policy Clarification 5**

For actual child support received, whether court-ordered support or voluntary support from a legally responsible relative, up to the first \$100 will be excluded in determining household income if there is one child under age 18 in the household. If there are two or more children under age 18 in the household, up to \$200 will be excluded. Also, up to the first \$50 of actual spousal support received in a given month will be excluded. If a household receives both child support and spousal support, only the amount which is the greatest will be excluded for that month; the household will not receive both a child support and spousal support deduction in the same month. All support refunded by DPW during the month is excluded.

**Comment:**

No comments were made about increasing the exclusion of child support income in determining gross annual income.

**Proposed Policy Clarification 6**

Funds withdrawn from Individual Retirement Accounts, Certificates of Deposit and proceeds from the sale of stock certificates are to be counted as unearned income.

**Comment:**

No comments were received about funds being withdrawn from Individual Retirement Accounts, Certificates of Deposit and proceeds from the sale of stock certificates being counted as income.

**DEPARTMENT OF PUBLIC WELFARE &**  
**DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT**  
**CRISIS INTERFACE PROJECT**

The DPW/DCED Crisis Interface Project, implemented with the FY 1993 program year, will continue.

Under this LIHEAP crisis program integration, a portion of the LIHEAP funds allocated for weatherization will be used to alleviate specific LIHEAP crises. The following types of crises are included: the repair of a heating system; the repair of gas or other fuel lines; the replacement of an unrepairable heating system; the repair of broken windows; and pipe-thawing services. Specific DCED responsibilities include addressing the crisis situation within 48 hours, or 18 hours if the situation is considered to be life-threatening or health-threatening.

LIHEAP households with weather-related emergencies will be eligible to receive more expensive types of services provided through the Crisis Interface Project. Specifically, an average of \$6,500 is available to a household for weatherization services.

Applicants must apply through their CAOs or crisis contractor, where applicable, who is then responsible for determining LIHEAP eligibility and for identification of the type of crisis and service needed. At this point, DPW will either take steps to directly alleviate the crisis, or will refer the crisis to the local weatherization office for resolution. This will include a home visit for an evaluation as to the service needed to resolve the crisis and an assessment for weatherization services, if not previously provided.

THE LOW-INCOME HOME ENERGY ASSISTANCE PROGRAM

FY 2013 FINAL STATE PLAN

ASSURANCES

The Governor of Pennsylvania has authorized the Secretary of Public Welfare to apply and reapply for Federal funds under the Low-Income Home Energy Assistance Program (42 U.S.C. Section 8621 et seq.), and to develop, approve and submit to the Federal government all State Plans and other related documents as may be necessary for the Commonwealth to obtain available funds to administer the program.

In accordance with the Low-Income Home Energy Assistance Act of 1981 (the Act) (Pub. L. 97-35), as amended by the Human Services Reauthorization Act of 1984 (Pub. L. 98-558), the Human Services Reauthorization Act of 1986 (Pub. L. 99-425), the Augustus F. Hawkins Human Services Reauthorization Act of 1990 (Pub. L. 101-501), the National Institutes of Health Revitalization Act of 1993 (Pub. L. 103-43), the Low-Income Home Energy Assistance Amendments of 1994 (Pub. L. 103-252), the Coats Human Services Reauthorization Act of 1998 (Pub. L. 105-285), and the Energy Policy Act of 2005 (Pub. L. 109-58), the Commonwealth of Pennsylvania, through its Department of Public Welfare (DPW), submits this State Plan for operating the cash and crisis components of LIHEAP and will carry out the Federal requirements contained in Section 2605(b) of the Act as amended.

1. Allotment of Funds

In accordance with Pub. L. 97-35, Section 2605(c)(1)(C), as amended, Pennsylvania will use the available funds to assist eligible households to meet the costs of home heating energy and will make payments only as specified.

The projected budget, based on percentages, is:

Cash benefits	up to 65 percent of available funds
Crisis benefits	up to 10 percent of available funds
Weatherization	15 percent of available funds
Administrative and planning costs	up to 10 percent of available funds

Adjustments within the maximums will be made as needed, but will not exceed 100 percent of available funds.

## 2. Eligible Households

In accordance with Pub. L. 97-35, Section 2605(b)(2), as amended, Pennsylvania will make payments to, or on behalf of, households whose gross annual incomes are equal or less than the established percentage of the poverty level for the FY 2013 program, based on the Federal Poverty Income Guidelines published on January 26, 2012 by the U. S. Department of Health and Human Services (DHHS).

Income limits for households to qualify for LIHEAP cash, crisis, and weatherization benefits are as follows:

<u>Household Size</u>	<u>Cash, Crisis, &amp; Weatherization 150 Percent of FPIG</u>
1	\$ 16,755
2	22,695
3	28,635
4	34,575
5	40,515
6	46,455
7	52,395
8	58,335
9	64,275
10	70,215

For each additional person add: \$ 5,940

## 3. Public Education

In accordance with Pub. L. 97-35, Section 2605(b)(3), as amended, Pennsylvania will conduct public education activities to assure that eligible households, especially the elderly and disabled, and households with high home energy burdens are aware of assistance available under this Plan and that all applicant households have geographic access to application sites. Funds will be designated for public education activities as determined appropriate by the Secretary of DPW.

Pennsylvania will inform individuals, groups, and families about LIHEAP through mass mailings, notices to the media, brochures, posters, and through voluntary and religious organizations.

Additional public education activities will include the following:

- Provision of reproducible public education materials to utility companies and fuel vendors, upon request, for use in such ways as bill messages.

- Applications with return, pre-stamped envelopes mailed to homebound individuals who need help in applying for benefits.
- Provision of applications for LIHEAP benefits to utility companies, fuel vendors, and community-based agencies, such as Area Agencies on Aging and Community Action Agencies, for distribution to prospective LIHEAP applicants.
- Provision of publicity materials to the Area Agencies on Aging directly and through the Department of Aging to inform the elderly population of LIHEAP benefits and requirements.
- Provision of information to persons with disabilities about the availability of energy-related assistance from advocacy groups working on their behalf.
- Provision of public education materials in Spanish. Translation services are available in Chinese, Vietnamese, Russian, Cambodian and other languages.
- Provision of brochures, which describe LIHEAP benefits and requirements to County Assistance Offices (CAOs) for distribution to public assistance applicants and recipients.
- Provision of publicity materials to other State and local government offices.
- Provision for the most effective use of Statewide and local resources in the public education effort through maximum use of appropriate agencies and networks.

#### 4. Coordination with Other Energy-Related Programs

In accordance with Pub. L. 97-35, Section 2605(b)(4), as amended, Pennsylvania has coordinated the planning process for the development of the State Plan with the following agencies:

- The Department of Community and Economic Development (DCED), which is the designated agency for weatherization programs under Title IV of the Energy Conservation and Production Act;
- The Department of Aging;
- Agencies represented on the LIHEAP Advisory Committee (LAC), including the American Association of Retired Persons, Pennsylvania Council on Aging, Community Legal Services, DCED, Pennsylvania Utility Law Project, Utility Emergency Services Fund, \$1 Energy Fund, Energy Coordinating Agency, Community Action Association of Pennsylvania, County Welfare Rights Representatives, Office of Consumer Advocate, Pennsylvania Petroleum Marketers & Convenience Store

Association, Energy Association of Pennsylvania, Pennsylvania Rural Electric Association, Public Utility Commission (PUC), and the Allegheny County Department of Human Services.

5. Highest Benefits to Neediest Households

In accordance with Pub. L. 97-35, Section 2605(b)(5), as amended, Pennsylvania will provide, in a timely manner, that the highest level of assistance will be furnished to those households that have the lowest income and the highest energy costs in relation to income, taking into account household size, fuel type, and heating region. For weatherization services and the resolution of crises, the specific needs and the cost of such needs are considered in determining the level of assistance. Pennsylvania will not differentiate between households with incomes that do not exceed the established percent of the poverty level for the FY 2013 program and households in which one or more individuals are receiving Temporary Assistance for Needy Families, Supplemental Security Income, Supplemental Nutrition Assistance Program, or payments under Section 306 of the Veterans' and Survivors' Pension Improvement Act of 1978.

6. Participation of Local Administering Agencies

In accordance with Pub. L. 97-35, Section 2605(b)(6), Pennsylvania has designated local administrative agencies to carry out the provisions of this Plan and has given special consideration to local agencies that were receiving Federal funds under any low-income energy assistance or weatherization program. Pennsylvania has determined that the designated agencies meet program and fiscal requirements established by the State.

DPW administers the provision of cash benefits and its outreach efforts, with the exception of specialized outreach to the elderly to be performed by the Department of Aging.

DPW administers its energy crisis component; utilizing CAOs, Community Action Agencies, and other local agencies with experience in managing energy crisis programs under the Low-Income Home Energy Assistance Act of 1981, or with experience in assisting low-income individuals and the capacity to undertake a timely and effective energy crisis intervention program.

7. Home Energy Suppliers' Requirements

In accordance with Pub. L. 97-35, Section 2605(b)(7), as amended, Pennsylvania will pay LIHEAP benefits for eligible households directly to home energy suppliers, except when a supplier refuses to participate or a supplier has been removed from the list of participating vendors.

Pennsylvania will make payments only to those home energy suppliers who sign

a standard vendor agreement. **EXCEPTION:** Occasionally a vendor will provide service one time only. In these instances, DPW will attempt to secure a signed agreement. However, payment will not be made until after crisis service has been rendered.

#### 8. Equitable Treatment of Renters and Owners

In accordance with Pub. L. 97-35, Section 2605(b)(8), as amended, Pennsylvania will treat owners and renters equitably. The application requirements for cash, crisis and weatherization benefits apply equally to both owners and renters and will not be limited to the categorically eligible.

#### 9. Administrative and Planning Costs

In accordance with Pub. L. 97-35, Section 2605(b)(9), as amended, Pennsylvania's total estimated planning and administrative costs will not exceed 10 percent of the total LIHEAP funding appropriated, of which none will be transferred to any other block grant. Any administrative and planning costs in excess of 10 percent of Pennsylvania's total allocation, should they be incurred, would be paid from non-Federal sources.

#### 10. Monitoring and Audit

In accordance with Pub. L. 97-35, Section 2605(b)(10), as amended, Pennsylvania will provide fiscal control and fund accounting procedures as necessary to assure the proper disbursement of funds, which includes monitoring payments and an annual audit of Pennsylvania's expenditures.

- Application Monitoring Procedures: All applications approved at the local agency level and forwarded for payment will be submitted for all computerized eligibility checks before payment is made.

The computerized checking process includes:

- a. Check for duplicate Social Security Numbers in existing DPW systems;
- b. Verify Social Security Numbers, Social Security benefit amounts, and death information through data exchange with the Social Security Administration;
- c. Verify Supplemental Security Income payments through the State Data Exchange (SDX);
- d. Check for criminal information on all household members through data exchange with the Commonwealth Judicial Information

## System

- e. Check tax information concerning earned or unearned income through data exchange with the Internal Revenue Service;
- f. Check on family size and income;
- g. Check for cash payment above \$1,000;
- h. Check for crisis payment below \$25;
- l. Check for total crisis payment above \$400;
- j. Determination of payment;
- k. All fields must contain acceptable established elements (characters or numbers);
- l. All required fields must be completed.

Agency Monitoring Procedures: The first step of the agency's monitoring strategy begins at the County Assistance Office (CAO).

- CAO staff members involved in determining LIHEAP eligibility are mandated to participate in weekly Knowledge Reinforcement Sessions. Each Knowledge Reinforcement Session is 30 minutes in length. Based on the information from the Knowledge Reinforcement Sessions both Headquarters staff and CAO Supervisors are able to identify areas where further clarification and training are needed.
- Another key component to LIHEAP Monitoring is the completion of weekly CAO supervisory reviews of LIHEAP applications. CAO supervisors use a review tool designed to guide the reviewer and accumulate meaningful statewide results. CAO Supervisors and Managers as well as staff in the Bureau of Program Evaluation monitor the results of the supervisor reviews to identify trends and implement corrective action activities.
- A third component of LIHEAP monitoring is the Friday calls. The Friday calls are weekly telephone conversations that provide the counties with real-time system, policy and operational updates that effect the LIHEAP workflow. The calls also provide a means for CAOs to get answers to questions or solutions to issues encountered.

The second step of the agency's monitoring strategy is the Bureau of Program Evaluation's coordination of the annual LIHEAP monitoring reviews of the Philadelphia and Allegheny CAOs, all the Crisis Contractors and the CAOs selected for review based

on a three-year schedule. Additional CAOs are reviewed as needed based on extenuating circumstances such as a change in processing style or prior year results. LIHEAP reviews are completed by a field-based monitoring team.

- The team monitors CAO and Crisis Contractor administration of LIHEAP activities including eligibility, benefit determination and corrective action through LIHEAP application reviews and on-site visits.
  - Annually, the monitoring team reviews over 2,600 LIHEAP applications that are randomly selected through data mining techniques and random samples.
  - An independent auditing agency assists in review development and modification and participates in on-site reviews to ensure objectivity in the monitoring process.
  - If information is received which suggests the possibility of misuse, misrepresentation, or any abuse, the monitoring team will investigate the allegation and appropriately escalate to address any pertinent issue.
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- Preliminary and updated performance reports are issued to the counties in order to provide relevant information about the accuracy and composition of findings at both the county level and at the state level.
  - Corrective action plans are developed and based on the findings from the monitoring team, implemented by OIM and monitored for compliance by the Bureau of Program Evaluation.
  - Between LIHEAP seasons, the monitoring team is actively involved with implementing necessary program changes that will impact program accuracy and integrity; for example, working with Staff Development in the development of LIHEAP training for the next LIHEAP season that focuses on situations found to be prone to error.

The Bureau of Financial Operations will provide OIM with technical assistance and conduct performance audits of specific CAOs and crisis contractors as needed to resolve systemic problems.

- Audit Procedures: Pennsylvania agrees, in accordance with Pub. L. 97-35, Section 2605(e), as amended, to a financial and compliance audit by an independent agent annually, according to the Comptroller General's standards.

A copy of the audit will be submitted within 30 days after completion of the audit to the Governor, the General Assembly, and the Secretary of DHHS. The audit report will also be made available to the public on a timely basis.

## 11. Federal Investigation

In accordance with Pub. L. 97-35, Section 2605(b)(11), Pennsylvania will permit and cooperate with Federal investigations undertaken in accordance with Pub. L. 97-35, Section 2608.

## 12. Public Participation

In accordance with Pub. L. 97-35, Section 2605(b)(12), as amended, Pennsylvania provided for timely and meaningful public participation in the development of the Plan as follows:

- A notice was published in several Pennsylvania newspapers announcing the public hearings schedule and the availability of the proposed Plan for public comment. This information was also posted on the DPW website.

- The LAC advised the Secretary of DPW on the administration of the LIHEAP block grant, including a review of the proposed Plan and recommendations on the final Plan. Members of the Advisory Committee are appointed by the Secretary of DPW and represent consumer and advocacy interests, service providers, fuel associations, and other concerned citizens of the Commonwealth.

- Area Agencies on Aging, legal services groups, fuel and utility associations, community action agencies, and members of the LAC are made aware of the availability of the proposed and final Plans on the DPW website. In addition, copies of the Plan are available upon written request to Director, Division of Federal Programs and Program Management, Department of Public Welfare, DGS Annex, Room 224, Willow Oak Building, 1006 Hemlock Drive, Harrisburg, PA 17110.

- In accordance with Pub. L. 97-35, Section 2605(a)(2), public hearings on the FY 2013 LIHEAP proposed State Plan will be held as follows:

Date: July 10, 2012  
Time: 10:00 A.M. – 1:00 P.M.  
Place: Philadelphia Workforce Development Corporation  
 1 Penn Center  
 1617 John F Kennedy Blvd  
 Philadelphia, PA

Date: July 12, 2012  
Time: 9:30 A.M. – 12:00 Noon.  
Place: Health & Welfare Building  
 Room 907, 9<sup>th</sup> Floor  
 Commonwealth & Forster Streets  
 Harrisburg, PA

Date: July 18, 2012  
Time: 9:00 A.M. – 12:00 Noon.  
Place: Allegheny County Courthouse  
Gold Room, 4<sup>th</sup> Floor  
436 Grant St  
Pittsburgh, PA

- In addition to the opportunity for the public to comment on the LIHEAP weatherization component through DPW's LIHEAP public hearings, The DCED public hearing on the FY 2013 Department of Energy State Plan provided an opportunity for the public to participate in a timely and meaningful manner. It was held at 1:30 P.M. on May 31, 2012, in Hearing Room 5, Plaza Level, Commonwealth Keystone Building, 400 North Street, Harrisburg, PA.

In developing the proposed and final Plans, DPW considers all public comments, both written and oral, on the program.

### 13. Fair Hearing

In accordance with Pub. L. 97-35, Section 2605(b)(13), Pennsylvania will provide an opportunity for an administrative fair hearing for applicants who believe that decisions regarding their eligibility for LIHEAP benefits are either inaccurate or unreasonably delayed.

The fair hearing process is more fully described under Appendix B, Determination of Eligibility for LIHEAP Cash and Crisis Benefits.

The fair hearing requirements for weatherization benefits are found in Appendix C.

### 14. Data Collection and Reporting

In accordance with Pub. L. 97-35, Section 2605(b)(14), Pennsylvania will cooperate with the Secretary of the Department of Health and Human Services with respect to data collection and reporting under Section 2610.

### 15. Additional Outreach and Intake Sites

In accordance with Pub. L. 97-35, Section 2605(b)(15), as amended, Pennsylvania will provide outreach and intake for heating and crisis assistance through additional State and local governmental entities, and through community-based organizations such as not-for-profit neighborhood-based organizations, Area Agencies on Aging, and community action agencies.

16. Reduction of Home Energy Needs/Need for Energy Assistance

In accordance with Pub. L. 97-35, Section 2605(b) as amended by Title III of the Health and Human Services Amendments of 1994, Pub. L. 103-252, Pennsylvania chooses not to exercise its option to use up to five percent of its allotment to provide services that encourage and enable households to reduce their home energy needs and thereby the need for energy assistance. The funds will be used for LIHEAP benefits to families.

17. Energy Crisis Assistance

In accordance with Pub. L. 97-35, Section 2604(c), as amended, based on previous years' experience, Pennsylvania will reserve a reasonable amount of available LIHEAP funds until March 15, 2013 for energy crisis assistance.

Any unused balance of reserved crisis funds will be used to provide LIHEAP benefits for clients, except that a small amount may be reserved for start-up of the next year's program.

A household may receive more than one crisis payment during the program year, subject to the maximum and minimum amounts for FY 2013 and the availability of federal funds.

18. Nondiscrimination

In accordance with Pub. L. 97-35, Section 2606(a), Pennsylvania will:

- Not exclude from LIHEAP participation, deny LIHEAP benefits to, nor discriminate in any aspect of LIHEAP administration against any person on the basis of age, sex, race, color, religion, national ancestry or origin, handicap, or political belief.

- Comply with the provisions of Title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975, Section 504 of the Rehabilitation Act of 1973, and the Pennsylvania Human Relations Act of 1955, as amended.

19. Confidentiality

All information about a LIHEAP applicant or recipient is confidential and may be disclosed only for purposes of investigating or prosecuting suspected fraud or abuse, or cooperating with authorities regarding LIHEAP audits or investigations, or, with the consent of the applicant, for purposes of providing assistance related to home heating.

20. Program Year

The opening date of the program establishes the official start date for accepting walk-in or new applications. However, program activities occur both before and after the dates for accepting applications. These include start-up activities, the processing of mail-out applications, and activities to close out the prior year's program. Expenditures for these activities are charged to the program year to which the costs relate. DPW may anticipate receipt of Federal funds by advancing State funds for program operation, which will be reimbursed once Federal funds are received.

21. Emergency Contingency Allocation

Utility companies regulated by the PUC may not terminate service to low-income households from December 1 through March 31 without the approval of the PUC.

22. Leveraged Resources

Pennsylvania will apply for leveraging incentive funds for resources leveraged in FY 2012 - in accordance with Pub. L. 97-35, Section 2607 (a), 42 U.S.C. §8626, as amended - under the leveraging incentive program. Any leveraging incentive grant award will be used to maintain or increase benefits to low-income households as part of the Commonwealth's LIHEAP. Pennsylvania's LIHEAP is based on the availability of the various benefits provided with leveraged resources. Pennsylvania's LIHEAP and the benefits provided with leveraged resources are coordinated and provided in cooperation and conjunction with each other. The following leveraged resources are used to provide the described benefits to households with incomes that do not exceed 150 percent of the Federal Poverty Income Guidelines. They are categorized by the criterion, as defined by DHHS, under which eligibility was established.

To be counted under the leveraging incentive program, resources and benefits must meet at least one of the following three conditions which state, in part:

- i. LIHEAP had an active substantive role in developing the process.
- ii. Resources are mandated for distribution through LIHEAP.
- iii. Resources are appropriated or mandated for distribution under the LIHEAP State Plan to low-income households. They are not provided to low-income households as a part of (through or within) LIHEAP, but are a supplement and/or alternative to the LIHEAP.

To facilitate comprehension, specificity regarding individual resources, sources, etc., is provided in the chart following the narrative description. Note that Pennsylvania's leveraging resources meet criteria conditions ii & iii.

CRITERION ii

Resources appropriated or mandated through the LIHEAP State Plan

The benefit from the resource is a part of a household's LIHEAP benefit, not an additional benefit that is not part of the LIHEAP program.

CRITERION iii

Resources appropriated or mandated under the LIHEAP State Plan

Resources are appropriated or mandated for distribution under the LIHEAP State Plan to low-income households. They are not provided to low-income households as a part of (through or within) LIHEAP, but are a supplement and/or alternative to the LIHEAP.

They are coordinated and integrated with LIHEAP.

CRITERION iii A

For all households served by the resource, the assistance provided by the resource depends on, and is determined by, the household's receipt of LIHEAP benefits. The resource supplements LIHEAP benefits that were not sufficient to meet the household's home energy needs and the amount of assistance provided by the resource is directly affected by the LIHEAP benefits received by the household.

CRITERION iii B

Receipt of LIHEAP assistance in the base period is necessary to receive assistance from the resource.

CRITERION iii D

Discount/credit for monthly billing and arrearage forgiveness

Various utilities provide customer assistance plans (CAPs) that offer reduced customer billing and/or arrearage forgiveness to LIHEAP-eligible households, those who have received LIHEAP benefits and those who meet Federal eligibility standards according to Pub. L. 97-35, Section 2605(b)(2), 42 U.S.C. §8624 (b) (2). The Pennsylvania PUC and the LAC have been and continue to be significantly involved in the development of CAPs. For most CAPs, application for LIHEAP benefits is required to participate. Sources include residential tariff rates, ratepayers, utility operating funds, and rate-based revenues.

Waived late payment charges, security deposit fees, and reconnection fees

The contract entered into by all vendors mandates the suspension of late payment

charges for LIHEAP recipients. Although the waiver of late payment charges, security deposits or reconnection fees is not required, payment of security deposits or late payment charges with LIHEAP funds is prohibited. As a result of this policy and LAC involvement, some utilities waive such fees for LIHEAP recipients.

#### CRITERION iii E

Cash grants/utility credits for LIHEAP recipients to assist in the payment of: home heating costs; the repair of home heating equipment and/or excavation costs to repair gas lines; and home weatherization materials and installation

Resources include private and utility fuel funds, social service agencies, and utility companies. Funding sources include: various utility funds such as utility shareholder funds, contributions from churches, individuals, corporations, private organizations, and Department of Aging/Human Services Development Funds (non-Federal). Payments supplement LIHEAP benefits, providing assistance for home heating expenses that are not covered under LIHEAP or in excess of the LIHEAP grant amounts. The Energy Association of Pennsylvania, PUC, client advocacy representatives, and representatives from major private fuel funds serve as members of the LAC, which works closely with DPW in the development and implementation of the LIHEAP. LIHEAP administrators at the local level interact with administrators of area utilities, social service agencies, and private fuel funds to coordinate and consolidate efforts, including reciprocal identification/referral of eligible applicants and confirmation of eligibility, for distribution of funds.

#### Income-in-kind for donated supplies

Heating-system materials and supplies donated by building and supply companies are provided to LIHEAP recipients. The agency administering the resource operates the LIHEAP crisis component, under contract with DPW, in the region.

#### CRITERION iii G

The resource accepts referrals from the grantee's LIHEAP program and, as long as the resource has benefits available, it provides assistance to all households that are referred by the LIHEAP program and that meet the resource's eligibility requirements.

Some rural electric cooperatives and social service agencies, upon referral from LIHEAP program staff, issue cash payments on LIHEAP recipients' home heating bills as long as funds are available. The source of funds includes cooperative member and director contributions, utility matching funds, and United Way funds.

## LEVERAGING RESOURCES

Resource #	Name	Criterion	Resource(s)	Source(s)
1	Allegheny Power - Customer Assistance Program (CAP)	iiiD	Arrearage forgiveness and reduced monthly payment	Allegheny Power funds
2	Allegheny Power - Waived Late Payment Charges	iiiD	Waiver of late payment charges	Allegheny Power funds
3	Allegheny Power - Waived Security Deposits	iiiD	Waiver of security deposits	Allegheny Power funds
4	Columbia Gas - CAP	iiiD	Reduced billing and arrearage forgiveness	Rate based revenues
5	Columbia Gas - Waived Security Deposits	iiiD	Waiver of security deposits	Rate based revenues
6	Columbia Gas - Waived Reconnect Fees	iiiD	Waiver of reconnection fees	Rate based revenues
7	Dollar Energy Fund, Inc.	iiiE	Cash payments to utility companies	Utility company shareholder funds and utility customer contributions
8	Peoples Natural Gas - CAP	iiiD	Reduced monthly payment	Utility base rate
9	Peoples Natural Gas - Waived Late Payment Charges	iiiD	Waiver of late payment charges	Peoples rate payers
10	Peoples Natural Gas - Waived Security Deposits	iiiD	Waiver of security deposits	Peoples rate payers
11	Duquesne Light - CAP	iiiD	Reduced payments and arrearage forgiveness	Duquesne Light revenues
12	Duquesne Light - Dollar Energy Fund Match	iiiE	Cash payments toward energy bills	Duquesne Light revenues and fundraising efforts
13	Duquesne Light - Waived Late Payment Charges	iiiD	Waiver of late payment charges	Duquesne Light funds
14	Duquesne Light - Waived Security Deposits	iiiD	Waiver of security deposits	Duquesne Light funds
15	Equitable Gas - Energy Assistance Program (EAP)	iiiD	Reduced billing and arrearage forgiveness	Residential tariff rates
16	Equitable Gas - Furnace & Energy-Related Home Repairs	iiiE	Supplemental payments for repair/replacement of defective heating equipment or gas lines	Equitable Gas residential hardship fund
17	Low-Income Usage Reduction Programs (LIURP)	iiiE	Cash payments for acquisition & installation of weatherization materials	Utility company rates
18	Metropolitan Edison - CAP	iiiD	Arrearage forgiveness and reduced billing	Rate based revenues
19	Metropolitan Edison - Hardship Fund	iiiE	Cash payments toward energy bills	Metropolitan Edison, customer, and employee donations

## LEVERAGING RESOURCES

Resource #	Name	Criterion	Resource(s)	Source(s)
20	Metropolitan Edison - Waived Late Payment Charges	iiiD	Waiver of late payment charges	Metropolitan Edison funds
21	National Fuel - Low-Income Residential Assistance Rate	iiiD	Arrearage forgiveness and reduced billing	National Fuel funds
22	National Fuel - Neighbor for Neighbor Heat Fund	iiiE	Cash payments on home heating bills	National Fuel customers, stockholders, and employees
23	National Fuel - Waived Late Payment Charges	iiiD	Waiver of late payment charges	National Fuel funds
24	National Fuel - Waived Security Deposits	iiiD	Waiver of security deposits	National Fuel funds
25	PECO - CAP	iiiD	Arrearage forgiveness and reduced monthly payment	Utility rate base
26	PECO - Matching Energy Assistance Fund (MEAF)	iiiE	Cash payment on delinquent accounts to avoid termination	Customer contributions, agency funds, and shareholder match
27	PECO - Waived Late Payment Charges	iiiD	Waiver of late payment charges	PECO funds
28	PECO - Waived Deposit Charges	iiiD	Waiver of deposit charges	PECO funds
29	Pennsylvania Electric Co. (PENELEC) - CAP	iiiD	Arrearage forgiveness and reduced monthly payment	PENELEC rate base
30	Pennsylvania Electric Co. (PENELEC) - Hardship Fund	iiiE	Cash payments toward energy bills	PENELEC, customer, and employee donations
31	Pennsylvania Electric Co. (PENELEC) - Waived Late Payment Charges	iiiD	Waiver of late payment charges	PENELEC funds
32	Penn Power - CAP	iiiD	Reduced monthly payment	Penn Power rate base
33	Penn Power - REACH Hardship Fund	iiiE	Payments on past due bills	Penn Power, customer, and employee donations
34	Penn Power - Waived Late Payment Charges	iiiD	Waiver of late payment charges	Penn Power funds
35	UGI Penn Natural Gas - CAP	iiiD	Arrearage forgiveness and affordable payments for low-income customers based on percentage of income	PG Energy revenues
36	UGI Penn Natural Gas - Waived Late Payment Charges	iiiD	Waiver of late payment charges	PG Energy revenues
37	Philadelphia Gas Works (PGW) - Conservation Works	iiiE	Cash payment for acquisition and installation of weatherization materials	PGW rate payers

## LEVERAGING RESOURCES

Resource #	Name	Criterion	Resource(s)	Source(s)
38	Philadelphia Gas Works (PGW) - Customer Responsibility Program	iiiD	Reduced monthly billing	PGW rate payers
39	Philadelphia Gas Works (PGW) - CRP Arrearage Forgiveness	iiiD	Arrearage Forgiveness	PGW rate payers
40	Philadelphia Gas Works (PGW) -Waived Late Payment Charges	iiiD	Waiver of late payment charges	PGW rate payers
41	PPL Electric Utilities - OnTrack Payment Program	iiiD	Reduced electric bill payments	PPL operating funds
42	PPL Electric Utilities - Operation HELP	iiiE	Cash payment for home energy bills	PPL, customer, and employee donations
43	T.W. Phillips - Energy Help Fund Program	iiiD	Reduced rate and/or arrearage forgiveness	T.W. Phillips rates
44	UGI Utilities - Electric Division - Low-Income Self Help Program	iiiD	Arrearage forgiveness and reduced monthly payment	UGI residential rates
45	UGI Utilities - Electric Division - Operation SHARE	iiiE	Cash payment to reduce bill arrearage or for emergency fuel, heating repair or replacement	UGI, customer, and employee donations
46	UGI Utilities - Electric Division - Waived Late Payment Charges	iiiD	Waiver of late payment charges for LIHEAP customers	UGI funds
47	UGI Utilities - Gas Division - Low-Income Self Help Program	iiiE	Billing shortfall and pre-program arrearage forgiveness	UGI residential rates
48	UGI Utilities - Gas Division - Operation SHARE	iiiE	Voluntary contributions on behalf of payment-troubled customers	UGI customers, employees, and company donations
49	UGI Utilities - Gas Division - Waived Late Payment Charges	iiiD	Waiver of late payment charges	UGI funds
50	Utility Emergency Services Fund (UESF)	iiiE	Cash payments toward energy bills and in-kind contributions	Utilities match contributions from individuals, United Way, special events, foundations, and fund raisers
51	Adams Electric Cooperative - Project Helping Hand	iiiA	Payments on past due bills	Member donations
52	Central Electric Cooperative - Family Fund	iiiA	Payments on past due bills	Cooperative members, employees, and company donations
53	Northwestern Rural Electric Cooperative - Member to Member Program	iiiG	Payments on past due bills	Cooperative members, employees, and company donations

**LEVERAGING RESOURCES**

Resource #	Name	Criterion	Resource(s)	Source(s)
54	Commonwealth of Pennsylvania	ii	State supplemental appropriation to augment LIHEAP benefits	PA gross receipts tax
55	Energy Conservation Act Funds (ECAAF)	ii	Supplemental funding to augment LIHEAP benefits	Oil overcharge escrow funds and accrued interest
56	CITGO Petroleum - Low Cost Heating Oil Program	iiiB	Discounted fuel oil for customer purchase	CITGO fuel oil discount administered by Citizens Energy
57	SUNOCO Free Oil Program	iiiD	Filling heating oil tanks at no cost	SUNOCO fuel oil
58	Philadelphia Board of City Trust	iiiD	Natural gas payments and fuel oil deliveries	Trust funds and accrued interest
59	UGI Central Penn – CAP	iiiD	Reduced rates and arrearage forgiveness	UGI natural gas funds
60	UGI Central Penn – Operation SHARE	iiiE	Cash payments for home energy bills	UGI, customer, and employee donations
61	Peoples Natural Gas - Waived CAP Customer Connection & Transfer Fees	iiiD	Waiver of connection and transfer fees for CAP customers	Peoples Natural Gas rate payers
62	Peoples Natural Gas - Waived Connection & Transfer Fees	iiiD	Waiver of connection and transfer fees	Peoples Natural Gas rate payers

**APPENDIX A**

**HEATING REGIONS**

State  
Heating  
Region

Counties

1

Bradford, Cameron, Clearfield, Elk,  
Forest, Lackawanna, Luzerne, McKean,  
Potter, Sullivan, Susquehanna, Tioga,  
Wayne, Wyoming

2

Blair, Cambria, Carbon, Centre, Clarion,  
Clinton, Columbia, Crawford, Erie,  
Jefferson, Lycoming, Monroe, Pike,  
Schuylkill, Somerset, Venango, Warren

3

Armstrong, Beaver, Bedford, Butler,  
Huntingdon, Indiana, Lawrence, Mercer,  
Montour, Northumberland, Westmoreland

4

Adams, Allegheny, Berks, Bucks, Dauphin,  
Fayette, Franklin, Fulton, Greene,  
Juniata, Lebanon, Lehigh, Mifflin,  
Northampton, Perry, Snyder, Union,  
Washington

5

Chester, Cumberland, Delaware,  
Lancaster, Montgomery, Philadelphia,  
York

**APPENDIX B**

**LOW-INCOME HOME ENERGY ASSISTANCE PROGRAM**

**GENERAL**

**§601.1. Legislative base.**

The Low-Income Home Energy Assistance Program (LIHEAP) is a Federal block grant program authorized by the Low-Income Home Energy Assistance Act (Pub. L. 97-35, 42 U.S.C.A. §§8621-8629) as amended by the Human Services Reauthorization Act (Pub. L. 98-558, 98 Stat. 2878), the Human Services Reauthorization Act of 1986 (Pub. L. 99-425, 100 Stat. 966), the Augustus F. Hawkins Human Services Reauthorization Act of 1990 (Pub. L. 101-501), the National Institutes of Health Revitalization Act of 1993 (Pub. L. 103-43), the Low-Income Home Energy Assistance Amendments of 1994 (Pub. L. 103-252), the Coats Human Services Reauthorization Act of 1998 (Pub. L. 105-285), and the Energy Policy Act of 2005 (Pub. L. 109-58).

**§601.2. Purpose.**

The purpose of LIHEAP is to help eligible low-income households meet home-heating needs.

**§601.3. Definitions.**

The following words and terms, when used in this chapter, have the following meanings, unless the context clearly indicates otherwise:

**Budget Plan** – An optional billing procedure which averages estimated service costs over a 10-month, 11-month or 12-month period to eliminate, to the extent possible, seasonal fluctuations in bills.

**CAO** – County Assistance Office.

**Customer Assistance Plan** – Regular monthly payments, which may be for an amount that is less than the current bill for utility service, in exchange for continued provision of service.

**Date of Application** – The date that a completed application is received by the LIHEAP administering agency in the county where the applicant household lives.

**DCED** – The Department of Community and Economic Development of the Commonwealth.

**DPW** – The Department of Public Welfare of the Commonwealth.

Household – An individual or group of individuals, including related roomers, who are living together as one economic unit that customarily pays for its home-heating energy either directly to a vendor or indirectly as an undesignated part of rent.

LIHEAP – The Low-Income Home Energy Assistance Program.

Main Fuel Type – The source of energy for the central heating system of the residence used by the household or, if the residence is not centrally heated or the central heating system is inoperable, the source of energy used most by the household.

Resident – A person whose permanent home is in this Commonwealth and who lives there voluntarily and not temporarily for a reason such as vacation, a visit or education.

Residence – The dwelling where the household is actually living. Under Section 601.105, the household must document if the household's residence is temporarily vacant for reasons beyond the household's control, such as health problems, plumbing and/or heating problems.

Roomer – An individual whose payment for lodging in a room includes heat and may include a private bathroom or one of the following:

- (i) Board.
- (ii) Kitchen or bathroom privileges on a shared basis.
- (iii) Light housekeeping facilities.

Secondary Fuel Type – The source of energy that is necessary to operate the main heating source.

Vendor – An agent or company that directly distributes home-heating energy or service in exchange for payment. The term does not include landlords, housing authorities, hotel managers or proprietors, rental agents, energy suppliers or generators, and other parties who are not direct distributors of home-heating energy or service.

Under the restructuring statute, the distribution companies are the suppliers of last resort; they remain regulated, and must comply with the State's winter termination rules. The interests of the Commonwealth's low-income customers are best served and protected by sending the LIHEAP payment to the distribution companies.

Vulnerable Household – A household containing at least one member who is elderly (age 60 or over), disabled, or age five and under. The age of the household members is determined by their age at the time their LIHEAP application is submitted.

**§601.4. Components.**

LIHEAP is comprised of the following components:

(1) Cash component. The cash component provides cash payments to help eligible low-income households pay the costs of home heating.

(2) Crisis component. The crisis component provides some form of assistance that will resolve an energy crisis:

- within 48 hours after application to resolve weather-related, supply-shortage and other household-home-heating emergencies
- within 18 hours after application if a life-threatening situation exists
- within 15 days of a complete depletion of a deliverable fuel supply

(3) Weatherization. The weatherization component provides energy conservation and weatherization measures to help low-income households reduce the costs of home heating.

**§601.5. Administration.**

DPW will administer the cash and crisis components through its CAOs and other contracted agencies as appropriate. DCED will administer the weatherization component.

**§601.6. Program year.**

(a) DPW will announce the schedule for the current LIHEAP year in the State Plan for that year.

(b) DPW may extend or shorten the closing date of the cash or crisis components, depending upon the availability of Federal funds and other factors.

(c) During the periods before and after the official open and close dates, expenditures are made and are charged to the program year in which the costs relate.

(d) DPW may anticipate receipt of Federal funds by advancing State funds for program operation; the State will be reimbursed once Federal funds are received.

**APPLICATION PROCESS**

**§601.21. Application completion.**

A member of the applicant household shall complete an application within the

established time frames for the program year. To complete an application for a LIHEAP benefit, the LIHEAP applicant, on behalf of the household, shall meet the following conditions. The applicant shall:

- (1) Answer all questions on DPW's LIHEAP application form.
- (2) Sign and date the application form.
- (3) File the application form with the LIHEAP administering agency or any other agency designated by the LIHEAP administering agency to accept applications in the county where the applicant lives.

**NOTE:** Agencies other than the LIHEAP administering agency that are designated by the LIHEAP administering agency to accept applications are responsible for submitting such filed applications to the appropriate LIHEAP administering agency within three workdays after the applicant files the application. The date of application is the date the application is received by the LIHEAP administering agency.

- (4) Provide income documentation.
- (5) Provide documentation of responsibility for the payment of home heat.
- (6) Provide additional verification, as needed and requested by the LIHEAP administering agency, to determine eligibility for LIHEAP and the amount of the benefit.

If it has been brought to the attention of DPW that there has been a change in the material information on the application; workers must act on known changes that occur after the application is received, but before it is processed, and use the new information in determining eligibility for LIHEAP.

If the household reports no changes in composition, income or residence, the original approved LIHEAP application and supporting documentation will be valid for eligibility and benefit determination for both components during the duration of the program year. Updated supporting documentation may be required if a household changes vendors.

**§601.22. Written notice.**

Beginning from the program start date, the LIHEAP administering agency will send the applicant a written notice of the decision on eligibility within 30 days of the date of application.

- (1) The written notice will include an explanation of fair hearing rights and procedures.
- (2) The written notice will include the following:

(i) If eligible. If the household is eligible, the written notice will include the type and amount of the benefit and the names of the payee.

(ii) If ineligible. If the household is ineligible, the written notice will indicate the reason for the decision of ineligibility and provide a reference to the regulatory basis for the decision of ineligibility.

**§601.23. Incomplete applications.**

If an application is not complete, the LIHEAP administering agency will, within 10 workdays after receiving the application, provide a written notice to the client indicating what information is missing and will allow 15 days after the date of the notice for the client to provide the information to avoid rejection of the application. If the written notice indicating what information is missing is sent later than 10 workdays after receipt of the application, the notice must nevertheless allow 15 days for submission of the missing information. If the missing information is not received on or before the date specified by the written notice, the LIHEAP administering agency will reject the application on the basis that an eligibility decision cannot be made because the applicant has failed or refused to provide sufficient information needed to determine eligibility.

**§601.24. Application assistance.**

Upon request, LIHEAP staff will mail an application form or take other steps, which may include referral to other agencies that make home visits, to help a homebound person apply for LIHEAP benefits.

**ELIGIBILITY REQUIREMENTS**

**§601.31. General eligibility requirements.**

To qualify for LIHEAP cash or crisis benefits, a household shall meet the following requirements at the time of application:

(1) Income Limit. Federal law requires states to establish eligibility for LIHEAP based on an income limit that is no more than 60 percent of the state median income and no less than 110 percent of the poverty level issued by the United States Department of Health and Human Services (HHS). The limits, which are subject to change annually, are published in each year's LIHEAP State Plan. For the 2012-13 program, Pennsylvania will use 150 percent of the poverty level.

(2) Responsibility for heating costs. For a cash benefit, the household shall be responsible for paying for its main source of heat either directly to a vendor or indirectly as an undesignated part of rent. For a crisis benefit, the household shall be responsible for paying for either its main or secondary source of heat either directly to a vendor or indirectly as an undesignated part of rent.

(i) The following persons and members of their households are considered to have a home heating responsibility:

(A) Home owners or renters, including subsidized housing tenants, who pay for home heating fuel or utility service for their residence directly to a vendor. Persons who are responsible for paying their main source of heat directly to a vendor, but have the bill paid by someone outside of the household because the household has zero/minimal income, are considered to have a heating responsibility and are therefore eligible for LIHEAP benefits. **NOTE:** A household is not considered to have a heating responsibility if it is agreed upon that an agency is always responsible for the heating bill (such as people in subsidized housing who have the bill paid by the housing agency, even though it is in the client's name; or a student who has someone outside the household always paying their bill, regardless of the student's income).

(B) Renters who pay for heat indirectly for their residence as an undesignated part of rent. Renters, including subsidized-housing tenants, are ineligible if their rental charge includes an undesignated amount for heat and is based on a fixed percentage of their income or on their source of income. **NOTE:** If a household in subsidized housing, which pays for rent and utilities as a fixed portion of its income, becomes responsible for payment to a vendor, either in full or in part, for its primary heating costs, that household then becomes eligible for a cash benefit, if otherwise eligible. If a household in subsidized housing, which pays for rent and utilities as a fixed portion of its income, becomes responsible for payment to a vendor, either in full or in part, for its primary or secondary heating costs, that household then becomes eligible for a crisis benefit, if otherwise eligible.

(C) Roomers who pay for their lodging in either a commercial establishment or in a private home which is their permanent and primary home. Roomers are ineligible if their charge for room or room and board includes an undesignated amount for their main fuel and is based on a fixed percentage of their income or on their source of income.

(ii) Persons are ineligible if they are in a temporary living arrangement for a reason such as a visit, vacation or education. Residents in institutions, dormitories, fraternity or sorority houses and boarding homes are ineligible.

(iii) Persons living in recreational vehicles (Campers and RVs) are ineligible for LIHEAP unless they provide verification that they reside in a campground or other licensed facility year-round and are responsible for heating costs.

(iv) Persons that are operating a licensed business out of the LIHEAP household's residence will be ineligible for LIHEAP if they are using the home's utilities as a deduction on their business' tax return.

(v) Persons who are currently incarcerated or are fleeing to avoid prosecution, custody or confinement after a felony conviction (or high misdemeanor in

New Jersey) are ineligible to receive LIHEAP benefits.

(vi) A household will be ineligible for a LIHEAP grant, Cash or Crisis, if the heating appliance isn't installed and operating based on the manufacturer's specifications or current code requirements, whichever is more stringent, and isn't following all applicable building and fire codes.

(vii) For customers whose service has been disconnected at their previous address and need services to be connected at their new address, DPW will allow a regulated utility to request 50 percent of the customer's back balance from the previous address and a reconnection fee in order to restore service. If a LIHEAP Cash grant is over 50 percent of the customer's back balance and reconnection fee, the regulated utility must apply the remainder of the Cash grant to a household's future bills. Utilities must also agree to keep service on through the moratorium and enroll the client in a CAP or budget program if the customer is eligible.

(3) Residency. Household members must permanently reside in Pennsylvania.

(4) Citizenship. As per federal law, United States citizenship or lawfully admitted non-citizen status is a requirement to receive LIHEAP. All lawfully admitted non-citizens, regardless of when they entered the United States, are eligible to receive LIHEAP if they meet other eligibility requirements. A qualified lawfully admitted non-citizen is:

(i) A non-citizen lawfully admitted for permanent residence as an immigrant under the Immigration and Nationality Act (the "Act"), as defined in PRWORA.

(ii) An asylee granted asylum under section 208 of the Act.

(iii) A refugee admitted to the United States under section 207 of the Act.

(iv) A non-citizen paroled into the United States under section 212(d)(5) of the Act for a period of at least one year.

(v) A non-citizen whose deportation is being withheld under section 243(h) of the Act as in effect prior to April 1 1997, or whose removal is being withheld under section 241(b)(3) of the Act.

(vi) A non-citizen granted conditional entry under section 203(a)(7) of the Act as in effect prior to April 1, 1980.

(vii) A non-citizen who is a Cuban or Haitian entrant; or

(viii) A non-citizen who (or whose child or parent) has been battered or subjected to extreme cruelty in the United States and otherwise satisfies the

requirements of 8 U.S.C. §1641(c).

**§601.32. Eligibility requirements for crisis benefits.**

**Crisis Exception Benefits**

Households who qualify for a cash grant and either its main or secondary heating source has been completely shut-off or the household has almost run out of its supply of main heating fuel prior to the opening of the crisis program may be eligible to receive a crisis exception benefit, subject to the minimum and maximum crisis amounts allowed under the current LIHEAP State Plan. The crisis exception benefit will only be issued if the amount of the household's cash grant is insufficient to restore heat to the residence. To qualify for a crisis exception benefit, a household shall meet the following requirements:

- (1) The household must be determined eligible for a LIHEAP cash grant.
- (2) The household must verify that the household's main or secondary heating source has been completely shut-off or that it has almost run out of its supply of main heating fuel (coal, fuel oil, kerosene, propane, wood, etc.).

**Regular Crisis Benefits**

Households may apply for and, if eligible, receive regular crisis benefits regardless of whether they apply for or receive a LIHEAP cash benefit. To qualify for a crisis benefit, a household shall meet the following requirements:

- (1) The household shall meet the general eligibility requirements under §601.31 (relating to general eligibility requirements), income limit, responsibility for heating costs, Pennsylvania residency and lawfully admitted non-citizen status.
- (2) The household shall be without heat or in imminent danger of being without heat because of a weather-related or energy-supply-shortage emergency.
- (3) The household shall be eligible for a crisis benefit that, alone or combined with other resources available to the applicant household, will resolve the home-heating emergency. Any credit balance with the vendor, including but not limited to LIHEAP cash benefits, is deemed an available resource.
- (4) The applicant must provide proof of the home-heating emergency.

**PROVISION OF CASH BENEFITS**

**§601.41. Benefit amounts.**

- (a) The amount of a LIHEAP cash benefit is based on the following household

factors at the time of application:

(1) Household size. The members of the applicant household, regardless of relationship, including a roomer who is a relative of a household member, shall be counted when determining household size.

The following persons are not counted as household members when determining household size:

(i) Persons who are living with the applicant household but previously received a LIHEAP benefit as a member of another household during the program year.

(ii) Persons who are maintaining their living arrangement temporarily for a reason such as a visit, vacation or education.

(iii) Residents in institutions, dormitories, or fraternity or sorority houses, and boarding homes.

(iv) Non-citizens who are not lawfully admitted non-citizens as specified in §601.31(4) (relating to general eligibility requirements).

(v) Persons who are currently incarcerated or are fleeing to avoid prosecution, custody or confinement after a felony conviction (or high misdemeanor in New Jersey) are ineligible to receive LIHEAP benefits.

(2) Household income. Household income is determined as specified in §§601.81 through 601.84 (relating to income determination for cash and crisis benefits). For eligible households that have income from employment, household income for the purpose of benefit determination is derived by deducting 20 percent from the gross wages.

(3) Heating region. The heating region in which the household lives affects the benefit amount. The composition, by counties, of each of the five heating regions in this Commonwealth is tabulated in Appendix A.

(4) Fuel type. A cash benefit will be issued to an eligible household's main source of home heating fuel. The household can choose to have the cash grant issued to a secondary heating source only in instances where the secondary fuel is needed to run the main source of heat (e.g., electricity to run an oil furnace) or when the main source of heat is inoperable. If the payment is issued to the secondary source, the amount of the cash payment will be based on the amount of the main source of home heating fuel.

(b) The county-by-county benefit table for the cash component, which is subject to change annually, is available at the local CAO and on-line at the following DPW website: [www.dpw.state.pa.us/foradults/heatingassistanceliheap/](http://www.dpw.state.pa.us/foradults/heatingassistanceliheap/), under "LIHEAP

Benefit Amount Table.”

The amount of the LIHEAP cash grant cannot exceed the maximum amount allowed under the current LIHEAP State Plan.

**§601.42. Roomers and renters with heat included in rent.**

Eligible roomers and renters who pay for heat indirectly for their residence as an undesignated part of the rent will receive 50 percent of the LIHEAP cash benefit for which they would otherwise qualify.

**§601.43. Number of payments.**

An eligible household receives only one LIHEAP cash benefit during a program year subject to the minimum and maximum benefit amount allowed under the current LIHEAP State Plan. If additional LIHEAP funds are available, DPW may issue a supplemental LIHEAP cash benefit.

**§601.44. Payees.**

(a) If the household pays for fuel directly, DPW pays the vendor on behalf of the eligible household unless the vendor refuses to participate in the program or has been removed from the list of participating vendors.

(b) If the household pays for heat as an undesignated part of rent or the fuel vendor refuses to participate in the program or has been removed from the list of participating vendors, DPW pays the benefit to the applicant for the household.

(c) Landlords, housing authorities, rental agents, hotel and rooming house proprietors and managers, and other parties who are not direct distributors of home heating, energy or service are ineligible for a vendor payment on behalf of an eligible household.

**§601.45. Application of Benefits.**

Public utilities that operate CAPs based on the Rate Discount Model will apply the LIHEAP cash component benefits only to the customer’s monthly ‘Asked to Pay’ amount. No LIHEAP funds may be applied to the CAP customer’s pre-program arrearages or actual usage amounts.

If DPW receives approval from HHS to ensure this meets LIHEAP statutes and regulations, and at DPW’s discretion to implement, public utilities that operate CAPs based on a Percent of Income Payment Plan (PIPP) model may apply the LIHEAP cash component benefits to the customer’s PA CAP Credit that they receive based on the following guidelines:

- First, the utility will determine the customer’s affordable annual bill, which is the amount the customer is responsible for, based on the customer’s

- income, not any anticipated LIHEAP grant.
- To determine the customer's CAP Credit that they will receive, the utility will take the estimated annual usage bill and subtract the customer's affordable annual bill.
  - After the CAP Credit is determined, any LIHEAP Cash component benefit received will be credited to the customer's monthly bill incrementally to the CAP Credit.
  - Utilities agree that when LIHEAP funds are provided on behalf of a customer, the utility will use those funds only for that specific customer and not for any other customer.
  - It will be clearly shown on the LIHEAP client's utility bill that their LIHEAP Cash grant was credited towards their CAP Credit under the PIPP program.
  - If the LIHEAP benefit is greater than the annual CAP Credit, the remaining LIHEAP balance will be first applied to the customer's pre-existing bill arrearages and second to the customer's utility account.

The vendor shall retain unused LIHEAP funds as a credit balance in the customer's account until the client changes vendors, leaves the area served by the vendor, or dies, but no longer than the end of the State fiscal year, June 30, immediately following the State fiscal year in which payment was authorized.

LIHEAP funds are available for use during a two-year period that includes the LIHEAP program year of receipt and through June 30<sup>th</sup> of the LIHEAP program year immediately following. For example: LIHEAP benefits authorized on November 28, 2011 are available for use through June 30, 2013.

Up to 10% of the LIHEAP block grant received during the fiscal year may be carried forward to the following fiscal year. Funds that are carried over must be obligated by the end of the fiscal year following the year in which they were appropriated.

Cash component payments received on behalf of a LIHEAP customer, and designated for payment for deliverable fuels, will be used to cover fuel customer purchases for the program year in which they are authorized.

LIHEAP benefits may not be used for security deposits or late payment charges.

#### **§601.46. Refunds.**

LIHEAP funds are available for use during a two-year period that includes the year of receipt and the year immediately following. All LIHEAP funds that have not been expended on or before June 30 of the year following the LIHEAP program year in which benefits were authorized must be refunded.

Refunds and reissuances of LIHEAP benefits are treated as follows:

(1) Refunds from the vendor. If the LIHEAP client changes vendors, leaves the area served by the vendor, or dies, the vendor shall refund the unexpended portion of the LIHEAP benefit to DPW's Comptroller's Office. Any unexpended LIHEAP benefits remaining in the customer's account as of June 30<sup>th</sup> of the year immediately following the State fiscal year in which payment was authorized shall be refunded to DPW's Comptroller's Office. If a security deposit that had been paid with LIHEAP funds is to be returned, the vendor shall refund the security deposit to DPW's Comptroller's Office.

(2) Reissuances to or on behalf of the client. DPW will reissue a vendor refund, as applicable, for the current or previous program year if the following conditions are met:

- (i) The whereabouts of the household are known.
- (ii) The household continues to reside in the Commonwealth.
- (iii) The household continues to have a home-heating responsibility.

## **PROVISION OF CRISIS BENEFITS**

### **§601.61. Benefit amounts.**

The amount of a crisis benefit is the amount needed to resolve the home-heating emergency; subject to the minimum and maximum LIHEAP crisis benefits allowed. The household is ineligible for a crisis benefit which, alone or combined with other resources available to the household, will not resolve the crisis. Any credit balance with the vendor, including but not limited to LIHEAP cash benefits, is deemed available to resolve the crisis.

The household can have the crisis grant issued to a secondary heating source only in instances where the secondary fuel is needed to run the main source of heat (e.g., electricity to run an oil furnace).

When the main or secondary fuel type is a deliverable fuel type, such as oil, kerosene, propane, wood or coal, the amount needed to resolve the crisis is based on whether the fuel is delivered by the vendor or transported by the applicant. If delivered, the amount needed to resolve the crisis is the amount needed to resolve the home-heating emergency, subject to the minimum and the maximum LIHEAP crisis benefits allowed under the current LIHEAP State Plan. Crisis benefits may be used for off-hour delivery charges. If not delivered by the vendor, the amount needed to resolve the crisis is the amount that can be transported by the household in one trip. A statement from the vendor verifying the cost the applicant will incur when transported by a non-vendor is required prior to authorization of payment; a receipt verifying payment was made is not required prior to authorization of payment.

Vendors that accept crisis payments based on utility termination notices or based on reconnection of utility service must agree to maintain ongoing utility service to such households for no less than 30 calendar days from the date of the resolution of the crisis. The amount of a crisis grant cannot exceed the amount listed on a utility termination notice, subject to the minimum and maximum LIHEAP crisis benefits allowed. Crisis benefits may be used for reconnect fees. With regard to crisis payments made pursuant to any grants approved during the Public Utility Commission winter termination procedure referred to in §601.62(2)(ii)(A), the earliest allowable termination date is considered to be 30 days following the resolution of the crisis, or May 1, whichever is later.

All participating energy vendors shall enroll a crisis recipient in a CAP or establish a budget plan, if the monthly CAP or budget plan amount is the most advantageous rate for the household.

**§601.62. Types of crisis benefits.**

An eligible household may receive crisis benefits for weather-related or energy-supply-shortage emergencies.

(1) Benefits for weather-related emergencies. Crisis benefits for weather-related emergencies may include the following types of assistance:

(i) The purchase of a new heating system if documentation is provided that the heating system cannot be repaired or repairs will correct the problem only temporarily.

(ii) Pipe thawing services if the household has a consistent problem with freezing pipes that cannot be repaired by a plumber and is related to heating the house.

(iii) The repair of a broken furnace, which may include filter replacement and chimney cleaning or repair.

(iv) The repair of a water-heating system, including repair of water pumps and accessories, if the system is essential for producing home heat.

(v) The repair of gas or other fuel lines when the lines feed the main heating source.

(vi) The repair of broken windows.

(2) Benefits for energy-supply-shortage emergencies. Crisis benefits for energy-supply-shortage emergencies include payment for the following:

(i) Home-heating fuel for a household that is out of fuel or if the

heating fuel supply will last less than 15 calendar days. The payment may be for either the main or secondary fuel type and may include the cost of an added charge for off-hours delivery service. The payment amount will not exceed the cost of the delivery; including any necessary reconnect fees and/or minor furnace start-up costs. Any credit balance with the household's vendor, including LIHEAP funds issued, will be deemed available to resolve the crisis and will be deducted from the household's benefit amount.

(ii) Utility bills to restore or continue home-heating service if the household is without heat or in imminent danger of being without heat because of actual or scheduled termination of the main or secondary source of heat by a utility company. The payment may include the charge, if required, for a service reconnection.

**NOTE:** Crisis benefits may be approved in this instance based on issuance of a termination notice. The following applies:

(A) For utilities regulated by a governing body such as the Public Utility Commission (PUC), winter termination procedures prevent the termination of service without the governing body's approval from December 1 through March 31. Regulated utilities may still issue termination notices from December 1 through March 31. They cannot, however, act on these notices to terminate service without having been granted permission to terminate service by the governing body. In these situations, contact must be made with the utility to determine if the governing body has granted the utility permission to terminate service for the applicant household before crisis benefits may be authorized to relieve the emergency. The household is ineligible for crisis benefits if the utility has not been granted approval to terminate service.

(B) For utilities not regulated by a governing body, a termination notice means that the utility has established a date when service will actually terminate, in accordance with the utility's current termination procedures. Documentation of the termination notice must be provided before crisis benefits may be authorized to relieve the emergency.

**§601.63. Number of payments.**

A household may receive more than one crisis benefit during the program year, subject to the minimum and maximum amounts allowed under the current LIHEAP State Plan and the amount of available federal funding.

**§601.64. Payees.**

DPW pays crisis benefits directly to the vendor, unless direct payment to a vendor cannot be made. If DPW determines that crisis benefits cannot be paid directly to the vendor, DPW pays the crisis benefit to the applicant.

**§601.65. Refunds.**

Refunds and reissuances of LIHEAP benefits are treated as follows:

(1) Refunds from the vendor. If the LIHEAP client changes vendors, leaves the area served by the vendor, or dies, the vendor shall refund any unused LIHEAP funds to DPW's Comptroller's Office within 48 hours after the basis for the return is known. If, for any reason, the amount of the crisis benefits authorized is in excess of the amount needed to resolve the crisis, the excess must be returned to DPW's Comptroller's Office within 48 hours. Any unexpended LIHEAP benefits erroneously retained in the customer's account as of June 30 of the state fiscal year in which payment was authorized shall be refunded to DPW's Comptroller's Office within 48 hours of discovery.

(2) Reissuances to or on behalf of the client. DPW will reissue a vendor refund, as applicable, for the current program year if the following conditions are met:

- (i) The whereabouts of the household are known.
- (ii) The household continues to reside in the Commonwealth.
- (iii) The crisis for which benefits were authorized continues to exist.

**INCOME DETERMINATION FOR CASH AND CRISIS BENEFITS**

**§601.81. Income counted.**

To determine the income level of an applicant household for cash and crisis benefits, the LIHEAP administering agency counts the gross annual income of the following persons:

- (1) The household members, regardless of relationship.
- (2) A roomer who is related by blood, marriage or adoption to a household member.
- (3) A person living with the applicant who, as a member of another household, has already received a LIHEAP cash or crisis benefit during the program year.

**§601.82. Gross income defined.**

Gross income is the total earned and nonearned income of the household and includes the following:

(1) Employee earnings. Employee earnings are money, including wages, salaries, bonuses, commissions and tips, before taxes or other deductions, that a person receives for providing services on behalf of an employer.

(2) Profit from self-employment. Profit of a self-employed person is gross receipts minus costs of operating a business or farm, practicing a profession, providing day-care for children in an approved family day-care facility, or renting nonresident real property.

(i) The following expenses are among those that are not deductible from gross receipts:

- (A) Depreciation.
- (B) Personal business and entertainment expenses.
- (C) Personal transportation.
- (D) Purchase of capital equipment.
- (E) Payment on the principal of loans for capital assets or durable goods.

(ii) A loss from one source of income cannot be used to offset another source of income.

(3) Income from roomers, boarders or apartment renters. Gross income from providing room or board, or both, or from apartment rentals paid directly to a household member is computed under 55 Pa. Code §183.65 (relating to profit).

(4) Unearned income. Unearned income includes, but is not limited to, the following:

- (i) Public assistance grants.
- (ii) Social Security benefits.
- (iii) Workers' compensation.
- (iv) Supplemental Security Income.
- (v) Unemployment compensation.
- (vi) Support payments.
- (vii) Cash gifts and contributions.

- (viii) Pensions.
- (ix) Interest and/or dividends from investments or bank accounts.
- (x) Veterans' benefits.
- (xi) Funds withdrawn from Individual Retirement Accounts, Certificates of Deposit and proceeds from the sale of stock certificates.

**§601.83. Treatment of income.**

(a) The applicant may choose whether the time period to be used in determining gross annual income shall be for the 12 months or the calendar month prior to the month of application. Regardless of the selected time period, income shall be converted to a yearly figure. Income for household members who are receiving Supplemental Nutrition Assistance Program (SNAP), Cash or Medical benefits from DPW will be annualized based on the gross amount documented on DPW's Client Information System.

(b) If the total gross annual income of the household exceeds the established percentage of the poverty level for the current year, after all allowable exclusions, the household is ineligible.

**§601.84. Income exclusions.**

The following income will not be considered when determining gross yearly income for the purpose of establishing LIHEAP eligibility:

(1) Educational assistance from scholarships, grants, and loans to a student unless it is solely for basic living needs such as housing and food and the amount of income from other sources used to pay out-of-pocket expenses for books and other required educational fees.

(2) All student financial assistance received from a program funded in whole or in part under Title IV of the Higher Education Assistance Act Amendments of 1992 (P.L. 102-325), or under the Bureau of Indian Affairs student assistance programs.

(3) Payments for services or out-of-pocket expenses to volunteers serving as foster grandparents, senior health aids or senior companions, and to persons serving in other programs under Title II of the Domestic Volunteer Service Act of 1973 (42 U.S.C.A. §§5001-5024).

(4) Payments to volunteers for VISTA, Service Learning Programs and Volunteer Programs under Title I of the Domestic Volunteer Service Act of 1973 (42 U.S.C.A. §§4951-4994).

- (5) Benefits received by a participant in the SNAP Program.
- (6) The value of donated foods -- surplus commodities -- from the United States Department of Agriculture.
- (7) The value of home produce of clients for household consumption.
- (8) Money received under the Senior Citizen Rebate and Assistance Act (72 P.S. §§4751-1 through 4751-12).
- (9) Money received as incentive or training-related expenses provided to persons involved in a work/training program sponsored by a Federal, State or local government agency.
- (10) Deductions for Medicare premiums deducted from Social Security benefit payments.
- (11) Amounts received as reimbursement for medical costs, medical transportation and special allowance items as defined under Chapter 138 (relating to allowances and benefits).
- (12) Cash or in-kind assistance with heating costs provided by private or public agencies or utility companies.
- (13) Personal loans, bank loans, other non-educational loans designated for a specific purpose from an established financial institution.
- (14) The portion of a Social Security lump sum death benefit designated for funeral expenses.
- (15) For actual child support received, whether court-ordered support or voluntary support from a legally responsible relative, up to the first \$100 will be excluded in determining household income if there is one child under age 18 in the household. If there are two or more children in the household under age 18, up to \$200 will be excluded. Also, up to the first \$50 of actual spousal support received in a given month will be excluded. If a household receives both child support and spousal support, only the amount which is the greatest will be excluded for that month; the household will not receive both a child support and spousal support deduction in the same month. All support refunded by DPW during the month is excluded.
- (16) Agent Orange Settlement payments.
- (17) Earned Income Tax Credits (EITC) including anticipated monthly payments as well as year-end payments.
- (18) Income tax refunds.

(19) Restitution payments made to individuals because of their status as victims of Nazi persecution.

(20) Non-recurring lump sum payments.

(21) Wage earnings of a dependent child under 18.

(22) Utility allowances for residents of subsidized and public housing, unless the household receives the payment directly from the landlord or public housing authority to cover utility bills. If the utility allowance is paid directly to the household, the amount of the payment is counted as unearned income in the month during which it is received.

(23) A person who has unearned income may get a deduction for expenses that he or she has to pay to get the income. These expenses include, but are not limited to, the following:

- Attorney fees;
- Court costs;
- Transportation costs;
- The amount paid to a rental agency to handle rental property;
- Court-ordered fees paid to a guardian who controls the person's income.

**NOTE:** The CAO must make sure to subtract expenses to determine the unearned income used for the gross income test.

## **VERIFICATION AND DOCUMENTATION**

### **§601.101. Verification and documentation defined.**

The applicant shall provide sufficient information regarding the household's circumstances to enable the LIHEAP administering agency to determine LIHEAP eligibility and the amount of a LIHEAP benefit.

(1) Verification. The term refers to any form of convincing information, including oral statements or documentation. Types of documentation may not be limited to any specific type and may include: written evidence, public records, automated sources, electronic evidence and websites.

(2) Documentation. The term refers to written or printed evidence, such as fuel bills, rent receipts, or pay stubs, that is needed to determine LIHEAP eligibility and the type and amount of the LIHEAP benefit.

**§601.102. Income.**

(a) The applicant shall provide documentation of the amounts and sources of income of household members, including related roomers, as well as that of anyone in the household who received LIHEAP benefits during the current program year as a member of another household.

(b) The applicant shall report but is not required to document income of persons in the household who are currently receiving SNAP, Cash or Medical benefits from DPW and whose income has already been documented and is available in a case record on file with the local CAO.

**§601.103. Minimal or no income.**

If the applicant states that the household has minimal or no income, the applicant shall be required, as a condition of eligibility, to produce evidence that will satisfactorily explain how the household members are meeting their financial obligations and basic living needs.

**§601.104. Responsibility for home-heating costs.**

(a) The applicant for a cash benefit must provide either a recent fuel bill or receipt for the main fuel type of the household or the CAO can verify a household's heating responsibility through collateral contact with the vendor. A recent bill or receipt is one that was issued within two months of the date before application. Receipts from vendors for fuel purchased since January of the previous LIHEAP season may be acceptable. CAOs can use websites, hotlines and other collateral contacts to verify a household's heating responsibility or that a vendor has provided or will provide service to a household. If the household chooses to have the benefit paid to the vendor of its secondary fuel type, the applicant for a cash benefit shall provide documentation of a financial responsibility for both the main and secondary fuel types.

(b) The applicant for a crisis benefit shall prove payment responsibility for either the main or secondary fuel type of the household. In the absence of a recent bill or receipt due to prior termination of service, the applicant must provide documentation from the vendor that service will be activated pursuant to a determination of eligibility for LIHEAP is required from the vendor.

(c) If the household pays for heat indirectly, a written or oral statement from the landlord or rental agent may be acceptable verification of a home-heating responsibility. The statement shall specify the main type of fuel used to heat the home of the applicant household.

(d) Proof of payment responsibility for either a cash or crisis benefit may be in a name other than the applicant's name in certain reasonable situations, such as the death of the person billed or credit problems of the applicant. The applicant must provide written or printed information that identifies that the household lives at the

residence address, such as a bill from the vendor, driver's license, lease, mail sent to the household at the residence, etc. **EXAMPLE:** For security reasons, the LIHEAP applicant continues to have the utility bill in the name of her deceased spouse. She provides a driver's license documenting that she resides at the residence.

**§601.105. Proof of residence.**

In situations where the household is not living at its actual residence, in order to qualify for LIHEAP benefits, the household must provide documentation of the emergency or situation beyond the household's control that requires that the household live elsewhere. Appropriate documentation may include some type of written or printed information, such as a doctor's statement or letter from the Board of Health, substantiating why the household is not residing at its residence.

Upon request, the CAO will assist the applicant in providing proof of residence.

**§601.106. Social Security numbers.**

Applicants shall provide social security numbers for all members of their household. This requirement is consistent with the May 5, 2010 HHS Information Memorandum LIHEAP-IM-2010-6, which allows states to require social security numbers from applicant households as a condition of LIHEAP eligibility. A household member who does not have a social security number or is unable to provide one shall complete an energy assistance affidavit. An energy assistance affidavit is not required for a child under the age of one.

**§601.107. Questionable information.**

The LIHEAP administering agency may require the applicant to verify information affecting eligibility that appears to be incomplete, unreasonable, or inconsistent with known facts.

**§601.108. Proof of energy crisis.**

The applicant for a crisis benefit must provide proof that the household is experiencing a home-heating emergency. Acceptable forms of proof include:

- a utility termination notice or verification of a scheduled termination;
- verification that utility service has already been terminated; or
- a statement from the applicant that the household's deliverable fuel supply will last less than 15 days.

Termination notices issued by regulated utility companies from December 1 through March 31 are not proof of a home heating emergency. These companies cannot terminate services during this period without permission from the PUC.

**§601.109. Lawfully admitted non-citizen status.**

The applicant must provide proof of lawfully admitted non-citizen status for each non-citizen who resides in the household. Documentation consists of a document issued by U.S. Citizenship and Immigration Services (USCIS). Refer to the Chart at end of Appendix B for examples of acceptable documentation.

**CLIENT RIGHTS**

**§601.121. Confidentiality.**

(a) Information about a LIHEAP applicant or recipient is confidential and may be disclosed for only the following purposes.

(1) To aid in the investigation or prosecution of suspected fraud in connection with LIHEAP; or

(2) To cooperate with Federal or State authorities regarding LIHEAP audits, reviews, and investigations.

(b) If the client concurs, the LIHEAP administering agency may disclose only that information about the applicant or recipient household that is needed to help the household apply for or obtain other forms of home energy assistance.

**§601.122. Nondiscrimination.**

DPW assures that no person on the basis of race, color, sex, age, handicap, religion, national origin or ancestry, sexual orientation, or political belief will be excluded from participation in LIHEAP, denied LIHEAP benefits or be subject to discrimination in an activity or project receiving LIHEAP funds.

**§601.123. Appeals and fair hearings.**

(a) Applicants may appeal and receive a fair hearing of their claim for LIHEAP if the applicant believes that benefits are unjustly denied or unreasonably delayed or may appeal and receive a fair hearing of a decision regarding overpayments.

**EXCEPTION:** Applicants do not have the right to a fair hearing if the program closes prior to authorization of benefits due to lack of funds, or if application is submitted after the close of the program.

(b) Client rights and procedures for appeals and fair hearings appear in Chapter 870 of the Supplemental Handbook (relating to appeal and fair hearing).

(c) Upon request, LIHEAP staff will help the client with any aspect of the appeal and fair hearing process.

## OVERPAYMENTS

### **§601.141. Overpayment defined.**

An overpayment is the payment of LIHEAP funds or provision of LIHEAP benefits for which the agency or person is either fully or partially ineligible.

### **§601.142. Liability.**

A person or agency that receives LIHEAP funds or benefits for which it is ineligible shall repay DPW for the overpayment.

### **§601.143. Fraud.**

A person who knowingly misrepresents or withholds information in order to qualify anyone for a LIHEAP benefit is guilty of fraud and subject to a penalty of a fine or imprisonment, or both.

### **§601.144. Treatment of overpayments.**

(a) If an overpayment occurs because of suspected fraud, client error, or client misrepresentation, DPW will refer the overpayment for collection or prosecution to the Office of Inspector General, P.O. Box 8016, Harrisburg, Pennsylvania 17105-8016, under Supplemental Handbook Chapter 910 (relating to overpayment recovery).

(b) If an overpayment of \$25 or greater occurs because of vendor error, misrepresentation, or fraud, DPW will take progressive steps, if necessary, to seek restitution of the overpayment. If an overpayment is less than \$25, DPW will not seek restitution of the overpayment, but a referral will still be made to the Office of Inspector General. In instances where vendor error has caused the overpayment, any calls or notices to the vendor regarding repayment must include a statement that repayment must be made from vendor funds, not client funds. Progressive steps are:

(1) DPW will notify the vendor of the overpayment by telephone to request repayment within 10 days of the telephone call.

(2) If, after 10 days of the telephone call, the vendor fails or refuses to repay DPW for the overpayment, DPW will send a written notice to the vendor requesting restitution.

(3) If, after 10 days from the date of the written notice, DPW has still not received restitution from the vendor, DPW will send the vendor a notice by certified mail. This notice will inform the vendor that unless restitution is paid within 10 days, DPW will remove the vendor from the list of participating LIHEAP vendors and will refer the overpayment for investigation and collection.

(4) If, after 10 days from the date of the notice by certified mail, the vendor fails to return the funds, DPW will remove the vendor from the list of participating vendors and refer the overpayment to DPW's Office of General Counsel for investigation and collection.

(c) If an overpayment occurs that was not caused by fraud, error or misrepresentation, by either the client or the vendor, the overpayment will be considered an administrative error. No restitution is required by the client or the vendor, and no referral will be made to the Office of Inspector General.

**§601.145. Accounts Receivable**

DPW is authorized to recoup past due LIHEAP balances from vendors by debiting any current or future LIHEAP payment to the vendor for an amount equal to the outstanding unrefunded balance that is due to DPW from the vendor. A record of the balance of funds owed is established by DPW when a vendor error has occurred or a vendor has received a payment on behalf of a client who has subsequently moved to another county and is no longer a customer of the vendor. The vendor must return these funds to DPW.

DPW will send the vendor up to three notices requesting payment of the funds. If the vendor has failed to respond after the third notice, the amount of the balance of funds owed to DPW will be deducted from the vendor's next payment(s) until the funds are repaid.

The vendor acknowledges that DPW will reduce vendor payments by the amount of the balance of funds owed to allow for the expeditious collection of these debts. The vendor agrees to apply the full payment amount of each LIHEAP benefit approved by DPW to the respective account of each LIHEAP recipient whom the vendor serves.

<b>U.S. CITIZENSHIP AND IMMIGRATION SERVICES (USCIS) ELIGIBLE NON-CITIZEN STATUS CHART</b>
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Non-citizen	USCIS Document
Lawfully admitted for permanent residence as an immigrant	-I-551 (Non-citizen Registration Receipt card-Green card) -I-551 (Unexpired Temporary I-551 stamp in foreign passport) -I-94 (Arrival - Departure Record)
Asylee (USCIS Section 208)	-I-94 annotated with stamp showing grant of asylum under Section 208 -I-688B (Employment Authorization Card) annotated "274a.12(a)(5)" -I-766 (Employment Authorization -Document) annotated "A5" -Grant letter from the Asylum Office of USCIS -Order of an immigration Judge granting asylum
Refugee (USCIS Section 207)	-I-94 annotated with stamp showing admission under Section 207 -I-688B (Employment Authorization Card) annotated "274a12(a)(3)" -I-766 (Employment Authorization Document) annotated "A3" -I-571 (Refugee Travel Document)
Non-citizen Paroled Into U.S. for at Least One Year (USCIS Section 212(d)(5))	-I-94 with stamp showing admission for at least one year under Section 212(d)(5) Periods of admission for less than one year cannot be added to meet the one year requirement
Non-citizen whose Deportation or Removal was Withheld (USCIS Section 243(h)) (USCIS Section 241(b)(3))	-I-688B (Employment Authorization Card) annotated "274a.12(a)(10)" -I-766 (Employment Authorization Document) annotated "A10" -Order from an immigration judge showing deportation withheld under 243(h) of the INA as in effect prior to April 1, 1997, or removal withheld under 241(b)(3)
Non-citizen Granted Conditional Entry (USCIS Section 203(a)(7))	-I-94 with stamp showing admission under 203(a)(7) -I-688B (Employment Authorization Card) annotated "274a.12(a)(3)" -I-766 (Employment Authorization Document) annotated "A3"
Cuban/Haitian Entrant (USCIS Section 212(d)(5))	-I-551 coded CU6, CU7, CH6 -I-551 Unexpired temporary I-551 stamp in foreign passport -I-94 with code CU6 or CU7 -I-94 with stamp showing parole as "Cuban Haitian Entrant" under Section 212(d)(5)
Non-citizen who has been battered or subjected to extreme cruelty in the United States	-Collateral contacts with school counselors, health professionals, social service agency personnel, police or courts -Affidavit from person -Eye witness accounts

**APPENDIX C****CRISIS INTERFACE AND WEATHERIZATION ASSISTANCE PROGRAM**

The mission of the Pennsylvania Department of Community and Economic Development's (DCED) Office of Energy Conservation and Weatherization is to reduce energy consumption and cost in low-income households throughout Pennsylvania. This attachment constitutes the DCED portion of the Department of Public Welfare (DPW) State Plan specifically applicable to LIHEAP for the Federal Fiscal Year (FY) 2012 program year. The Pennsylvania Weatherization Assistance Program (WAP) State Plan, as developed by DCED and submitted to the Department of Energy (DOE), is hereby incorporated for reference.

DCED has historically received a sizeable portion of the federal Department of Health and Human Services LIHEAP allocation from DPW for use in its CRISIS Interface and weatherization programs. Prior to state fiscal year 2009-2010, DCED received 15% of the total LIHEAP allocation to conduct Crisis Interface and provide Weatherization Services for LIHEAP clients. However, in 2009-2010 the policy changed because of the large influx of American Recovery and Reinvestment Act (ARRA) to allow "up to" 15% of LIHEAP funds to be used.

Previously, DCED-allocated LIHEAP funds not expended on Crisis were used to weatherize homes, but because ARRA greatly increased funding to WAP in Pennsylvania, the LIHEAP percentage allocated to DCED was reduced and applied entirely to Crisis Interface, completely eliminating LIHEAP funding to conduct Weatherization Services. Statistics regarding the last two fiscal years of LIHEAP funding are as follows:

- The initial allocation to DCED for the 2010-11 year was \$15.7 million with an additional allocation of \$2.3 million during the Crisis Season to meet increased Crisis Interface demands.
- The amount of LIHEAP Crisis funds spent in 2010-11 was \$16,163,687.09 leaving WAP sub-grantees (hereafter referred to as "Weatherization Agencies") with \$1,336,312.91.
- DCED and DPW agreed to rollover the remaining amount as start up funds for the Crisis Season 2011-12.
- For the 2011-12 year, the allocation to DCED was \$18 million, giving the Weatherization Agencies a little over \$19 million to provide Crisis services.
- Although the final Crisis expenditure data is not yet complete at the writing of this plan, preliminary data indicates that the Weatherization Agencies have spent a little over \$11 million.
- Approximately \$6.5 million will be left to spend on Weatherization Services.

- Crisis demand decreased due to a mild winter season for the 2011-12 year. As a result, the leftover Crisis funds will be available for the first time since 2009 to provide Weatherization Services. DCED and Weatherization Agencies expect to expend the full allocation of \$18 million.

Expenditure levels and other aspects of this plan are based on current growth and demand for both Crisis Interface and Weatherization Services. In the event that additional funding becomes available, or the total allocation is decreased, DCED reserves the right to modify this Plan in accordance with all applicable regulations and procedures. DCED understands that any changes not in accordance with the initial formula may necessitate a public hearing.

What follows is a description of the two components of weatherization accomplished and anticipated via LIHEAP funding: Crisis Interface and the Weatherization Assistance Program.

## **CRISIS INTERFACE COMPONENT**

### **I. Introduction**

The DCED has, since 1993, operated the Crisis Interface Program with LIHEAP funds for heating-related emergencies that are referred to the Weatherization Agencies by the local County Assistance Offices (CAOs) or by a local community-based organization (Crisis Contractor). This program has been labeled “Crisis Interface” because it describes the relationship between DPW and DCED, which administers the Weatherization Program statewide. The DPW Crisis program is administered through the local CAOs or by a Crisis Contractor. Crisis Interface involves two distinct services: supply shortages and weather-related emergencies (which include repair/replacement of heating systems or fuel lines, broken windows and pipe-thawing). Supply shortages are resolved with vendor payments by DPW while weather-related emergencies are referred to local Weatherization Agencies to find resolution. Eligibility for Crisis services is determined by the local CAO or Crisis Contractor.

### **II. Eligibility Determination**

LIHEAP eligibility for the Crisis component of the program is determined by the local CAO or the local LIHEAP Crisis Contractor based on income levels determined by DPW. Although no additional income eligibility determination is required to be performed by the Weatherization Agency, it is possible for the Weatherization Agency to discover income or household information discrepancies and conduct its own income verification process for determining eligibility.

In such cases, when the Weatherization Agency personnel find that an applicant’s situation does not meet Crisis eligibility criteria, the CAO will be notified immediately of the finding. All client appeals will go through the CAO or local LIHEAP Crisis Contractor.

A housing unit will not be eligible for Crisis if it was purchased without a heating system, was purchased with an inoperable heating system, is unoccupied, or is not a primary residence. A manufactured home moved to a location that does not allow its heating system’s current fuel type will also not be eligible for Crisis.

### **III. Referral Procedures**

Within 24 hours of determination of eligibility, the CAO or Crisis Contractor will send a referral to the local Weatherization Agency via fax or email. The Weatherization Agency then will evaluate the situation and may require an on-site visit to ascertain the needs of the household. Weatherization Agency staff will discuss the time-lines of the Crisis resolution with the household and offer the use of an electric auxiliary heater. The results of that discussion will be documented. Weatherization Agency staff will communicate with the CAO or Crisis Contractor after the course of action has been determined.

#### IV. Weatherization Program Responsibilities

It is the responsibility of the Weatherization Agency to address the crisis within 48 hours or, if the client is in a life-threatening situation, within 18 hours. This does not mean that the repair must be made within 48 (or 18) hours. Instead, the Weatherization Agency is responsible to document that Weatherization Agency staff have discussed with the household time-frames needed to complete the necessary repairs or replacement of the heating system. The staff must also resolve that the household has a safe place to go until the immediate crisis is over or was provided an electric auxiliary heater for use until the crisis has been resolved. These actions do not absolve the Weatherization Agency's responsibility to resolve the actual crisis at the earliest possible date, although resolution to the crisis may, in some circumstances, be confined to providing a warm room within the home.

The measures for which Weatherization Agencies will be responsible under the LIHEAP Crisis program are as follows:

##### Crisis Code/Measure

D	–	Repair of heating system
E	–	Loan of auxiliary heater
F	–	Repair of gas or other fuel lines
G	–	Replacement of un-repairable heating systems
H	–	Repair of hot water heating system
I	–	Heating system pipe thawing service
J	–	Repair of broken windows
K	–	Provide blankets

The purchase of a new heating system is only allowable if documentation is provided that the heating system cannot be repaired or repairs will correct the problem only temporarily. The repair of a water heating system, including repair of water pumps and accessories, is only allowable if the system is essential for producing home heat. The repair of broken windows is only allowable if the heating system is also being repaired or replaced.

Weatherization Agencies will provide client education regarding all weatherization and conservation measures completed. Weatherization Agencies will also provide a client complaint procedure for Crisis Interface clients.

#### V. Allowable Expenditures

Any funds not spent on Crisis Interface at the close of the Crisis program are to be used to provide standard Weatherization Services. All expenditures for allowable Crisis measures are to be paid from LIHEAP funds allocated to the WAP. There is no

reimbursement required from the CAO or for any Crisis work performed by the Weatherization Agency.

## **VI. Rental Dwellings**

Department of Health and Human Services' regulations require that owners and renters receive equitable treatment under the LIHEAP program. Therefore tenants, when referred, are considered eligible for Crisis services. However, on the basis of an implied warranty of habitability assumed by the landlord, prior to referral, appropriate action should be taken by the CAO to have furnace repair/replacement completed by the landlord. In all cases, prior written permission must be granted by the landlord to enter the premises to provide Crisis or Weatherization Services.

Department of Health and Human Services regulations allow LIHEAP benefits to only those households eligible under LIHEAP income guidelines; therefore, a heating system that supplies heat to those other than LIHEAP eligible clients (e.g., in a multi-unit dwelling) is not eligible for service under the LIHEAP Crisis component.

## **VII. Subcontracting for Crisis Services**

In order to maintain the greatest consistency with WAP guidelines, contractors under current subcontract agreement with the Weatherization Agency should be utilized to provide Crisis services.

However, due to the demand and emergency requirements of the Crisis program, it may be necessary to secure services from contractors not normally utilized and/or not currently under a subcontract with the Weatherization Agency. In this case, Weatherization Agencies are authorized to procure services from contractors on a temporary basis without entering into a formal subcontract agreement, provided that their qualifications have been reviewed and approved, a cost/price analysis is performed to determine the reasonableness of compensation requested by the contractor, and that all DCED procurement procedures are followed.

A client may request that a contractor of his/her choice provide Crisis services (e.g., those who have a service contract or a current fuel vendor). If, after review, the Weatherization Agency determines through its experience that a bid received in this manner is questionable, an additional bid must be secured and documented prior to approval.

All Crisis heating system installations performed by a contractor that is not normally affiliated with the WAP must be inspected prior to payment.

## **WEATHERIZATION ASSISTANCE PROGRAM COMPONENT**

### **I. Introduction**

The Energy Conservation in Existing Buildings Act of 1976, Title IV of the Energy Conservation and Production Act (referred to as "the Act"), authorized the Federal Energy Administration, now part of DOE, to establish a Weatherization Assistance Program to increase the energy efficiency of dwellings owned or occupied by low-income persons, reduce their total residential energy expenditures, and improve their health and safety, especially low-income persons who are particularly vulnerable such as the elderly, the handicapped, and children.

The program is intended to reduce national energy consumption and to reduce the impact of higher fuel costs on low-income families. Funds are provided to install a number of energy conservation measures such as building shell air-sealing, hot water conservation measures, attic and foundation insulation and oil and gas furnace modifications.

Funds are allocated by DOE, typically on a formula basis, determined by the relative need for weatherization assistance among the states. The formula takes into account the number of low-income households, the percentage of total residential energy used for space heating and cooling and the number of heating and cooling degree days in each state.

In the Commonwealth of Pennsylvania, the Secretary of DCED, as the designee of the governor, applies for, receives, and administers these funds. The funds are distributed by DCED to local governments and nonprofit organizations such as community action agencies.

It is the mission of the Weatherization Assistance Program of the Commonwealth of Pennsylvania to reduce energy consumption and cost in low-income households throughout Pennsylvania. PA WAP accomplishes this mission in thousands of homes throughout the commonwealth every year. In the last three years alone, over 30,000 homes have been weatherized and more than 1,000 jobs have been created.

PA WAP accomplishes its mission by training and certifying weatherization workers at local subgrantees to take a scientific approach to reducing energy usage in the home. These workers achieve this in two ways: First, workers perform an energy audit to determine which energy efficiency measures should be performed. The energy audit guides workers toward specific tasks like caulking around cracks, insulating the attic, or installing energy-efficient light bulbs. Second, workers provide client education to the home's residents. They show residents how to use the newly installed features, and more importantly, they teach them simple life-changing skills to save energy and money.

PA WAP weatherization workers install energy efficiency measures and provide client education to help Pennsylvania avoid the adverse effects of high energy costs on low-income citizens. Such adverse effects include a diminished ability to maintain utility services, including oil and coal deliveries, and a decreased capability to keep residences at temperatures necessary for health and comfort. As PA WAP continues to realize its mission, it is helping Pennsylvanians stay warm through the winter, save money on their energy bills, and take responsibility for living an energy-efficient lifestyle.

Each Federal fiscal year, a State Plan is required for continued participation in the program. As such, the State Plan establishes the number of homes to be weatherized within the limits of available resources, the specific energy conservation measures to be undertaken, eligibility requirements, projected energy savings, program implementation strategies and other program requirements. These requirements will apply to the LIHEAP portion of the Weatherization Assistance Program. The organization and content of the proposed plan are derived directly from DOE regulations as contained in the Federal Register, 10 CFR Part 440 Final Rule, published February 1, 2002, and subsequent DOE instructions.

Guidelines provided in the Weatherization Work Plan outline allowable costs for standard weatherization activities and health and safety abatement and provide a subgrantee budget format to appropriately allocate costs for these measures.

## **II. Production and Expenditure Schedule**

DCED proposes to provide weatherization services to eligible households according to existing prioritization procedures but when utilizing LIHEAP funds, may first give consideration to current LIHEAP or LIHEAP Crisis clients. Efforts to provide services to LIHEAP Clients may eventually alleviate their need to access LIHEAP funds and services. Societal benefits of Weatherization include reduction of energy costs for LIHEAP clients, improved bill payment, and enhanced health and safety of clients by encouraging Healthy Homes coordination and integration.

## **III. Average Cost Per Dwelling Unit**

Weatherization costs are established at an average statewide expenditure that will not exceed \$6,500 per unit; which includes cost for material, program support, and labor.

## **IV. Types of Weatherization Work to be Performed**

The Weatherization Assistance Program is designed to reduce energy consumption of dwellings through the installation of energy conservation measures approved by DCED, based on their savings-to-investment ratio or cost-effectiveness. Additional measures are approved and selected as incidental repairs necessary for the safe and effective installation of the energy conservation measures, to correct an existing health or safety problem or to assure health and safety in conjunction with the installation of the energy conservation measures.

The specific methodologies to accomplish the program measures are based, to an extent, on the condition and design of the dwelling. These methodologies are further directed on individual dwelling units through blower door guided analysis and air-sealing and inspection of the heating system.

Household treatment measures are to be selected for installation based on the priority of their savings-to-investment ratio, taking into account:

- The structural, occupant or other considerations particular to the dwelling;
- The need and associated costs for installation of additional required measures as defined under item C, of this section;
- The contractual per-unit cost limits of the program.

The DOE approved Weatherization Priority List in conjunction with the PA Weatherization Field Standards will be used to determine the most cost effective or appropriate health and safety measures for a particular dwelling unit. The candidate measures are stipulated by the priority list specified in the PA Weatherization Standards and Field Guide, updated as necessary.

## **V. Minimum Program Requirements**

Minimum program requirements as outlined under 10 CFR 440.16 include the following subsections. Where noted, these requirements remain unchanged from the previous year's State Plan.

### Eligibility Criteria for Weatherization Services

A dwelling unit shall be eligible for Weatherization assistance if a family unit occupies it:

- has an income that is at or below 200 percent of the poverty level in accordance with criteria established by the Office of Management and Budget;
- contains a member who has received cash assistance payments under Title IV (AFDC) or Title XVI (SSI) of the Social Security Act or applicable state or local law at anytime during the twelve (12)-month period preceding the determination of eligibility; or

In accordance with DOE program regulations, 200 percent of the Federal Poverty Income Guidelines is the determinant for income eligibility for all services provided under the Weatherization Assistance Program.

The eligible income level for Crisis services is determined annually by DPW, which may be lower than the Weatherization Assistance Program income eligibility levels.

Weatherization Agencies may weatherize a building containing rental dwelling units wherein occupants meet the income eligibility requirements and where:

- written permission of the owner or authorized agent is obtained; and
- not less than 66 percent (50 percent for duplexes and four-unit buildings) of the dwelling units in the building are eligible dwelling units, or will become eligible dwelling units within 180 days under a Federal, State or local government program for rehabilitating the building;

Except that only those households determined income eligible may be weatherized with LIHEAP funds and in the case of vacant dwelling units, only if the specific households intended to occupy the unit have been identified and certified as eligible prior to work being done; and

- an agreement is signed by both the owner/agent and tenant and witnessed by the Weatherization Agency to insure that for a reasonable period of time (not less than 18 months), the tenant(s) will not be subject to rent increases or eviction unless it can be demonstrated that it is related to matters other than the weatherization work performed; and
- no undue or excessive enhancement shall occur to the value of the dwelling units.

DCED will continue to weatherize rental dwelling units in accordance with DOE regulations as identified in this Plan and the DCED Weatherization Assistance Program Guidelines.

Re-weatherization of a dwelling unit is not allowable except:

- If the unit has been damaged by fire, flood, or act of God and repair of the damage to weatherization materials is not paid for by insurance; or
- That dwelling units partially weatherized during the period September 30, 1975 through September 30, 1994, may receive further weatherization assistance. These units may be counted as completions for compliance with the per-home expenditure limit. Each dwelling unit must receive a new energy audit, which takes into account any previous energy conservation improvements.

## **VI. Resolution of Client Complaints**

Client complaints are to be dealt with in a timely manner, and any action taken toward resolution is to be adequately documented.

## Procedure

The sub-grantee is required to develop and provide to the client a form that identifies three points of contact for the resolution of a Weatherization complaint.

The document provided should indicate that these are progressive steps of notification and appeal and that they must first attempt to resolve the issue at the local level prior to involvement by the State.

Further, the information to be provided should be left with the client at the time of application. In this way, a problem that may arise at any point during the weatherization process, including income verification, may be dealt with through the complaint procedure.

- The first point of contact is the weatherization program coordinator. He or she should document the contact and take necessary action to correct the problem if it is legitimate, or to inform the client of the Weatherization Agency's position on the issue.
- The second is the coordinator's supervisor or the executive director who will be responsible to assure that the appropriate follow-up action was taken, or if further action is required.
- The third is the field monitor assigned to the Weatherization Agency. Prior to any action by DCED, the field monitors will confirm that contact was made with the local Weatherization Agency in the manner described. This is not meant to imply that a local Weatherization Agency may not contact their field monitor or monitoring supervisor for technical assistance to resolve a client complaint.

If a complaint is resolved by the local Weatherization Agency, the nature of the complaint and the action taken to resolve the problem must be documented and maintained in the client file.

- If the complaint reaches DCED, the monitoring supervisor and/or field monitor will make direct contact with both the client and the Weatherization Agency to assess the nature of the problem, establish responsibility and recommend corrective action in writing to the Weatherization Agency. Upon completion of the corrective action, the Weatherization Agency must provide written documentation to DCED. A copy of both documents will be forwarded to the regional monitor and to DCED and maintained in the contract file.
- If the complaint involves work quality, the field monitor will inspect the unit prior to recommending corrective action.

- When the complaint involves an interpretation of program policy (e.g., income verification, liability, etc.) DCED will make a final determination and provide its decision to the local Weatherization Agency. In some cases this could require involvement, consultation or a referral to DOE or the DCED's Legal Office.

**ATTACHMENT 5**

**SAMPLE PROGRAM INTEGRITY ASSESSMENT SUPPLEMENT TEMPLATE**

Low Income Home Energy Assistance Program (LIHEAP)

**ABSTRACT:**

HHS is requiring further detail from Grantees on their FY2013 plans for preventing and detecting fraud, abuse, and improper payments. HHS is also requiring that Grantees highlight and describe all elements of this FY2013 plan which represent improvements or changes to the Grantees' FY2012 plan for preventing and detecting fraud, abuse and improper payment prevention.

Instructions: *Please provide full descriptions of the Grantee's plans and strategy for each area, and attach/reference excerpts from relevant policy documents for each question/column. Responses must explicitly explain whether any changes are planned for the new FY.*

<b>State, Tribe or Territory (and grant official):</b> Pennsylvania			<b>Date/Fiscal Year:</b>  FY 2013
<b>RECENT AUDIT FINDINGS</b>			
<b>Describe any audit findings of material weaknesses and reportable conditions, questioned costs and other findings cited in FY2012 or the prior three years, in annual audits, Grantee monitoring assessments, Inspector General reviews, or other Government Agency reviews of LIHEAP agency finances.</b>	<b>Please describe whether the cited audit findings or relevant operations have been resolved or corrected. If not, please describe the plan and timeline for doing so in FY2013.</b>	<b>If there is no plan in place, please explain why not.</b>	<b>Necessary outcomes from these systems and strategies</b>
<i>Finding: LIHEAP Monitoring Process should be enhanced</i>	<i>Beginning with the 2010-2011 LIHEAP season CAO staff involved with LIHEAP eligibility decisions participated in weekly Knowledge Reinforcement Sessions (KRS). Each KRS was 30 minutes in length. Based on the information from the KRS both Headquarters staff and CAO Supervisors are able to identify areas where further clarification and training are needed. Additionally, beginning with the 2010-2011 LIHEAP season, DPW implemented a new Supervisory review database. The information collected in this database was used throughout the LIHEAP season to identify problems the staff had in implementing policy or use of the e-CIS LIHEAP system. Once identified, problem areas were brought to the attention of all staff and proper guidance was provided.</i>  <i>Starting with the 2008-2009 LIHEAP season and continuing, the OIM Bureau of Program Evaluation (BPE) took responsibility for</i>	N/A	<i>The timely and thorough resolution of weaknesses or reportable conditions as revealed by the audit.</i>

*coordinating the monitoring process. An OIM Monitoring team of six reviewers (with members from the Bureaus of Operations, Program Evaluation and Policy) were employed and trained to monitor the LIHEAP program. In addition, the monitoring team is assisted by staff from a forensic accounting firm. Staff from this agency continues to conduct the annual monitoring of county offices in Philadelphia and Allegheny and all of the Crisis Contractors. The remaining county offices are reviewed at least once every three years. During the 2010-2011 LIHEAP Season, the monitoring team was made up of staff from BPE and the forensic accounting staff. Starting with 2009-2010 LIHEAP season and continuing, unscheduled monitoring visits of a county office or Crisis Contractor are used as an investigative measure if information is received that suggests the possibility of misuse, misrepresentation, or any abuse.*

**2008-2009 Audit**

**Finding 1:** *Internal Control Deficiencies in DPW's Administration of LIHEAP Cash and Crisis Benefits*

**2008-2009 Audit Finding 1  
Corrective Action Plan**

*Effective September 8, 2009, DPW integrated the LIHEAP Information System (LIS) into the same benefit system used for other public benefits. This new system provides greater detail and accuracy concerning client information and benefit calculations.*

*DPW conducted two-day policy and systems trainings with workers for the processing of LIHEAP applications before the start of the 2009-10 season. A newly released LIHEAP User Manual was also provided to ensure consistency in application processing. Online e-learning modules for LIHEAP were made available on the Department's intranet to assist in the training of LIHEAP workers. In addition, the LIHEAP Handbook was updated with all policy and procedure changes and weekly calls were conducted by DPW with county offices during the program year to discuss policy and systems issues.*

*Policy and systems inquiry training for crisis contractors was held on December 16, 2009. Calls between DPW and crisis contractors were held periodically throughout the LIHEAP season. County offices and their Crisis contractors also conducted weekly meetings to review procedures and issues that surfaced. DPW reinforced crisis requirements at policy and systems training, specifically the requirement that crisis applications must be resolved within 48 hours. DPW continued to train crisis contractors on the importance of protecting client privacy and reducing the risk of fraud. Unscheduled visits of county offices and crisis contractors with high error rates were conducted throughout the LIHEAP season.*

**Finding 2: Noncompliance and Internal Control Deficiencies at DPW Result in Duplicate Payments**

*DPW implemented the PROMISE system for the 2009-10 LIHEAP season and continued to use the system for the 2010-2011 LIHEAP season. DPW plans to continue the use of the PROMISE system to process LIHEAP vendor payments.. This system allows energy vendors to bill online for crisis deliveries and mail in their documentation.*

*Payments are not made without receipt of appropriate documentation. All documentation is then scanned and attached to the crisis claim.*

**2008-2009 Audit Finding 2  
Corrective Action Plan**

*Beginning with the 2007-2008 LIHEAP season, applicants' demographic information was vetted against DPW's Master Client Index (MCI), a central repository of client information housed in various DPW eligibility systems. The client information includes such data elements as name, date of birth, social security number, citizenship, etc. If an applicant presented a variation of his/her SSN, and the remaining information such as name and date of birth were the same, the case worker had the opportunity to determine that the clients were the same even though the SSN was slightly different and to take the appropriate action. DPW developed exception reports for the 2009-2010 LIHEAP season, including a report showing slight variations of SSNs to further improve program integrity.*

*In January 2009, lists of SSNs from the LIHEAP system were sent to SSA for verification and those that could not be enumerated or verified by SSA, were verified manually by county office workers.*

*Before the start of the 2009-2010 LIHEAP season, the LIHEAP and MCI (Master Client Index) systems were upgraded to send SSN data and demographics to SSA (via data exchange) for verification. An alert is sent to the worker for client follow-up if proper verification has not obtained from SSA. There is a monthly turn around for SSA Enumeration requests. This process was used in the 2010-2011 LIHEAP season and it is expected to be used in future LIHEAP seasons.*

ATTACHMENT 5

<b>COMPLIANCE MONITORING</b>			
<p><b>Describe the Grantee's FY 2012 strategies that will continue in FY 2013 for monitoring compliance with State and Federal LIHEAP policies and procedures by the Grantee and local administering agencies.</b></p>	<p><b>Please highlight any strategies for compliance monitoring from your plan which will be newly implemented as of FY 2013.</b></p>	<p><b>If you don't have a firm compliance monitoring system in place for FY 2012, please describe how the State is verifying that LIHEAP policy and procedures are being followed.</b></p>	<p><b>Necessary outcomes from these systems and strategies</b></p>
<p><i>Pennsylvania administers the LIHEAP program through the Department of Public Welfare County Assistance Offices (CAOs) in each of our 67 counties and 6 administering agencies (crisis only). In Fiscal Year (FY) 2012, Pennsylvania will be in the fourth year of a comprehensive monitoring plan that was designed to monitor the activities at each location at least once every three years. However, the two largest counties (Allegheny and Philadelphia) and each administering agency are visited annually. In addition, locations are visited out of cycle if additional monitoring is warranted.</i></p> <p><i>The monitoring at each location involves a team, led by the DPW's Bureau of Program Evaluation ("BPE") which is independent of the LIHEAP program staff, and supplemented by outside experts in forensic accounting, controls and compliance. This team reviews targeted applications for compliance with State and Federal LIHEAP policies. This team also reviews the processes employed at each location. Based on the observations of the monitoring team derived during their visit BPE provides feedback on opportunities for improvement relating to compliance and operations to both the location visited and the LIHEAP headquarters staff. Information from these monitoring sessions are communicated statewide, as necessary, during the LIHEAP application period to assist all locations, regardless of whether they are visited in a particular year or not.</i></p> <p><i>Targeted applications reviewed include, but are not limited to, those with the highest opportunity for worker error or fraud. Indicators include no or minimal reported income, missing social security numbers of household members, possible duplicate applications (based on addresses or other identifying information), and social security numbers for household members who are identified as being deceased. A selection of rejected applications is also reviewed.</i></p> <p><i>In addition to the location visits, in FY 2010 and FY 2011 LIHEAP seasons the BPE monitoring team performed a desk review of a statistical sample of statewide applications (600 each year) to determine a valid statewide accuracy rate. These reviews will serve as a base line going forward to gauge the progress the state continues to make relating to overall accuracy and adherence to LIHEAP policy.</i></p>	<p>N/A</p>	<p>N/A</p>	<p><i>A sound methodology, with a schedule for regular monitoring and a more effective monitoring tool to gather information.</i></p>

ATTACHMENT 5

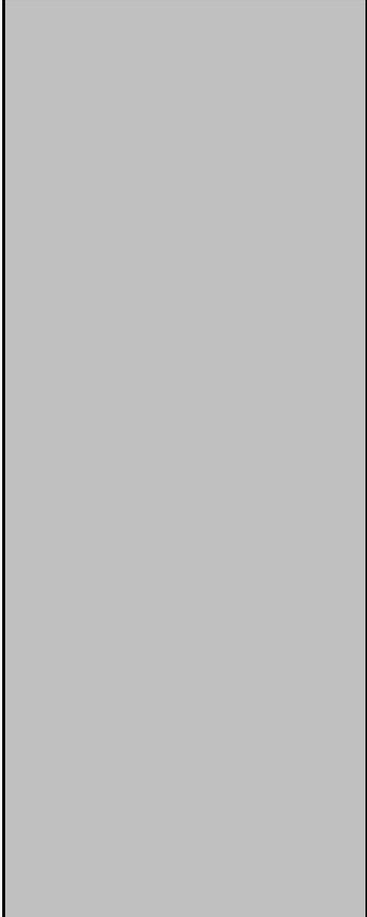
*Other Monitoring procedures that were performed included:*

- *Vendor reviews – for crisis payments a sampling of vendor receipts were reviewed to ensure that crisis benefits matched either the actual fuel delivered (deliverable fuels) or the appropriate amount necessary to avoid a shut off (regulated utilities)*
- *Direct payment reviews – a specific sample of direct payments to applicants were reviewed to determine adherence to state policy related to direct payments.*

*The observations listed below are based on an analysis of the FY 2010 monitoring activities and were incorporated in the FY2011 LIHEAP program:*

- *Focused Staff Training*
- *Technology Systems Design and Modification*
- *Targeted Supervisor Reviews*
- *Applicant communications (applications, requests for additional information, rejection notices etc)*

*Beginning In FFY 2012, each county will be visited every two years and each large processing center (serving two or more counties) as well as Philadelphia and Allegheny counties will be visited annually.*



**ATTACHMENT 5**

<b>FRAUD REPORTING MECHANISMS</b>			
<p><b>For FY 2012 activities continuing in FY 2013, please describe all (a) mechanisms available to the public for reporting cases of suspected LIHEAP fraud, waste or abuse [These may include telephone hotlines, websites, email addresses, etc.]; (b) strategies for advertising these resources.</b></p>	<p><b>Please highlight any tools or mechanisms from your plan which will be newly implemented in FY 2013, and the timeline for that implementation.</b></p>	<p><b>If you don't have any tools or mechanisms available to the public to prevent fraud or improper payments, please describe your plan for involving all citizens and stakeholders involved with your program in detecting fraud.</b></p>	<p><b>Necessary outcomes of these strategies and systems</b></p>
<p><i>The Commonwealth of PA has an established process to report fraud in all programs. The Welfare Fraud Tip Line can be used by the public to report suspected client and vendor fraud. The OIM Help Line and the Customer Service Centers also accept reports of suspected program fraud and will refer the report to the CAO of origin for investigation. The contact information for these venues is posted on the Commonwealth of PA Department of Public Welfare website and in the department's offices. DPW's procedures in investigating reported or suspected fraud are detailed in section 601.144 of Pennsylvania's LIHEAP State Plan.</i></p>	<p>N/A</p>	<p>N/A</p>	<p><i>Clear lines of communication for citizens, grantees, clients, and employees to use in pointing out potential cases of fraud or improper payments to State administrators.</i></p>

<b>VERIFYING APPLICANT IDENTITIES</b>			
<p><b>Describe all FY 2012 Grantee policies continuing in FY2013 for how identities of applicants and household members are verified.</b></p>	<p><b>Please highlight any policy or strategy from your plan which will be newly implemented in FY 2013.</b></p>	<p><b>If you don't have a system in place for verifying applicant's identities, please explain why and how the Grantee is ensuring that only authentic and eligible applicants are receiving benefits.</b></p>	<p><b>Necessary outcomes from these systems and strategies</b></p>
<p><i>The Commonwealth of PA requires clients to provide proof of heating responsibility for their residence and self declaration of citizenship. In addition, applicants shall provide Social Security Numbers (SSN) for all members of their household (Per LIHEAP-IM-2010-6). SSNs are verified via SSA data exchange. An Energy Assistance Affidavit must be signed for those who do not have or are unable to provide one.</i></p>	<p>N/A</p>	<p>N/A</p>	<p><i>Income and energy supplier data that allow program benefits to be provided to eligible individuals.</i></p>

ATTACHMENT 5

<b>SOCIAL SECURITY NUMBER REQUESTS</b>			
<b>Describe the Grantee's FY 2013 policy in regards to requiring Social Security Numbers from applicants and/or household members applying for LIHEAP benefits.</b>	<b>Please describe whether the State's policy for requiring or not requiring Social Security numbers is new as of FY2013, or remaining the same.</b>	<b>If the Grantee is not requiring Social Security Numbers of LIHEAP applicants and/or household members, please explain what supplementary measures are being employed to prevent fraud.</b>	<b>Necessary outcomes from these systems and strategies</b>
<i>In FY 2011, PA participated in the Income Eligibility Verification System (IEVS), the Social Security Enumeration Verification System and the state records of death and will continue to do so in FY 2012. LIHEAP applications are matched with DPW/OIM's Client Information System (CIS) and the Criminal Justice Information System (CJIS). In addition, applicants shall provide Social Security Number (SSNs) for all members of their household (Per LIHEAP-IM-2010-6). SSNs are verified via SSA data exchange.</i>	Remains the same.	N/A	<i>All valid household members are reported for correct benefit determination.</i>

<b>CROSS-CHECKING SOCIAL SECURITY NUMBERS AGAINST GOVERNMENT SYSTEMS/DATABASES</b>			
<b>Describe if and how the Grantee used existing government systems and databases to verify applicant or household member identities in FY 2012 and continuing in FY 2013. (Social Security Administration Enumeration Verification System, prisoner databases, Government death records, etc.)</b>	<b>Please highlight which, if any, policies or strategies for using existing government databases will be newly implemented in FY 2012.</b>	<b>If the Grantee won't be cross checking Social Security Numbers and ID information with existing government databases, please describe how the Grantee will supplement this fraud prevention strategy.</b>	<b>Necessary outcomes from these systems and strategies</b>
<i>In FY 2011, PA participated in the Income Eligibility Verification System (IEVS), the Social Security Enumeration Verification System and the state records of death and will continue to do so in FY 2012. LIHEAP applications are matched with DPR/OIM's Client Information System (CIS) and the Criminal Justice Information System (CJIS).</i>	N/A	N/A	<i>Use of all available database systems to make sound eligibility determination.</i>

ATTACHMENT 5

<b>VERIFYING APPLICANT INCOME</b>			
<b>Describe how the Grantee or designee used State Directories of new hires or similar systems to confirm income eligibility in FY 2012 and continuing in FY 2013.</b>	<b>Please highlight any policies or strategies for using new hire directories which will be newly implemented in FY 2013.</b>	<b>If the Grantee won't be using new hire directories to verify applicant and household member incomes how will the Grantee be verifying the that information?</b>	<b>Necessary outcomes from these systems and strategies</b>
<p><i>In FY 2011, PA required applicants to provide documentation of the amounts and sources of income of household members including related roomers, as well as that of anyone in the household who received LIHEAP benefits during the current program year as a member of another household, and will continue to do so in FY 2012. Additionally, PA verified income via the Income Eligibility (IEVS) and PA Dept. of Labor &amp; Industry data files (including new hires). Additionally, PA has contracted with the TALX (Work Number) earned income verification service.</i></p>	N/A	N/A	<p><i>Effective income determination achieved through coordination across program lines.</i></p>

<b>PRIVACY-PROTECTION AND CONFIDENTIALITY</b>			
<b>Describe the financial and operating controls in place in FY 2012 that will continue in FY 2013 to protect client information against improper use or disclosure.</b>	<b>Please highlight any controls or strategies from your plan which will be newly implemented as of FY 2013.</b>	<b>If you don't have relevant physical or operational controls in place to ensure the security and confidentiality of private information disclosed by applicants, please explain why.</b>	<b>Necessary outcomes from these systems and strategies</b>
<p><i>Information about a LIHEAP applicant or recipient is confidential and may be disclosed for only: (1) aid in the investigation or prosecution of suspected LIHEAP fraud (2) cooperate with Federal/state authorities regarding LIHEAP audits, reviews &amp; investigations. (3) With approval disclosures to help apply for energy assistance.</i></p> <p><i>All applications and supporting documents are to be scanned and imaged into DPW/OIM's electronic record within 30 days and paper applications shredded and destroyed in a secure manner. All electronic files are protected by DPW's Information Technology security systems.</i></p>	N/A	N/A	<p><i>Clear and secure methods that maintain confidentiality and safeguard the private information of applicants.</i></p>

ATTACHMENT 5

<b>LIHEAP BENEFITS POLICY</b>			
<b>Describe FY 2012 Grantee policies continuing in FY 2013 for protecting against fraud when making payments, or providing benefits to energy vendors on behalf of clients.</b>	<b>Please highlight any fraud prevention efforts relating to making payments or providing benefits which will be newly implemented in FY 2013.</b>	<b>If the Grantee doesn't have policy in place to protect against improper payments when making payments or providing benefits on behalf of clients, what supplementary steps is the Grantee taking to ensure program integrity.</b>	<b>Necessary outcomes from these systems and strategies</b>
<i>Each vendor is required to sign a vendor agreement. Additionally, each vendor must provide verification from the IRS of their FEIN/SSN for the business to DPW. If an overpayment occurs because of suspected fraud, DPW will refer the overpayment for collection or prosecution to the Office of Inspector General.</i>	N/A	N/A	<i>Authorized energy vendors are receiving payments on behalf of LIHEAP eligible clients.</i>

<b>PROCEDURES FOR UNREGULATED ENERGY VENDORS</b>			
<b>Describe the Grantee's FY 2012 procedures continuing in FY 2013 for averting fraud and improper payments when dealing with bulk fuel dealers of heating oil, propane, wood and other un-regulated energy utilities.</b>	<b>Please highlight any strategies policy in this area which will be newly implemented in FY 2013.</b>	<b>If you don't have a firm plan for averting fraud when dealing with unregulated energy vendors, please describe how the Grantee is ensuring program integrity.</b>	<b>Necessary outcomes from these systems and strategies</b>
<i>Cash benefits are processed weekly through PA Treasury Dept. and sent by check or electronic funds transfer (EFT) on behalf of the client to enrolled vendors participating in the LIHEAP Program. Vendors must have a signed agreement in placed prior to any payments being made. For Crisis benefits PA has implemented a web-based, real time claims processing system, where the enrolled vendors who have been authorized to make deliveries, enter their claims and send in their trip tickets to a secure website for processing. The vendors can see their authorizations on the site for each delivery and submit claims and back up documentation per authorization. Once the claims have been approved for payment, the payments are sent via paper check or EFT to the vendors. This claims processing system for crisis benefits has allowed for improved program monitoring capabilities and increased efficiency in verifying crisis-delivered services.</i>	N/A	N/A	<i>Participating vendors are thoroughly researched and inspected before benefits are issued.</i>

**ATTACHMENT 5**

<b>VERIFYING THE AUTHENTICITY OF ENERGY VENDORS</b>			
<b>Describe Grantee FY 2012 policies continuing in FY 2013 for verifying the authenticity of energy vendors being paid under LIHEAP, as part of the Grantee's procedure for averting fraud.</b>	<b>Please highlight any policies for verifying vendor authenticity which will be newly implemented in FY 2013.</b>	<b>If you don't have a system in place for verifying vendor authenticity, please describe how the Grantee can ensure that funds are being distributed through valid intermediaries?</b>	<b>Necessary outcomes from these systems and strategies</b>
<i>Each vendor is required to sign a vendor agreement. Additionally, each vendor must provide verification from the IRS of their FEIN/SSN for the business to DPW. If an overpayment occurs because of suspected fraud. DPW will refer the overpayment for collection or prosecution to the Office of Inspector General.</i>	N/A	N/A	<i>An effective process that effectively confirms the existence of entities receiving federal funds.</i>

<b>TRAINING AND TECHNICAL ASSISTANCE</b>			
<b>In regards to fraud prevention, please describe elements of your FY 2012 plan continuing in FY 2013 for training and providing technical assistance to (a) employees, (b) non-governmental staff involved in the eligibility process, (c) clients, and (d) energy vendors.</b>	<b>Please highlight specific elements of your training regiment and technical assistance resources from your plan which will represent newly implemented in FY 2013.</b>	<b>If you don't have a system in place for anti-fraud training or technical assistance for employees, clients or energy vendors, please describe your strategy for ensuring all employees understand what is expected of them and what tactics they are permitted to employ.</b>	<b>Necessary outcomes from these systems and strategies</b>
<i>In an effort to alleviate fraud and abuse in the LIHEAP program, Staff Development trains all CAO personnel on LIHEAP Cash, Crisis and Weatherization programs. This information is disseminated on Staff Development's web page via an e-learning module. In addition, Staff Development provides online training through WebEx and face-to-face training to the LIHEAP Coordinators/Supervisors. They, in turn, conduct the same training face-to-face for all LIHEAP Energy Assistance Workers (EAW), Clerks and Income Maintenance Caseworkers (IMCW).  <i>This in depth training stresses the importance of reviewing system information to prevent duplication</i></i>	N/A	N/A	<i>The timely and thorough resolution of weaknesses or reportable conditions as revealed by the audit.</i>

*of benefits for a LIHEAP household. IMCWs are instructed on all verifications needed prior to authorizing benefits such as residency, heating responsibility and income. The Department consistently updates its training curriculum to help ensure that clerical staff and LIHEAP workers understand current data entry procedures.*

*We strive to prepare the LIHEAP workers to request only verifications necessary for accurate benefit authorization as mandated by the State Plan. We stress the importance of requesting additional information if the client has provided incomplete, unreasonable or information inconsistent with known facts. Additionally, LIHEAP workers are instructed to assist the clients in obtaining verification.*

*DPW also conducts annual training of contracted agencies who determine eligibility for crisis benefits in certain counties. This training stresses the importance of protecting client privacy and reducing the risk of fraud. Contractors are trained to check the LIHEAP computer system to verify whether a client has already been determined eligible for LIHEAP and the amount of any previous crisis grant.*

*In addition to the LIHEAP specific training, other training modules have been mandated in the past that also address fraud and abuse. Some examples are: Introduction to IEVS Exchanges which helps caseworkers and EAWs verify reported income; Case Comments stresses the importance of complete and understandable narratives; Office of Inspector General (OIG) Field Investigation Program explains in detail how to make a referral if information received from the client appears to be inconsistent with known facts.*

*Desk Guides are also provided to the LIHEAP workers to aid them in carrying out their job function. If a problem area is identified, a desk guide is created and published on our web page for easy access by all LIHEAP workers.*

*DPW also drafted a comprehensive LIHEAP User Manual at the start of the 2009-10 LIHEAP season and updated for the 2010-2011 LIHEAP Season. This manual gives CAOs instructions for handling LIHEAP from the date the application is received until the date the application is filed. All system and procedural information is provided in this manual to ensure consistent processing of LIHEAP applications throughout all counties. Workers receive continued support throughout the LIHEAP season to address any policy questions or system problems they may have.*

*If an Overpayment occurs because of suspected fraud, client error, or client misrepresentation, DPW will refer the Overpayment for collection or prosecution to the:*

*Office of Inspector General,  
P.O. Box 8016,  
Harrisburg, Pennsylvania 17105-8016,  
under Supplemental Handbook Chapter 910*

*(relating to overpayment recovery).*

*If an overpayment occurs because of vendor error, misrepresentation, or fraud, DPW will take progressive steps, if necessary, to seek restitution of the overpayment. In instances where vendor error has caused the overpayment, any calls or notices to the vendor regarding repayment must include a statement that repayment must be made from vendor funds, not client funds. Progressive steps are:*

- (1) DPW will notify the vendor of the overpayment by telephone to request repayment within 10 days of the telephone call.*
- (2) If after 10 days of the telephone call, the vendor fails or refuses to repay DPW for the overpayment, DPW will send a written notice to the vendor requesting restitution.*
- (3) If, after 10 days from the date of the written notice, DPW has still not received restitution from the vendor, DPW will send the vendor a notice by certified mail. This notice will inform the vendor that unless restitution is paid within 10 days, DPW will remove the vendor from the list of participating LIHEAP vendors and will refer the overpayment for investigation and collection.*
- (4) If after 10 days from the date of the notice by certified mail, the vendor fails to return the funds, DPW will remove the vendor from the list of participating vendors and refer the overpayment to DPW's Office of General Counsel for investigation and collection.*
- (5) Weekly knowledge reinforcement sessions are completed for all staff working on LIHEAP applications. County supervisors follow-up with units and individual workers on problem areas. DPW headquarters LIHEAP staff follow-up on problem areas with county staff through weekly conference calls.*

ATTACHMENT 5

AUDITS OF LOCAL ADMINISTERING AGENCIES			
Please describe the annual audit requirements in place for local administering agencies in FY 2012 that will continue into FY 2013.	Please describe new policies or strategies to be implemented in FY 2013.	If you don't have specific audit requirements for local administering agencies, please explain how the Grantee will ensure that LIHEAP funds are properly audited under the Single Audit Act requirements.	Necessary outcomes from these systems and strategies
<p><i>Pennsylvania administers the LIHEAP program through the Department of Public Welfare County Assistance Offices (CAOs) in each of our 67 counties and 6 administering agencies (crisis only). In Fiscal Year (FY) 2012, Pennsylvania will be in the fourth year of a comprehensive monitoring plan that was designed to monitor the activities at each location at least once every three years. However, the two largest counties (Allegheny and Philadelphia) and each administering agency are visited annually. In addition, locations are visited out of cycle if additional monitoring is warranted.</i></p> <p><i>The monitoring at each location involves a team, led by the DPW Bureau of Program Evaluation ("BPE") which is independent of the LIHEAP program staff, and supplemented by outside experts in forensic accounting, controls and compliance. This team reviews targeted applications for compliance with State and Federal LIHEAP policies. This team also reviews the processes employed at each location. Based on the observations of the monitoring team derived during their visit BPE provides feedback on opportunities for improvement relating to compliance and operations to both the location visited and the LIHEAP headquarters staff. Information from these monitoring sessions are communicated statewide, as necessary, during the LIHEAP application period to assist all locations, regardless of whether they are visited in a particular year or not.</i></p> <p><i>Targeted applications to review include, but are not limited to, those with the highest opportunity for worker error or fraud. Indicators include no or minimal reported income, missing social security numbers of household members, possible duplicate applications (based on addresses or other identifying information), and social security numbers for household members who are identified as being deceased. A selection of rejected applications is also reviewed.</i></p> <p><i>In addition to the location visits, in FY 2010 and FY 2011 the BPE monitoring team performed a desk review of a statistical sample of statewide applications (600 each year) to determine a valid statewide accuracy rate. These reviews will serve as a base line going forward to gauge the progress the state continues to make relating to overall</i></p>	<p>N/A</p>	<p>PA agrees in accordance with Pub. L. 97-35, Section 2605(e) as amended, to a financial and compliance audit by an independent agent annually, according to the Comptroller General's standards. Within 30 days a copy of the audit will be submitted to the Governor, General Assembly &amp; the DHHS Secretary. The audit is available to the public on a timely basis.</p>	<p><i>Reduce improper payments, maintain local agency integrity, and benefits awarded to eligible households.</i></p>

**ATTACHMENT 5**

*accuracy and adherence to LIHEAP policy.*

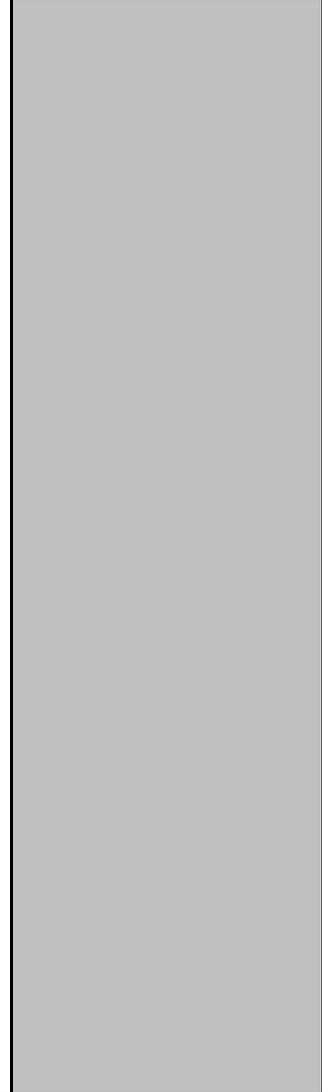
*Other Monitoring procedures that were performed included:*

- *Vendor reviews – for crisis payments a sampling of vendor receipts were reviewed to ensure that crisis benefits matched either the actual fuel delivered (deliverable fuels) or the appropriate amount necessary to avoid a shut off (regulated utilities)*
- *Direct payment reviews – a specific sample of direct payments to applicants were reviewed to determine adherence to state policy related to direct payments.*

*The observations listed below are from an analysis of monitoring activities from FY2010 and were incorporated in the FY2011 LIHEAP program.:*

- *Focused Staff Training*
- *Technology Systems Design and Modification*
- *Targeted Supervisor Reviews*
- *Applicant communications (applications, requests for additional information, rejection notices etc.)*

*Beginning In FFY 2012, each county will be visited every two years and each large processing center (serving two or more counties) as well as Philadelphia and Allegheny counties will be visited annually*



**Additional Information**

Please attach further information that describes the Grantee's Program Integrity Policies, including supporting documentation from program manuals, including pages/sections from established LIHEAP policies and procedures.

# LOW-INCOME HOME ENERGY ASSISTANCE PROGRAM VENDOR AGREEMENT

Vendor Name and Address

## VENDOR COPY

Vendor Number

Federal I.D. Number
Telephone Number
E-mail Address

This Agreement is entered into for the purpose of facilitating the provision of Low-Income Home Energy Assistance Program (LIHEAP) benefits to low-income households through the delivery of fuel from the vendor to the LIHEAP beneficiary who is a customer of the vendor. By signing this agreement, vendors agree to participate in all additional programs that distribute LIHEAP funds for which LIHEAP clients may be eligible, and to participate in both the LIHEAP cash and crisis programs.

The \_\_\_\_\_ (herein referred to as the "vendor") certifies that it is not currently under suspension or debarment by the Commonwealth of Pennsylvania, any other state, or the federal government.

The vendor cannot enter into any subcontracts under this agreement with other subcontractors who are currently suspended or debarred by the Commonwealth or federal government. If any vendor enters into any subcontracts under this agreement with any subcontractors who become suspended or debarred by the Commonwealth or federal government during the term of this agreement or any extensions or renewals thereof, the Commonwealth shall have the right to require the vendor to terminate such subcontracts.

The vendor agrees that it shall be responsible for reimbursing the Commonwealth for all necessary and reasonable costs and expenses incurred by the Office of the Inspector General relating to an investigation of the vendor's compliance with the terms of this or any other agreement between the vendor and the Commonwealth which results in the suspension or debarment of the vendor.

Vendors will adhere to LIHEAP policy and procedures as defined in the LIHEAP State Plan and will report any discovery of fraud and address any questions regarding participation in LIHEAP to the LIHEAP Vendor Unit. A copy of the current LIHEAP State Plan can be obtained online at: <http://www.dpw.state.pa.us/foradults/heatingassistanceliheap>.

The vendor agrees to the following conditions in order to receive energy assistance payments through the Commonwealth of Pennsylvania:

1. To cooperate with the Department of Public Welfare (DPW) by providing information on fuel usage and cost for LIHEAP households:
  - a) Deliverable fuel vendors must provide a metered delivery ticket for all crisis deliveries. Metered delivery tickets will contain the vendor's name and address, the date and time of delivery, the purchaser's name and address, product identification, the driver's signature or employee number, the delivery vehicle's permanently assigned company truck number, the price per gallon and the volume in terms of gallons to the nearest one-tenth of a gallon.
  - b) Vendors will provide all requested information established in DPW policies and procedures. Vendors will submit all information within 30 calendar days of the date a crisis benefit was authorized. All information must be sent to the appropriate agency, as designated by DPW, via mail or fax. Vendors will not receive payment if all information is received on or after the 31st day a crisis delivery was authorized. LIHEAP recipients cannot be billed for services as a result of a vendor's failure to comply with billing requirements in this agreement.
  - c) Deliverable fuel vendors and utility companies must retain all documents related to LIHEAP payments and deliveries for 4 years in an orderly and retrievable manner.
2. To apply the full payment amount of each LIHEAP benefit approved by DPW to the respective account of each LIHEAP recipient whom the vendor serves.
3. To charge a LIHEAP household according to the requirements below:
  - a) The cash price normally charged for energy delivered, not a credit price, or  
The same amount a non-LIHEAP household would be billed for an identical delivery, except for additional discounts that may be required by established DPW policies and procedures, whichever is more beneficial to the client.
  - b) Public utilities that operate Customer Assistance Programs, CAP, under the Rate Discount Model will apply the LIHEAP cash component benefits to the customer's account in full:
    1. to resolve any past due CAP payments,
    2. to the current CAP payment, and
    3. any remaining funds will be credited to future CAP payments.CAP payment is defined as the amount the customer is required to pay under the terms of a utility's CAP agreement.
  - c) Alternatively, upon DPW receiving approval from the Department of Health and Human Services, public utilities that operate CAPs based on a Percent of Income Payment Plan (PIPP) model will apply the LIHEAP cash component benefits to the customer's account based on the following guidelines:
    1. First, the utility will determine the customer's affordable annual bill, which is the amount the customer is responsible for, based on the customer's income, not any anticipated LIHEAP grant.
    2. To determine the customer's Cap Credit that they will receive, the utility will take the estimated annual usage bill and subtract the customer's affordable annual bill.
    3. After the Cap Credit is determined, any LIHEAP Cash component benefit received will be credited to the customer's monthly bill incrementally to the Cap Credit.
    4. Utilities agree that when LIHEAP funds are provided on behalf of a customer, the utility will use those funds only for that specific customer and not for any other customer.
    5. The LIHEAP client will be clearly shown on their utility bill that their LIHEAP Cash grant was credited towards their Cap Credit under the PIPP program.
    6. If the LIHEAP benefit is greater than the annual Cap Credit, the remaining LIHEAP balance will, be first applied to the customer's pre-existing bill arrearages and second to the customer's utility account.
4. To not discriminate against any eligible household in regard to terms and conditions of sale, credit, delivery service or price, nor treat adversely any household receiving energy assistance because of such assistance.

5. To promptly notify the LIHEAP Vendor Unit whenever discrepancies in approved fuel applications are found (for example, oil being authorized for a residence serviced 100% by coal) or when the vendor is aware of any potentially fraudulent activity.
6. To apply all payments paid by DPW (for both Cash Component and Crisis Component benefits) on behalf of the customer against that customer's heating costs, subject to subparagraphs "a" through "h" below, and to not use any such funds for security deposits or late payments or other finance charges.
  - a) Late payment charges must be frozen at the amount they are at the time notification of eligibility for LIHEAP (energy assistance) benefits is received by the vendor, and may not be increased for the remainder of the LIHEAP program year; i.e., the date that applications for LIHEAP benefits are no longer accepted.
  - b) Vendors are holding, on DPW's behalf, federal money for the benefit of recipient customers. Vendors are prohibited from using LIHEAP funds for purposes other than home heating. This requirement does not supersede the provisions of the Federal Bankruptcy Act, 11 U.S.C., Section 366.
  - c) Cash component payments received on behalf of a LIHEAP customer will be used to cover customer fuel purchases only, and will be available as a credit to the customer to meet additional fuel costs, including resolution of a subsequent fuel crisis, until they are exhausted, or until expiration of the state fiscal year (June 30) following the end of the state fiscal year in which LIHEAP benefits were authorized. Cash grant funds are to be used for fuel purchases only, and cannot be used for repairs (except as described under "d" and "e" below) or for service maintenance contracts.
  - d) If a household receives benefits from the cash component and subsequently applies for crisis benefits, any credit which the household may have with the vendor, including but not limited to LIHEAP cash component benefits, will be used first for the resolution of the crisis.
  - e) LIHEAP crisis component benefits may be used for energy supply shortage emergencies to provide fuel to a household that is out of fuel or is in imminent danger of being without fuel, or to restore home-heating service to a household that is without heat due to termination of the main or second source of heat by a utility company. Such benefits may include reconnect fees, off-hour delivery charges, or minimal costs (i.e., \$50 or less) to restart the furnace. An eligible household may also receive crisis benefits for weather related emergencies, including the purchase of a new heating system, the repair of an existing heating system, pipe thawing services and the repair of broken windows, fuel lines, or the water heating system, if funding is unavailable through LIHEAP Weatherization. Additionally, crisis component payment for deliverable fuels (oil, coal, etc.) may not be used for unpaid balances, maintenance contracts or finance charges. The amount of a crisis benefit is the minimum amount needed to resolve the crisis. For deliverable fuels, the amount needed to resolve the crisis would be the amount of fuel needed to fill the tank up to the maximum crisis amount. If for any reason, the amount of crisis benefits authorized is in excess of the minimum amount needed to resolve the crisis, the excess must be returned to the Department within 48 hours after the basis for return is known.
  - f) Vendors that accept crisis payments based on utility termination notices or based on reconnection of utility service must agree to maintain ongoing utility service to such households for no less than 30 calendar days from the date of the resolution of the crisis. With regard to crisis payments made pursuant to any grants approved during the Public Utility Commission winter termination procedure referred to in §601.62(2)(ii)(A) of Appendix B of the LIHEAP State Plan, the earliest allowable termination date is 30 days following the resolution of the crisis or May 1, whichever is later.
  - g) In cases in which an eligible LIHEAP household has no present utility service or deliverable fuel supply, a LIHEAP crisis grant tendered to the utility must be accepted as the basis for reconnection of service or for providing a fuel delivery.
  - h) Payment is only guaranteed for LIHEAP grants approved and authorized by DPW or its representatives.
7. To return funds as required, by check, within 48 hours after the basis for return is known, in instances where a customer's whereabouts are unknown or a customer changes vendors, dies or departs the area serviced by the vendor, or receives a duplicate payment, unless otherwise specified in this agreement. The information must be provided as indicated on the refund form issued by DPW. Checks shall be made payable to the Commonwealth of Pennsylvania and forwarded to: DEPARTMENT OF PUBLIC WELFARE, BUREAU OF COMMONWEALTH ACCOUNTING, PENNSYLVANIA OFFICE OF THE BUDGET, COMPTROLLER OPERATIONS, 555 WALNUT STREET, 9<sup>th</sup> FLOOR, HARRISBURG, PA 17101.
8. If a security deposit was erroneously paid with LIHEAP funds, or a billing error is detected, the vendor shall contact the LIHEAP Vendor Unit for appropriate action.
9. If it is determined that a LIHEAP overpayment has occurred due to vendor error, the vendor is responsible for reimbursement from the vendor's funds, not the customer's account. Vendor error includes, but is not limited to; the vendor failing to provide appropriate or accurate customer account information, non-equitable pricing practice, failure to provide credit balance information, failure to provide service that the LIHEAP funds were sent for, and/or using a communal account for LIHEAP funds.
10. DPW is authorized to recoup past due LIHEAP balances from vendors by debiting any current or future LIHEAP payment to the vendor for an amount equal to the outstanding unrefunded balance that is due to DPW from the vendor. A record of the balance of funds owed is established by DPW when a vendor error has occurred or a vendor has received a payment on behalf of a client who is no longer a customer of the vendor. The vendor must return these funds to DPW. DPW will send the vendor up to three notices requesting payment of the funds. If the vendor has failed to respond after the third notice, the amount of the balance of funds owed to DPW will be deducted from the vendor's next payment(s) until the funds are repaid. The vendor acknowledges that DPW will reduce vendor payments by the amount of the balance of funds owed to allow for the expeditious collection of these debts.
11. To review customer accounts annually at the end of the LIHEAP program year and identify funds that will be returned to DPW. LIHEAP funds are available for use during a two-year period, which includes the year of receipt and the year immediately following. All LIHEAP funds which have not been expended on or before June 30 of the year immediately following the LIHEAP Program year in which benefits were authorized must be returned to DPW by July 31 of that year. DPW will, on an annual basis, notify the vendors of the need to identify these accounts and request return of the funds. Any LIHEAP funds discovered through the annual review as defined in paragraphs 7, 8, and subparagraph 6e must be returned within 48 hours of discovery.
12. To notify DPW at least 120 days before filing for bankruptcy and return all funds not expended on LIHEAP clients at least 91 days before filing for bankruptcy.
13. To present for review or reproduction, records maintained by the vendor concerning overall pricing, conditions of sale, credit, and delivery of service, upon request by DPW for audit or investigation purposes, as provided in this agreement.
14. To provide proof of the company's Federal Employer Identification Number (FEIN) or Social Security Number (SSN) to DPW. Proof would include any tax document generated by the Federal Internal Revenue Service that shows both the name and SSN or FEIN of the company. DPW requires that all vendors must indicate the types of energy (oil, electricity, propane, wood, etc.) that their company provides.
15. To resolve any crisis payment disputes with DPW at DPW's Bureau of Hearings and Appeals, starting with the 2011 – 12 LIHEAP Program Year and continuing until superseded by a new vendor agreement, if disputes cannot be resolved informally with DPW staff.
16. If DPW receives a notice of levy, DPW will turn over rights to property, such as money, credit and deposits in accordance to the notice of levy.

Failure to comply with any of these conditions will result in removal from the approved vendor file and suspension of further payments to the vendor for client services.

The Commonwealth reserves the right for State and Federal agencies or their authorized representatives to perform financial and compliance audits, if deemed necessary by Commonwealth or Federal agencies. If an audit of this agreement will be performed, the vendor will be given advance notice.

Vendors will retain all books, records and documents pertaining to LIHEAP payments for a period of four years from the receipt of payment or until all questioned costs or activities have been resolved to the satisfaction of the Commonwealth, or as required by applicable federal laws and regulations. All records must be maintained in a legible, readable condition. If records are maintained in a computer, the vendor must cooperate in providing printed versions of such records.



# LOW-INCOME HOME ENERGY ASSISTANCE PROGRAM VENDOR AGREEMENT

Vendor Name and Address

**DPW COPY**

Vendor Number

Federal I.D. Number
Telephone Number
E-mail Address

This Agreement is entered into for the purpose of facilitating the provision of Low-Income Home Energy Assistance Program (LIHEAP) benefits to low-income households through the delivery of fuel from the vendor to the LIHEAP beneficiary who is a customer of the vendor. By signing this agreement, vendors agree to participate in all additional programs that distribute LIHEAP funds for which LIHEAP clients may be eligible, and to participate in both the LIHEAP cash and crisis programs.

The \_\_\_\_\_ (herein referred to as the "vendor") certifies that it is not currently under suspension or debarment by the Commonwealth of Pennsylvania, any other state, or the federal government.

The vendor cannot enter into any subcontracts under this agreement with other subcontractors who are currently suspended or debarred by the Commonwealth or federal government. If any vendor enters into any subcontracts under this agreement with any subcontractors who become suspended or debarred by the Commonwealth or federal government during the term of this agreement or any extensions or renewals thereof, the Commonwealth shall have the right to require the vendor to terminate such subcontracts.

The vendor agrees that it shall be responsible for reimbursing the Commonwealth for all necessary and reasonable costs and expenses incurred by the Office of the Inspector General relating to an investigation of the vendor's compliance with the terms of this or any other agreement between the vendor and the Commonwealth which results in the suspension or debarment of the vendor.

Vendors will adhere to LIHEAP policy and procedures as defined in the LIHEAP State Plan and will report any discovery of fraud and address any questions regarding participation in LIHEAP to the LIHEAP Vendor Unit. A copy of the current LIHEAP State Plan can be obtained online at: <http://www.dpw.state.pa.us/foradults/heatingassistanceliheap>.

The vendor agrees to the following conditions in order to receive energy assistance payments through the Commonwealth of Pennsylvania:

1. To cooperate with the Department of Public Welfare (DPW) by providing information on fuel usage and cost for LIHEAP households:
  - a) Deliverable fuel vendors must provide a metered delivery ticket for all crisis deliveries. Metered delivery tickets will contain the vendor's name and address, the date and time of delivery, the purchaser's name and address, product identification, the driver's signature or employee number, the delivery vehicle's permanently assigned company truck number, the price per gallon and the volume in terms of gallons to the nearest one-tenth of a gallon.
  - b) Vendors will provide all requested information established in DPW policies and procedures. Vendors will submit all information within 30 calendar days of the date a crisis benefit was authorized. All information must be sent to the appropriate agency, as designated by DPW, via mail or fax. Vendors will not receive payment if all information is received on or after the 31st day a crisis delivery was authorized. LIHEAP recipients cannot be billed for services as a result of a vendor's failure to comply with billing requirements in this agreement.
  - c) Deliverable fuel vendors and utility companies must retain all documents related to LIHEAP payments and deliveries for 4 years in an orderly and retrievable manner.
2. To apply the full payment amount of each LIHEAP benefit approved by DPW to the respective account of each LIHEAP recipient whom the vendor serves.
3. To charge a LIHEAP household according to the requirements below:
  - a) The cash price normally charged for energy delivered, not a credit price, or  
The same amount a non-LIHEAP household would be billed for an identical delivery, except for additional discounts that may be required by established DPW policies and procedures, whichever is more beneficial to the client.
  - b) Public utilities that operate Customer Assistance Programs, CAP, under the Rate Discount Model will apply the LIHEAP cash component benefits to the customer's account in full:
    1. to resolve any past due CAP payments,
    2. to the current CAP payment, and
    3. any remaining funds will be credited to future CAP payments.CAP payment is defined as the amount the customer is required to pay under the terms of a utility's CAP agreement.
  - c) Alternatively, upon DPW receiving approval from the Department of Health and Human Services, public utilities that operate CAPs based on a Percent of Income Payment Plan (PIPP) model will apply the LIHEAP cash component benefits to the customer's account based on the following guidelines:
    1. First, the utility will determine the customer's affordable annual bill, which is the amount the customer is responsible for, based on the customer's income, not any anticipated LIHEAP grant.
    2. To determine the customer's Cap Credit that they will receive, the utility will take the estimated annual usage bill and subtract the customer's affordable annual bill.
    3. After the Cap Credit is determined, any LIHEAP Cash component benefit received will be credited to the customer's monthly bill incrementally to the Cap Credit.
    4. Utilities agree that when LIHEAP funds are provided on behalf of a customer, the utility will use those funds only for that specific customer and not for any other customer.
    5. The LIHEAP client will be clearly shown on their utility bill that their LIHEAP Cash grant was credited towards their Cap Credit under the PIPP program.
    6. If the LIHEAP benefit is greater than the annual Cap Credit, the remaining LIHEAP balance will, be first applied to the customer's pre-existing bill arrearages and second to the customer's utility account.
4. To not discriminate against any eligible household in regard to terms and conditions of sale, credit, delivery service or price, nor treat adversely any household receiving energy assistance because of such assistance.

5. To promptly notify the LIHEAP Vendor Unit whenever discrepancies in approved fuel applications are found (for example, oil being authorized for a residence serviced 100% by coal) or when the vendor is aware of any potentially fraudulent activity.
6. To apply all payments paid by DPW (for both Cash Component and Crisis Component benefits) on behalf of the customer against that customer's heating costs, subject to subparagraphs "a" through "h" below, and to not use any such funds for security deposits or late payments or other finance charges.
  - a) Late payment charges must be frozen at the amount they are at the time notification of eligibility for LIHEAP (energy assistance) benefits is received by the vendor, and may not be increased for the remainder of the LIHEAP program year; i.e., the date that applications for LIHEAP benefits are no longer accepted.
  - b) Vendors are holding, on DPW's behalf, federal money for the benefit of recipient customers. Vendors are prohibited from using LIHEAP funds for purposes other than home heating. This requirement does not supersede the provisions of the Federal Bankruptcy Act, 11 U.S.C., Section 366.
  - c) Cash component payments received on behalf of a LIHEAP customer will be used to cover customer fuel purchases only, and will be available as a credit to the customer to meet additional fuel costs, including resolution of a subsequent fuel crisis, until they are exhausted, or until expiration of the state fiscal year (June 30) following the end of the state fiscal year in which LIHEAP benefits were authorized. Cash grant funds are to be used for fuel purchases only, and cannot be used for repairs (except as described under "d" and "e" below) or for service maintenance contracts.
  - d) If a household receives benefits from the cash component and subsequently applies for crisis benefits, any credit which the household may have with the vendor, including but not limited to LIHEAP cash component benefits, will be used first for the resolution of the crisis.
  - e) LIHEAP crisis component benefits may be used for energy supply shortage emergencies to provide fuel to a household that is out of fuel or is in imminent danger of being without fuel, or to restore home-heating service to a household that is without heat due to termination of the main or second source of heat by a utility company. Such benefits may include reconnect fees, off-hour delivery charges, or minimal costs (i.e., \$50 or less) to restart the furnace. An eligible household may also receive crisis benefits for weather related emergencies, including the purchase of a new heating system, the repair of an existing heating system, pipe thawing services and the repair of broken windows, fuel lines, or the water heating system, if funding is unavailable through LIHEAP Weatherization. Additionally, crisis component payment for deliverable fuels (oil, coal, etc.) may not be used for unpaid balances, maintenance contracts or finance charges. The amount of a crisis benefit is the minimum amount needed to resolve the crisis. For deliverable fuels, the amount needed to resolve the crisis would be the amount of fuel needed to fill the tank up to the maximum crisis amount. If for any reason, the amount of crisis benefits authorized is in excess of the minimum amount needed to resolve the crisis, the excess must be returned to the Department within 48 hours after the basis for return is known.
  - f) Vendors that accept crisis payments based on utility termination notices or based on reconnection of utility service must agree to maintain ongoing utility service to such households for no less than 30 calendar days from the date of the resolution of the crisis. With regard to crisis payments made pursuant to any grants approved during the Public Utility Commission winter termination procedure referred to in §601.62(2)(ii)(A) of Appendix B of the LIHEAP State Plan, the earliest allowable termination date is 30 days following the resolution of the crisis or May 1, whichever is later.
  - g) In cases in which an eligible LIHEAP household has no present utility service or deliverable fuel supply, a LIHEAP crisis grant tendered to the utility must be accepted as the basis for reconnection of service or for providing a fuel delivery.
  - h) Payment is only guaranteed for LIHEAP grants approved and authorized by DPW or its representatives.
7. To return funds as required, by check, within 48 hours after the basis for return is known, in instances where a customer's whereabouts are unknown or a customer changes vendors, dies or departs the area serviced by the vendor, or receives a duplicate payment, unless otherwise specified in this agreement. The information must be provided as indicated on the refund form issued by DPW. Checks shall be made payable to the Commonwealth of Pennsylvania and forwarded to: DEPARTMENT OF PUBLIC WELFARE, BUREAU OF COMMONWEALTH ACCOUNTING, PENNSYLVANIA OFFICE OF THE BUDGET, COMPTROLLER OPERATIONS, 555 WALNUT STREET, 9<sup>th</sup> FLOOR, HARRISBURG, PA 17101.
8. If a security deposit was erroneously paid with LIHEAP funds, or a billing error is detected, the vendor shall contact the LIHEAP Vendor Unit for appropriate action.
9. If it is determined that a LIHEAP overpayment has occurred due to vendor error, the vendor is responsible for reimbursement from the vendor's funds, not the customer's account. Vendor error includes, but is not limited to; the vendor failing to provide appropriate or accurate customer account information, non-equitable pricing practice, failure to provide credit balance information, failure to provide service that the LIHEAP funds were sent for, and/or using a communal account for LIHEAP funds.
10. DPW is authorized to recoup past due LIHEAP balances from vendors by debiting any current or future LIHEAP payment to the vendor for an amount equal to the outstanding unrefunded balance that is due to DPW from the vendor. A record of the balance of funds owed is established by DPW when a vendor error has occurred or a vendor has received a payment on behalf of a client who is no longer a customer of the vendor. The vendor must return these funds to DPW. DPW will send the vendor up to three notices requesting payment of the funds. If the vendor has failed to respond after the third notice, the amount of the balance of funds owed to DPW will be deducted from the vendor's next payment(s) until the funds are repaid. The vendor acknowledges that DPW will reduce vendor payments by the amount of the balance of funds owed to allow for the expeditious collection of these debts.
11. To review customer accounts annually at the end of the LIHEAP program year and identify funds that will be returned to DPW. LIHEAP funds are available for use during a two-year period, which includes the year of receipt and the year immediately following. All LIHEAP funds which have not been expended on or before June 30 of the year immediately following the LIHEAP Program year in which benefits were authorized must be returned to DPW by July 31 of that year. DPW will, on an annual basis, notify the vendors of the need to identify these accounts and request return of the funds. Any LIHEAP funds discovered through the annual review as defined in paragraphs 7, 8, and subparagraph 6e must be returned within 48 hours of discovery.
12. To notify DPW at least 120 days before filing for bankruptcy and return all funds not expended on LIHEAP clients at least 91 days before filing for bankruptcy.
13. To present for review or reproduction, records maintained by the vendor concerning overall pricing, conditions of sale, credit, and delivery of service, upon request by DPW for audit or investigation purposes, as provided in this agreement.
14. To provide proof of the company's Federal Employer Identification Number (FEIN) or Social Security Number (SSN) to DPW. Proof would include any tax document generated by the Federal Internal Revenue Service that shows both the name and SSN or FEIN of the company. DPW requires that all vendors must indicate the types of energy (oil, electricity, propane, wood, etc.) that their company provides.
15. To resolve any crisis payment disputes with DPW at DPW's Bureau of Hearings and Appeals, starting with the 2011 – 12 LIHEAP Program Year and continuing until superseded by a new vendor agreement, if disputes cannot be resolved informally with DPW staff.
16. If DPW receives a notice of levy, DPW will turn over rights to property, such as money, credit and deposits in accordance to the notice of levy.

Failure to comply with any of these conditions will result in removal from the approved vendor file and suspension of further payments to the vendor for client services.

The Commonwealth reserves the right for State and Federal agencies or their authorized representatives to perform financial and compliance audits, if deemed necessary by Commonwealth or Federal agencies. If an audit of this agreement will be performed, the vendor will be given advance notice.

Vendors will retain all books, records and documents pertaining to LIHEAP payments for a period of four years from the receipt of payment or until all questioned costs or activities have been resolved to the satisfaction of the Commonwealth, or as required by applicable federal laws and regulations. All records must be maintained in a legible, readable condition. If records are maintained in a computer, the vendor must cooperate in providing printed versions of such records.

These recipient-specific records should clearly identify for both cash and crisis payments under the LIHEAP, charges to the account, and documentation supporting these entries by individual household.

This agreement will terminate June 30, 2014, unless superseded by a new agreement, or terminated for convenience upon 30 day written notice by either DPW or by the vendor.

Vendors will be required to return all credited LIHEAP funds to DPW upon termination as a participating vendor.

The Vendor will retain one copy of this signed agreement for reference by staff responsible for handling LIHEAP funds, and will return one copy of the signed Agreement to: **LIHEAP, P.O. Box 2675, Harrisburg, PA 17105 - 2675** within 30 days of the mail date of this agreement. Failure to complete and return this agreement with the required documents within 30 days will cause your company to be removed from DPW's participating vendor list.

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Position)

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Company Name)

\_\_\_\_\_  
(Name of contact person for LIHEAP-specific questions.)

\_\_\_\_\_  
(Phone number and/or email.)

Do you have a website or telephone number DPW can use to verify a client's heating responsibility?  Yes  No

If yes, please list: \_\_\_\_\_

**Please check all types of energy your company provides:**

Electric  Fuel Oil  Coal  Natural Gas  Kerosene  Propane or Bottled Gas  Wood/other

**Is your company a regulated utility?**  Yes  No

**Which counties does your company do business in? (Please Check)**

<input type="checkbox"/> Adams	<input type="checkbox"/> Chester	<input type="checkbox"/> Fulton	<input type="checkbox"/> Mercer	<input type="checkbox"/> Sullivan
<input type="checkbox"/> Allegheny	<input type="checkbox"/> Clarion	<input type="checkbox"/> Greene	<input type="checkbox"/> Mifflin	<input type="checkbox"/> Susquehanna
<input type="checkbox"/> Armstrong	<input type="checkbox"/> Clearfield	<input type="checkbox"/> Huntingdon	<input type="checkbox"/> Monroe	<input type="checkbox"/> Tioga
<input type="checkbox"/> Beaver	<input type="checkbox"/> Clinton	<input type="checkbox"/> Indiana	<input type="checkbox"/> Montgomery	<input type="checkbox"/> Union
<input type="checkbox"/> Bedford	<input type="checkbox"/> Columbia	<input type="checkbox"/> Jefferson	<input type="checkbox"/> Montour	<input type="checkbox"/> Venango
<input type="checkbox"/> Berks	<input type="checkbox"/> Crawford	<input type="checkbox"/> Juniata	<input type="checkbox"/> Northampton	<input type="checkbox"/> Warren
<input type="checkbox"/> Blair	<input type="checkbox"/> Cumberland	<input type="checkbox"/> Lackawanna	<input type="checkbox"/> Northumberland	<input type="checkbox"/> Washington
<input type="checkbox"/> Bradford	<input type="checkbox"/> Dauphin	<input type="checkbox"/> Lancaster	<input type="checkbox"/> Perry	<input type="checkbox"/> Wayne
<input type="checkbox"/> Bucks	<input type="checkbox"/> Delaware	<input type="checkbox"/> Lawrence	<input type="checkbox"/> Philadelphia	<input type="checkbox"/> Westmoreland
<input type="checkbox"/> Butler	<input type="checkbox"/> Elk	<input type="checkbox"/> Lebanon	<input type="checkbox"/> Pike	<input type="checkbox"/> Wyoming
<input type="checkbox"/> Cambria	<input type="checkbox"/> Erie	<input type="checkbox"/> Lehigh	<input type="checkbox"/> Potter	<input type="checkbox"/> York
<input type="checkbox"/> Cameron	<input type="checkbox"/> Fayette	<input type="checkbox"/> Luzerne	<input type="checkbox"/> Schuylkill	<input type="checkbox"/> Statewide
<input type="checkbox"/> Carbon	<input type="checkbox"/> Forest	<input type="checkbox"/> Lycoming	<input type="checkbox"/> Snyder	
<input type="checkbox"/> Centre	<input type="checkbox"/> Franklin	<input type="checkbox"/> McKean	<input type="checkbox"/> Somerset	

**Does your company have off-route or emergency delivery fees?**  Yes  No (Specify amounts below):

\$ \_\_\_\_\_ Same Day Weekday Fee \$ \_\_\_\_\_ Same Day Weeknight Fee \$ \_\_\_\_\_ Same Day Weekend Fee \$ \_\_\_\_\_ Furnace Startup Fee

**Does your company require a minimum delivery?**  Yes  No

Minimum delivery: \_\_\_\_\_ gallons Fee if not met: \$ \_\_\_\_\_