

LIHEAP Vendor Payments and Statistics

By: Mary Fitzpatrick, Principal Analyst
October 20, 2026 | 2026-R-0141

Issue

This report describes heating oil vendor participation, enrollment, and vendor payment methodologies for the Low Income Home Energy Assistance Program (LIHEAP), administered in Connecticut as the Connecticut Energy Assistance Program (CEAP). It describes (1) department statements explaining the implementation of county differentials in 2008 and the removal of them in 2025 and (2) vendor participation forms explaining payment options in 2025.

Related OLR Reports

OLR Report [2026-R-0008](#) shows LIHEAP enrollment by municipality.

OLR Report [2019-R-0161](#) provides an overview of community action agencies.

The Office of Legislative Research is not authorized to provide legal opinions and this report should not be considered one.

LIHEAP Vendor Participation

Federal law establishes the LIHEAP program ([42 U.S.C. 8621 et seq.](#)). State law designates the Department of Social Services (DSS) as the state agency responsible for administering LIHEAP ([CGS § 17b-2](#)). DSS contracts with community action agencies (CAAs) to determine eligibility and distribute funds. Nine CAAs operate in Connecticut, serving designated areas as shown in Figure 1 below.

Figure 1: CAA Service Areas



1. The Community Action Agency of Western Connecticut, Inc. (CAAWC)
2. New Opportunities, Inc. (NOI)
3. Human Resources Agency of New Britain, Inc. (HRA)
4. Alliance for Community Empowerment, Inc. (ALLIANCE)
5. TEAM, Inc.
6. Community Action Agency of New Haven, Inc. (CAANH)
7. Community Renewal Team, Inc. (CRT)
8. The Access Community Action Agency (ACCESS)
9. Thames Valley Council for Community Action, Inc. (TVCAA)

Source: [Connecticut Association for Community Action](#)

Table 1 below shows the number of heating oil vendors by CAA service area from federal fiscal years (FFYs) 2016 to 2026, as provided by DSS. The department notes that the methodology for tabulating this information changed in federal FY 25 due to a new online enrollment system. The information in the table does not account for mergers, consolidations, or business closures during this time. Also, some vendors serve more than one CAA service area; in Table 1, duplicate entries across service areas have not been removed.

Table 1: CEAP Heating Oil Vendors by CAA Service Area (FFYs 2016-2026)

FFYs	ACCESS	ALLIANCE	CCANH	CAAWC	CRT	HRA	NOI	TEAM	TVCCA
25-26	58	30	35	32	107	55	72	50	36
24-25	67	50	65	48	121	67	124	80	43
23-24	42	33	46	38	98	49	90	53	32
22-23	42	28	35	30	64	45	69	50	29
21-22	46	38	47	27	115	62	85	58	37
20-21	73	44	67	50	155	80	112	81	63
19-20	78	51	73	43	156	84	132	95	64
18-19	81	44	69	47	148	86	122	95	59
17-18	81	55	66	51	164	80	119	101	61
16-17	72	45	69	45	153	133	230	92	57

DSS also provided statewide information for heating oil vendors participating in CEAP. Table 2 below shows deduplicated vendor numbers, meaning that duplicate entries across service areas have been removed.

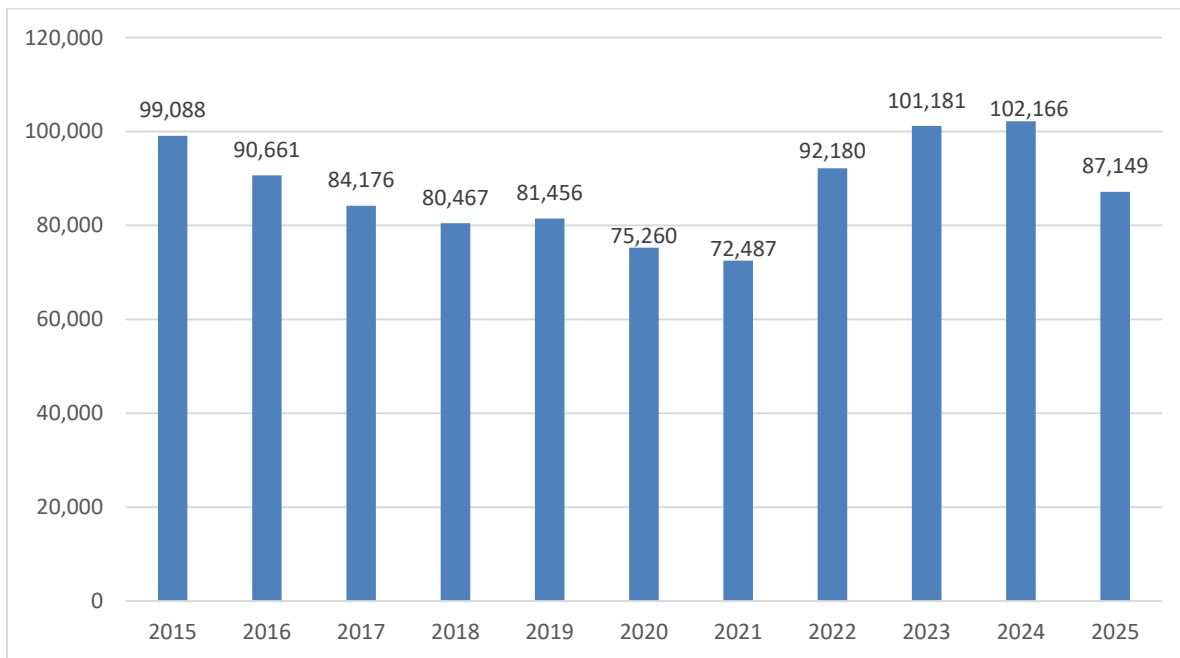
Table 2: Statewide Heating Oil Vendors (FFYs 2016-2026)

FFYs	Total Number of Vendors
25-26	207
24-25	259
23-24	214
22-23	216
21-22	248
20-21	298
19-20	302
18-19	302
17-18	320
16-17	325

Households Receiving LIHEAP Benefits

According to federal data, from 2015 to 2025, the number of households receiving LIHEAP heating assistance in Connecticut ranged from 72,487 in 2021 to 102,166 in 2024, as shown in Figure 2 below. Data for 2023 through 2025 are “pending final data validation.”

Figure 2: Connecticut Households Receiving LIHEAP Heating Assistance by Federal Fiscal Year



Source: [LIHEAP Performance Management, U.S. Department of Health and Human Services](#)

Payment Methodologies

CEAP provides benefits for utility service or deliverable fuels, depending on a customer's primary source of heat. In most cases, benefits are paid directly to the utility company or fuel supplier. This report primarily describes payment methodologies for heating oil. In recent years, payments for other types of deliverable fuel (for example, propane or kerosene) have been based on the delivery cost as stated on the bill.

Margin-Over-Rack (1990) and County Differentials (2008)

DSS began using the Margin-Over-Rack (MOR) pricing methodology for heating oil in 1990 as a pilot program. LIHEAP plans also describe this as a "Fixed Margin Pricing Program," under which DSS has generally calculated payments to oil dealers based on information from the Oil Price Information Service (OPIS), plus a fixed margin determined by DSS. As described by DSS, OPIS is a price reporting agency that gathers data daily from wholesale suppliers and their customers. (DSS used the Journal of Commerce before switching to OPIS in 2008.) The "rack" in margin-over-rack is the place where oil vendors pull their trucks to get oil. The margin has increased from \$0.25 in 1990 to \$0.50 in 2022.

The department implemented county-based differentials in the 2008-09 winter season. [At a legislative hearing on that year's LIHEAP plan](#), then-Deputy Commissioner Claudette Beaulieu

explained the change as follows:

We also added the county differential in an effort to be responsive to oil vendors’ concerns because we did hear repeatedly that, especially for vendors who have to travel far distances between deliveries, like in northeastern Connecticut or northwestern Connecticut, that it was very, very costly for them to make deliveries, as opposed to, for example, if you’re delivering to households for instance in Waterbury or Hartford. Just the density of the population is such that they don’t have to drive as far to make their deliveries for people.

Then-Office of Policy and Management Secretary Robert Genuario stated:

And the third component, which is new, is the county differential to recognize the cost of transporting the fuel so that the farther you are from New Haven Harbor, the higher the differential is. Now, candidly, it doesn’t necessarily mean that everybody’s going to drive to New Haven Harbor and get their fuel. They may get their fuel at other ports, but historically, New Haven Harbor is the low so if they’re picking up their fuel from a more distant port, the odds are that the price, the wholesale price will be higher, and that will also be reflected by this county differential.

More recently, in LIHEAP plans explaining the county differential, the department states that these differentials reflected transportation, delivery, and operation costs and are based on a county-by-county comparison of retail prices. In an August 2022 LIHEAP hearing, Then-DSS commissioner Deidre Gifford testified that the county differential is based on information provided by the Department of Administrative Services that in turn is based on a “county-by-county comparison of retail pricing” ([p. 20](#)).

Legislative Approval

By law, LIHEAP block grant allocations are subject to review and approval by the Appropriations, Energy and Technology, and Human Services committees ([CGS § 4-28b](#)). The committees approved the most recent [plan](#) in August.

For recent years, county differentials have ranged from \$0.033 to \$0.115 cents per gallon, as shown in Table 3 below.

Table 3: CEAP Oil Vendor County Differentials (2015 to 2025)

County	Differential (\$)
Fairfield	0.115
Hartford	0.039
Litchfield	0.067
Middlesex	0.033

Table 3 (continued)

County	Differential (\$)
New Haven	0.045
New London	0.042
Windham	0.100
Tolland	0.099

Eliminating County Differentials (2025)

DSS stopped using county differentials in the 2025-26 heating season. [In the LIHEAP plan for that year](#), the department explained the change as follows (pp. 14-15):

As part of the transition to the new pricing structures for the 2025-2026 CEAP season, county differentials will no longer be applied to determine vendor fuel pricing. This change aligns with the shift from OPIS, which was limited to a single terminal in New Haven, to DTN (Data Transmission Network), which provides rack pricing from four terminals across Connecticut (Bridgeport, Hartford, New Haven, and Norwich). The expanded terminal coverage under DTN allows for more regionally representative pricing, eliminating the need for county-based price adjustments.

Similarly, in [testimony](#) submitted to the Appropriations, Energy and Technology, and Human Services committees, the DSS commissioner stated:

As part of CEAP’s 2025-2026 shift to new pricing structures, CEAP will now use DTN (Data Transmission Network) terminal rack [pricing] from four terminal locations (Bridgeport, Hartford, New Haven, and Norwich), which will allow for regional pricing. With this expansion in terminal coverage, differentials have been eliminated.

Starting in this same season, vendors were required to choose between the MOR reimbursement methodology described above or a discount-off-retail (DOR) methodology, described below. In her [testimony](#), the DSS commissioner described these changes as a demonstration of “the Department’s commitment to supporting the efforts of the LIHEAP working group and the final

Related Statute

[CGS § 16a-41a\(b\)](#) requires the DSS commissioner to implement a program to purchase deliverable fuel for CEAP and ensure an adequate supply of program vendors by (1) establishing county and regional pricing standards for deliverable fuel, (2) reimbursing fuel providers based on the fuel price on the delivery date, and (3) allowing vendors to submit fuel slips or invoices electronically.

Starting November 1, 2025, the law requires the commissioner to establish new pricing standards for deliverable fuel that fairly compensate fuel vendors for costs incurred on fuel purchase and delivery while maintaining the maximum funding amount to benefit program recipients.

report to the legislature that examined deliverable fuel pricing methods while maintaining the maximum benefit amount for CEAP households.” [PA 24-145](#) required DSS to establish the working group; DSS submitted [its report](#) in January 2025.

Taking questions during [the public hearing on that year’s plan](#), Deputy Commissioner Peter Hadler stated:

We worked very closely with a work group of all the interested stakeholders earlier this year, pursuant to legislative direction, to try and evaluate what the best opportunities would be for us to provide options for our deliverable fuel vendor partners. And we collectively identified these as two common practices in other states and ones that were worth pursuing and implementing here in Connecticut. There’s a slight difference in the way that it [MOR] would be implemented. Instead of using the New Haven rack or terminal as the basis for setting all prices around the state, we’ll use four different terminals to account for regional and geographic variations in the base price that vendors would pay to pick up the fuel, and then we would do a margin over rack based on that regional difference. We historically had used something called a county differential to try to account for that. That data had grown stale over time. So we really think that this is a better approach that more accurately reflects the geographical difference in costs depending on where our vendors pick up their fuel and the prices they pay from those geographic locations. We’re hopeful that this is a good compromise and that we determine the new payment options, again, with all the guidance from the work group and from what the collective decision making and what the best approach would be.

Later, responding to a question on how removing county differentials will impact vendors, he stated:

The margin over rack is intended because we are now using more racks around the state to account for the geographical and regional differences in prices. The county differential was a different way of attempting to do that. ... it has gotten a little bit outdated. It was based on DAS [(Department of Administrative Services)] data that was more commonly available in years past when there was more direct purchasing of fuel for your state facilities, and that number wasn’t necessarily keeping up with the times and the constant need to have daily changes in the cost of fuel. We think that by moving to regional racks, we’ll be better able to align with the actual costs of deliverable fuel vendors, and then of course have the margin as we have historically had it.

Vendor Agreement Descriptions

Generally, participating vendors must submit a “vendor participation document” to DSS that, among other things, describes the conditions under which payments will be made for each vendor type. The 2025-26 Supplier/Vendor Conditions of Participation form explains the options for that year as described below. The vendor agreement from 2008, the year DSS implemented county differentials, was not available.

Pricing Model Selection. The form requires vendors to select one of two pricing models for the program year, described as:

- Discount-Off-Retail (DOR): The CEAP price is calculated at the vendor’s lowest retail price, minus \$0.35 per gallon in effect on the date of delivery and
- Margin-Over-Rack (MOR): The CEAP price is calculated at the DTN ultra-low sulfur heating-oil-gross (UHOB10) daily rack average, plus \$0.50 per gallon.

The form requires vendors to designate one terminal for reimbursement based on their business location (Bridgeport, Hartford, New Haven, or Norwich) and states that selections must remain the same for the program year and cannot be changed. Vendors selecting DOR need not select a terminal.

General Provisions. The form’s “General Provisions” section includes, among other things, the following provisions on payment methodology:

- MOR vendors agree that, regardless of the actual terminal used for fuel pickup, CEAP pricing will be based on the terminal selected for the program year.
- DOR: The vendor shall bill CEAP customers the lowest posted retail price charged to general retail customers for the same product and delivery conditions. If the vendor offers a discount that is regularly posted, uniformly applied, and available to all customers, the discounted cash price shall be used for CEAP pricing. Excluded from this requirement are contract or pre-buy/cap/fixed pricing, membership or loyalty discounts, temporary promotional pricing, and one-time hardship rates. The vendors must: maintain pricing sheets showing daily posted retail prices; itemize discounts and posted prices on customer records; and permit DSS to audit CEAP and non-CEAP accounts to confirm the same posted retail rate was applied before the discount.
- The vendor shall not charge CEAP customers the difference, in whole or in part, between the vendor’s retail price and the CEAP reimbursement rate.
- In accordance with CGS § 16a-41a(f), CEAP payments must be issued no later than 10 business days after the CAA receives a valid invoice or authorized fuel slip. The 10-day

business window is based on the CAA's business day calendar, not the state's calendar, and begins on the date the invoice is received, not the delivery date.

- CEAP payments will be based on the price at the time of delivery, not the date the benefit was approved or authorized.

Product Pricing. In the "Product Pricing" section, the form again states that vendors must select one model for the program year and provides an overview of DOR and MOR pricing models, with the following examples:

Model 1: DOR

- Vendor's Retail Price (UHOB10, Bridgeport, 3/31/25): \$2.71
- Discount: -\$0.35
- CEAP price: \$2.36 per gallon

Model 2: MOR

- DTN Rack Average Price (UHOB10, Bridgeport, 3/31/2025): \$2.275
- Fixed Margin: \$0.50
- CEAP Price: \$2.775 per gallon

The form states that vendors must list their retail price on all delivery tickets, bills, invoices, or statements and, if a vendor's retail price is lower than the CEAP price, CEAP will pay the lower rate. This section also restates the prohibition on vendors charging CEAP customers the difference between their retail price and the CEAP payment.

These provisions generally apply to heating oil purchases under the program. The form notes that DSS may adjust pricing mechanisms to respond to unanticipated changes in the heating oil market. Kerosene and propane deliveries are paid at the vendor's regular retail price.

The form also addresses deliveries made before a customer has been determined eligible for CEAP. If the delivery is made on or after November 3 (for the 2025-26 season, which was the first date that CEAP benefits could be used) through April 1 (the last date for CEAP fuel authorizations), the benefit may be paid.

If a state office is closed due to an emergency like hazardous weather, the form describes pricing in each model. For MOR, the last posted MOR price remains in effect until state offices reopen. For DOR, the price is based on the vendor's retail price, which may change daily even if state offices are closed.

MF:co