

CASH FLOW SUMMARY – NOVEMBER AND DECEMBER 2003

In July 2003, Pascoag was ordered by the Commission to submit a Weekly Financial Report. At an open meeting in October, the Commission waived the weekly reporting requirement. However, Pascoag was ordered to submit a Cash Flow Report with its semi-annual fuel reconciliation.

This report is the first under that order.

November:

There was no unusual activity in November. The total of customer payments dropped from an October high of \$500,935 to \$389,521 in November. This in turn is reflected in the outstanding Account Receivable balance. At the end of October, the A/R balance was \$131,912. At the end of November, the A/R balance climbed to \$197,375.

The majority of the A/R balance, \$174,360, was within thirty-day terms.

The District put an additional \$20,000 into saving/investment accounts.

The total outstanding Accounts Payable balance was \$10,241 – all current.

December:

There was no unusual activity in December. The total of customer payments in December was \$415,990, up slightly from November's customer payments. However, the outstanding Accounts Receivable balance increased to \$224,972. This is a slight concern because as the attached Aging Report indicates, the "Over 30 Days" balance is increasing. Pascoag will continue to monitor this closely, and when necessary, customers that are "unprotected" and over moratorium limits will be disconnected according to the RIPUC Rules and Regulations.

Earlier this month, one of the District's Customer Service Representatives met with Division staff to review the Rules and Regulations. Typically, in the past, Pascoag did not disconnect customers during the moratorium period. However, this year, when appropriate, Pascoag will begin the necessary steps to collect past due balances.

Again, in December, Pascoag put \$20,000 into saving/investment accounts.

The total outstanding Accounts Payable balance as of December 29th is \$8,722 – all current.

In December, Pascoag has its semi-annual interest payment due on the bond for the sub-station. That payment, \$6,825, was made using December revenues. The next payment on the sub-station (principal and interest) is due in June 2004. The principal payment due in June is \$55,000 and the interest payment is \$6,825.

In February, the District has the final payment due on its Information Systems. That payment is approximately \$56,000, including principal and interest.

To-date, the District has encumbered \$55,000 in its saving/investment accounts under "Debt Service Payments."

Going into January, the District faces two fairly large expenditures. Although not "unexpected", the quarterly Town of Burrillville Real Estate Tax payment is due, as is the annual Commercial Insurance and Workers Compensation Insurance premiums. Together, these two obligations total about \$54,500, and will be posted to the Accounts Payable balance sometime in early January. Pascoag has set aside money in its saving/investment accounts under "Working Cash Reserve" totaling approximately \$22,275. If cash flow during January is slow, Pascoag can use those funds to help offset the two obligations.

Pascoag is submitting the Cash Flow Report through December 29, 2003. The final December numbers will reflect customer payments received on December 30th and 31st.

Submitted by: Judith R. Allaire
Customer Service and Accounting Manager