

October 6, 2005

Rhode Island Public Utilities Commission  
Ms. Luly Massaro  
Commission Clerk  
89 Jefferson Blvd.  
Warwick, RI 02888

**Re:     *RIPCU Docket No. 3474***  
***Demand Side Management Program***

Dear Ms. Massaro:

On behalf of Pascoag Utility District ("Pascoag" or the "District"), enclosed are an original and nine copies of Pascoag's proposed Demand Side Management Program for 2006. This submission includes Pascoag's Executive Summary, proposed conservation programs and budget for 2006, as well as supporting schedules and documentation.

Pascoag's proposed Demand Side Management budget for its 2006 programs is \$192,000, which includes a carry over of funds of \$85,000 from its 2005 DSM budget, as well as anticipated sales of \$107,000.

If there are any questions, or if additional information is required, please do not hesitate to contact me.

Very truly yours,

Judith R. Allaire  
Customer Service and Accounting Manager

**Pascoag Utility District**  
**Demand Side Management Program – Docket No. 3474**  
**Service List – October 2005**

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**CERTIFICATE OF SERVICE**

I hereby certify that a copy/copies of this filing in RIPUC Docket No. 3474 (Pascoag Utility District's Demand Side Management Program) were served electronically and/or by express mail on the individuals named in the above List of Recipients of Filing, this \_\_\_\_ day of \_\_\_\_\_ 2005.

\_\_\_\_\_  
Judith R. Allaire, Notary Public  
My commission expires March 28, 2008

**PASCOAG UTILITY DISTRICT  
ELECTRIC DEPARTMENT**

IN RE: PASCOAG UTILITY DISTRICT'S  
DEMAND SIDE MANAGEMENT PROGRAM – 2006

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**Demand Side Management Budget - 2006****Residential****Proposed  
2006**

1	Residential Conservation Service (RCS)	\$	1,500
2	Audits (w/followup incentives)	\$	5,500
3	Appliance Rebates/EnergyStar Homes	\$	11,000
4	Windows/Doors	\$	10,000
5	Heating System Incentives	\$	7,000
6	Lighting/Thermostats	\$	1,500
7	Office Equipment/Electronics	\$	3,000

**Total Residential** **\$ 39,500**

**Commercial & Industrial**

1	Callahan School Project	\$	80,000	(Includes \$40,000 from 2005)
2	Energy Star Office Equip	\$	2,500	
3	Zambarano	\$	10,000	
4	Northwest Auto	\$	10,000	
5	Pascoag - Well Project	\$	3,000	
6	Site Visits	\$	500	

**Total Commercial & Industrial** **\$ 106,000**

**Admin/Outreach/Education**

1	Administrative	\$	11,000
2	Follow-up Funds	\$	5,000
3	Customer Education/Customer Outreach	\$	14,000
4	Consultant Fees - NG	\$	1,000
5	BHS Project	\$	8,000
6	Community Projects	\$	7,500

**Total Admin/Outreach/Ed** **\$ 46,500**

**Total DSM Budget** **\$ 192,000**

**Funding:**

Carry over 2005: (Estimated) \$ 85,000

Projected Revenue:

    kwhrs sales y/e 12/05      51,236,734  
    Growth Factor 6%      3,074,204

Total kwhrs forecast 2006      54,310,938      \$ 108,622      \$ 107,000      (Use \$107,000 for budget purposes)  
**\$ 192,000**

**Pascoag's 2006 Demand Side Management Program**

**Executive Summary: Submitted by Judith R. Allaire**

The Residential programs proposed by Pascoag Utility District for 2006, in many instances, very closely mirror the 2005 programs. Many of the existing Residential programs have proved very successful, and the District continues to get customer requests for continuation of the programs.

EnergyStar appliance incentives remain a customer favorite. With the increased cost of heating oil, the District office has received many calls from customers who would like to upgrade their heating equipment to EnergyStar compliant equipment. Therefore both of these programs will continue in 2006.

The conversion of the twelve-family apartment house from electric heat to oil-fired heating equipment was completed in 2005. This project spanned a two-year time frame, and required additional incentives (from \$5,000 to \$10,000) to reach its successful conclusion. In addition to the incentive provided by the District for the conversion, Pascoag also assisted with incentives on EnergyStar windows and insulation. At the same time, the water heating system for the building was upgraded, resulting in additional energy savings. This program was completed mid-year in 2005. The full energy savings of this project will be realized in the upcoming heating season, but the initial audit indicated that between 70,000 to 90,000 kilowatt-hours savings would be realized on the electric heat conversion alone. By upgrading the water heating plant, the customer will save an additional 28,800 kilowatt-hours each year. This "Multi-Family Incentive" was the single biggest residential project completed by the District.

Only one customer participated in the "Incentive for Electric Heat Conversion" offered to single family homes in 2005. Estimated annual energy savings for this conversion are 17,000 kilowatt-hours, with an additional savings of 3,600 kilowatt-hours on water heating. To-date, there has been no customer interest in conversion from electric heat for next year, so Pascoag has suspended the program for 2006.

One of the major Commercial and Industrial projects proposed in 2005 was for energy efficiency improvements during the renovation of the William Callahan School in Harrisville. Pending voter approval, Pascoag encumbered \$40,000 in the 2005 DSM

budget for the first year of the multi-year construction project. In May 2005, the voters approved the 7.5 million dollar renovation project. Pascoag met with officials of the Burrillville School Department soon after the referendum was approved to set up a plan to integrate energy improvements in every phase of the planning and construction process. Pascoag is working with the Facilities Manager for the School Department as well as the Project Manager to ensure that all fixtures and equipment will meet energy efficiency guidelines. This project, expected to be completed during 2007, will become a multi-year partnership with the Burrillville School Department throughout the entire renovation process.

In addition to the Callahan Project, Pascoag is working with Zambarano Memorial Hospital and Northwest Automotive on two possible projects for 2006. Both the Zambarano and Northwest project came about as a result of meetings with the District's Commercial and Industrial customers throughout the year.

Pascoag Utility District – Water Department is bringing on a new production well in 2006, and will be installing variable frequency drives on equipment that will qualify for conservation incentives.

Pascoag continues to support various projects by the students at Burrillville High School. The major project for 2005, design and production of a “do-it-yourself” home energy audit kit, proved to be very popular with the District's electric customers. All of the thirty-five kits were distributed to customers during the late spring and early summer. This partnership has been both productive and enjoyable for all involved. The students get hands on experience, learn the importance of energy conservation, and create a product that is useful to our consumers. At the end of the school year, the District hosts a cookout for all the students involved in the program. The students display their current project, and tentative plans for the next year are formulated.

Pascoag Utility District is active in many community events. Each year the District participates in the Burrillville Family Fair held in May. In addition, District staff is active in the Downtown Pascoag Neighborhood Association (DPNA), which sponsors many events throughout the year such as the Downtown Pascoag Days and various holiday events. These community events provide a valuable point of contact between the District and its customers. In addition to providing conservation materials at these

events, District staff has the opportunity to get customer feedback on current and future conservation programs. In 2006 the Town of Burrillville will celebrate its bicentennial. Plans are already underway for year-long activities. Members of the District staff serve on the planning committee for this event.

In June 2005, Pascoag held the Open House and dedication of its new business office. Both RISE and ENE hosted consumer exhibits displaying various conservation ideas and materials for Residential, Commercial and Industrial customers. Energy efficient projects completed at the District office such as EnergyStar heating equipment, EnergyStar windows, energy efficient lighting, and insulation were highlighted. Pascoag is proud to showcase the District headquarters as a model of the various energy efficiency projects that can be incorporated during building construction and renovation. Pascoag employees handed out energy efficient night lights and other conservation materials. About sixty customers attended the event.

The funding for the 2006 Demand Side Management Program is based on the 2.0 mils per kilowatt-hour assessment established by legislation. A residential customer using 500 kWh will pay \$1.00 on their monthly electric bill for these conservation programs. The customer has seen the DSM assessment since its inception, and accordingly, there is a separate line item on the monthly electric bills for this conservation cost.

Pascoag's proposed 2006 budget is based on estimated annual kWh sales of 54,310,938, as well as a carry over of funds from its 2005 DSM budget. The kWh sales were based on actual sales for Pascoag's fiscal year ending December 31, 2004,<sup>1</sup> (51,236,734 kWhrs) with an increase of 6% (3,074,204 kWhrs) for a growth factor. Pascoag uses 6% as a growth factor based on several residential housing projects already well under way with an expected completion date in early 2006.

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<sup>1</sup> From Pascoag's audited Financial Statements and Supplementary Information, Year Ended December 31, 2004. Please see "Schedule of Electric Energy", Page 28.

The DSM budget for 2006 is \$ 192,000, and is computed as follows:

Carry over of funds from 2005 DSM programs	\$ 85,000
Estimated kWh sales during 2006	<u>\$107,000 (Rounded</u>
	<u>for budget purposes)</u>
Total 2006 DSM Budget	\$192,000

Pascoag will provide District and Commission with an actual true-up of the 2005 budget early in 2006.

As in the past, with Division's approval, Pascoag is requesting permission to reallocate up to 10% of its DSM budget from low-performing programs to high demand programs. Additionally, the District plans a mid-year review of programs, with the purpose of determining if some programs should be eliminated, and new programs added.

By January 1, 2006, Pascoag will fully fund its "Dedicated DSM Account" to \$100,000. Pascoag elected the \$100,000 as it closely mirrors a full year of DSM revenues. In the past, Pascoag did not have a dedicated fund for DSM expenses and revenues. Those revenues and corresponding expenses flowed through the District's general fund. As of September 27, 2005, Pascoag has funded \$90,000 of the Dedicated DSM Fund.

The Demand Side Management Program for 2006 is a well rounded conservation program benefiting all customers. Residential customers participate in various programs that can save them money immediately in the form of incentives and rebates as well as long term energy and dollar savings. Commercial and Industrial customers receive incentives ranging from forty percent to sixty percent depending on the type of project. In addition, all customers of the District benefit as a result of the energy savings generated by these programs.



**2006 Program Detail - Residential, Commercial, Industrial, Administrative, and  
Customer Education and Outreach**

**Residential Programs**

This year Pascoag plans to continue many programs from 2005. There is still customer demand for the incentives on appliances, windows and heating equipment, so these programs are included in Pascoag's 2006 budget.

This summary will detail the programs proposed for 2006, and review the success of the 2005 programs.

1) **Energy New England – Residential Conservation Service - \$1,500 :**

Pascoag's relationship with Energy New England ("ENE") continues in 2006. The Residential Conservation Service ("RCS") provides technical support to District staff, and is an additional resource to Pascoag's customers.

In addition to this support, ENE also supplies fulfillment material to customers of the District. This material includes items such as EnergySmart cd's, conservation booklets, and reference material and sources. ENE sponsors a toll free energy hot line that is available to customers during normal business hours. The hot line deals with questions ranging from electric use for appliances to technical questions about electric motors and equipment. Customers wishing to schedule home energy audits are directed to the toll free line for appointments. This year, ENE assisted over thirty customers with technical questions, in addition to scheduling the nine home energy audits that have been completed year-to-date. ENE provides assistance to District staff in community outreach by providing speakers for local groups.

ENE also sponsors an Advisory Group. The Advisory Group includes people from municipal utilities from all the New England States. The group meets quarterly to share ideas on all aspects of energy conservation.

The cost for this service, \$125 per month, is unchanged from 2005.

2) **Audits with Follow-up Incentives - \$5,500:**

Pascoag is proposing to maintain this program funding at the level of last year's program.

This allows for the following:

15 audits @ \$155	\$2,325
Incentives	\$3,000
Misc. (additional audit,etc.)	\$ 175

The cost of the home energy audit, conducted by ENE staff, remains at the 2005 level of \$155 per audit. Any customer who implements audit recommendations will be eligible for incentives of ten percent (not to exceed \$200) on items such as insulation or weather stripping that are not covered under Pascoag's other programs. If a customer installs windows, doors, or a new heating system, they would be eligible for incentives under the auspices of those programs, in addition to the ten percent incentive on non-covered items.

Through September 1, 2005, nine energy audits have been completed. As of this date, ENE did not have any other audits scheduled. However, as the colder weather approaches, we anticipate additional customer participation.

With energy costs increasing, Pascoag believes that customers will take advantage not only of the free energy audit, but also will implement some of the audit recommendations.

3) **Appliance Rebates/EnergyStar Homes - \$11,000:**

The appliance rebate continues to be one of the District's most popular programs. Through September, Pascoag processed over one hundred incentives for dehumidifiers, clothes washers, dish washers, refrigerators, and air conditioners.

Under Pascoag's incentives, clothes washers and refrigerators qualify for a \$100 incentive and dish washers, dehumidifiers and air conditioners qualify for incentives of \$50. Each customer is allowed one incentive per appliance per year.

Based on the success of last year's programs, Pascoag is proposing a budget of \$11,000 for 2006, an increase of \$1,000 over the 2005 funding.

Although it is difficult to quantify the energy savings on these appliances, using the criteria listed in Schedule E - "Calculation of Energy Savings for EnergyStar Incentives" - Pascoag calculated average energy savings generated

by the new EnergyStar appliances.<sup>1</sup> All of the savings are calculated on an annual basis. The average estimated kilowatt-hour savings is over 24,000 annually! This is definitely one of the more effective ways to reduce energy usage. In this age of high energy costs, customers benefit twice, by saving energy and money. In addition the environment benefits from reduced pollution.

In order to qualify for the incentives, customers submit their receipts and the EnergyStar logo and model number of the appliances purchased. Once the documentation has been verified, the incentive is applied directly to the customer's electric bill.

4) **Incentives for EnergyStar Windows and Doors – \$10,000:**

When this program was introduced in mid-year 2004, it was one of the most in demand customer programs. Customer participation in this program dropped off somewhat in 2005, and in the program proposed for 2006, the District reduced the funding by \$2,000 to a level of \$10,000.

In 2006 the incentives will remain as in the past year. EnergyStar windows qualify for a \$25 rebate and EnergyStar doors qualify for a \$50 rebate.

It is very difficult to calculate the energy savings on this program based on the type and size of windows replaced and the amount of insulation in the home.

Under this program each customer is limited to twenty replacement windows per year and two replacement doors per year. A list of customers who replaced more than twenty windows and two doors during the year is maintained. If funds are available in this program at the end of the year, these customers would be eligible for additional incentives from the unused portion.

District staff does inspections to ensure that the windows and doors are installed. Additionally, customers are required to submit receipts and EnergyStar certification. Once the installation is verified and the documentation reviewed, the incentives are applied directly to the customer's electric bill.

Though September, the District processed over 250 window incentives and 11 door incentives.

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<sup>1</sup> Energy savings are from the "Energy Calculator" on Pascoag's web site: [www.pud-ri.org](http://www.pud-ri.org)

5) **Heating Equipment Replacement - \$7,000:**

The program for Heating Equipment Replacement remains as it was in 2005. Pascoag's incentives, ten percent, with a cap of \$350, are offered on all heating equipment that is EnergyStar compliant. This will allow participation by up to twenty customers.

All replacement equipment must be EnergyStar compliant. Pascoag requires that customers submit receipts and equipment model numbers. A building permit is also required certifying that the work was done according to building code. The incentive is applied directly to the customer's electric bill.

This program has the potential to produce significant energy savings. Since most of the homes in Pascoag's service territory are heated with oil-fired furnaces, there is considerable customer interest in updating to more efficient heating equipment. The EnergyStar compliant equipment has an annual fuel utilization efficiency rating of 90% or greater, making them about fifteen percent more efficient than standard models.

Although this equipment may be more expensive to purchase originally, the cost difference will be paid back over time through lower energy bills. Pascoag's incentive of ten percent is based on the "typical" difference between EnergyStar compliant equipment and standard equipment, making the up front cost to the customer almost transparent.

Through early September Pascoag processed fourteen incentives. Several customers have indicated an interest in upgrading their heating equipment during the next few months.

6) **Energy Efficient Lighting and Programmable Thermostats - \$1,500:**

Pascoag reduced the budget for this program in 2006 to \$1,500. There was enough customer interest in this program to keep it active for one additional year. At the end of 2006, the District will review the program to see if the lighting portion should be continued into 2007.

Year-to-date, eighteen customers participated in the program in 2005. The energy savings are extremely difficult to calculate. Some customers have indicated that they don't like the energy efficient light bulbs, and have replaced

them with less efficient bulbs. Unlike an appliance, that once purchased is used continually, it seems like customers purchase the bulbs but don't always keep them in use.

However, the programmable thermostats do seem to work well. Customers who have installed them find that their energy bills are lower and their homes are maintained at comfortable temperature levels. Therefore, even if the lighting portion of this program is eliminated next year, the District will continue to offer incentives on the programmable thermostats.

7) **Office Equipment and Home Electronics - \$3,000:**

Last year, the District introduced this program with a budget of \$6,000. The potential for energy savings is great in this area, but as of yet, there is not high customer demand. One of the most difficult things is to make customers aware of new programs.

In another section of these programs, "Customer Education and Customer Outreach", the District will address that issue.

Office equipment and home electronics that are EnergyStar compliant have the potential to generate significant energy savings. Today, many homes have complete home offices that include computers, printers, faxes and scanners.

As an example, an EnergyStar computer can use up to seventy percent less energy than a standard model. Since many of the computers are on twenty-four hours a day, these savings can be impressive. The low power option on these models allows them to run at 15 watts or less.

Printers, faxes and scanners generate similar savings. When every home office is powered by equipment that has earned the EnergyStar, the change will keep over 289 billion pounds of greenhouse gases out of the air!<sup>2</sup> As people become aware of these types of savings, this program should take off.

There are also side benefits to this newer, more efficient equipment. The power management feature on these models allows the equipment to run less, thus

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<sup>2</sup> From the EnergyStar link on Pascoag's web site. Click on Appliances, Lighting, Heating, Cooling & More; Select "Office Equipment".

reducing cooling costs in the home, and because it runs less, the equipment tends to last longer and have reduced maintenance costs.

Other home electronics such as water coolers, DVD's, telephones, and televisions have the potential for great energy savings. Home electronic products use energy when they're off to power features like clocks and remote controls. Those that have earned the EnergyStar rating can use up to fifty percent less energy to perform these functions, while providing the same performance as the less efficient models. In the average home, seventy-five percent of the electricity used to power home electronics is consumed while the product is turned off.

The average home now has two televisions, a VCR, a DVD player, and three telephones. If all of these appliances in every home were replaced with EnergyStar appliances, greenhouse gas emissions would be reduced by twenty billion pounds. That's equivalent to taking 1.5 million cars off the road.<sup>3</sup> So, energy efficient appliances are beneficial to the environment too.

Because the cost of home electronics varies greatly, Pascoag proposes keeping the incentive at twenty-five percent, with a cap not to exceed \$50.

This year, only fourteen customers took advantage of this program. But, Pascoag believes with proper promotion this program could be as popular as the appliance rebate program. Certainly, the energy savings would be equivalent, perhaps even greater. Therefore, this program is definitely worth keeping and promoting. However, due to last year's program performance, the annual budget has been reduced to half of the 2005 funding level. If the program does become popular, Pascoag will request a reallocation of funds as it has in the past.

### **Changes to the Residential Programs in 2006**

Programs from last year that have been discontinued are the Incentive for Electric Heat Conversion and the Multi-Family Electric Home Conversion. The Multi-Family Electric Home Conversion was a dedicated project for a twelve-family apartment building. The project was completed during 2005, with incentives of over \$10,000. It was the single biggest residential project in the

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<sup>3</sup> From the EnergyStar link on Pascoag's web site. Click on "Appliances, Lighting, Heating, Cooling, and More; select "Home Electronics".

history of the District's conservation program. In addition to the incentive for the conversion, this customer also received incentive on EnergyStar windows. It was a complete project that included upgrading the hot water system and adding insulation.

The Incentive for Electric Heat Conversion – Single Family Homes, was introduced several years ago. During that time, several electric heat customers converted from electric heat to oil-fired heat earning incentives of up to \$5,000. The District still has approximately forty customers that heat with electricity. For 2006, however, none have expressed any interest in converting. This may be due to the high cost of oil and the uncertainty of where that price will go. So, this year that program has been suspended.

Some programs that were previously listed under Residential Programs have been moved to the Administrative, Education, and Outreach Section. These include Community Projects and Bill Inserts.

### **Commercial and Industrial Programs**

Last year, Pascoag requested the creation of a new project that would be dedicated to the renovation of a local elementary school in the village of Harrisville. That project at the William Callahan School will be continued over the renovation period.

Other commercial customers have expressed interest in projects during 2006, and those will also be detailed in this section.

#### **1) William Callahan School Project - \$80,000:**

This program is a multi year renovation totaling \$7.5 million dollars. In May 2005, the voters of Burrillville approved a special referendum item for the renovation. The project, beginning in 2005, is expected to be completed in 2007. Since this has a major impact on the entire town, Pascoag is proposing to dedicate significant amount money to fund conservation improvements during the renovation process.

The budget for this project includes a carry over of \$40,000 from 2005 as well as another \$40,000 for 2006. The funds that Pascoag had set aside for the project were not used in 2005 because of the timing of the start of the project.

The referendum item was approved on May 5, 2005. On June 14<sup>th</sup>, Pascoag had the first meeting with the Facilities Manager for the Burrillville School Department to set up a project outline. Pascoag wanted to be involved at the inception at the project so that the architect and Project Manager can incorporate energy efficient motors, lighting, and heating and cooling equipment.

Items that will be a part of this project include a facility audit, T-8 lighting, energy efficient exit lighting, HVAC energy efficient equipment, insulation, EnergyStar doors and windows, and motion detectors.<sup>4</sup>

2) **EnergyStar Office Equipment - \$2,500:**

This program was introduced in 2005 with a funding limit of \$8,500. Because of lack of customer participation, the funding will decrease of \$2,500.

However, Pascoag still believes that this is a worthwhile program. This year, Pascoag will promote its conservation programs with a series of customer notification mailings. This will be discussed in the Administrative, Customer Education and Customer Outreach section of the budget.

Energy savings in this area have the potential to be significant. EnergyStar office equipment such as computers, faxes, printers, copiers, monitors and scanners use up to seventy percent less electricity than standard models. This equipment tends to sit idle for several hours each day. EnergyStar qualified models, because they run in a low power mode, not only save energy to run, but also help to reduce cooling costs. An added bonus is that this equipment also tends to last longer, so that businesses save money not only on energy costs to run the equipment, but they also save money on air conditioning and maintenance.

The incentives proposed under this program are 25%, not to exceed \$50 per item. Businesses would be eligible to take advantage of multiple incentives on computers and monitors because many businesses tend to replace these items on a scheduled basis and tend to replace more than one piece of equipment at a time.

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<sup>4</sup> Please see Schedule "J" for correspondence pertaining to this project.



Customers are required to submit invoices and EnergyStar model numbers for verification. The incentive(s) are applied directly to the customer's electric bill.

3) **Zambarano Memorial Hospital - \$10,000:**

Zambarano Memorial Hospital has indicated an interest in replacing an elevator motor. District staff has had several meetings with the Facility Manager for the hospital as well as several state officials. RISE will conduct an audit to determine the energy savings early next year. The District has set aside \$10,000 for this project.

However, due to the complexities of working on the equipment, only a licensed elevator operator is qualified to do this work. RISE is working with Zambarano Hospital to secure a licensed installer.

4) **Northwest Auto Lighting Project - \$10,000:**

As of this filing, this is a tentative project. Northwest Auto is a new business in the Burrillville Industrial Park. They have indicated an initial interest in upgrading the lighting in their facility during 2006.

RISE is working with the District and the customer to determine the cost of the project and the energy savings and payback period. Although the District has encumbered money for this project in 2006, the customer indicated that due to funding constraints, the program may have to be spread over two or three years.

5) **Pascoag Utility District – Well Project - \$3,000:**

Pascoag Utility District is scheduled to bring a new production well on line in 2006. This well, capable of pumping 70,000 gallons of water a day will partially replace the two wells shut down in 2001 due to MTBE contamination.

Working with its engineers, Pascoag intends to use energy efficient equipment for the well, such as variable frequency motors, that will qualify for conservation incentives.

6) **Site Visits - \$500:**

During 2005, we found one of the most effective ways to communicate the District's programs with commercial and industrial customers is with individual site visits and one-on-one interaction. This is how both the Zambarano and Northeast project came about. Therefore, this seems to be a worthwhile use of District staff.

Pascoag has tried hosting breakfast meetings, but they have not been successful. Because many of the businesses are small and individually owned, the owner or manager can not be away from their business. So site visits seem to work best for everyone involved, since District staff can see first hand the current lighting and equipment in place.

**Changes to the Commercial and Industrial Programs**

Two of the biggest projects completed last year involved construction at the District office and garage and one at Overlook Nursing Home.

The Overlook Nursing Home project completed in 2005 had been a project that was several years coming to fruition. RISE first performed an audit at the nursing home in 2003, but because of funding issues could not be completed at that time. The project was finally completed early in 2005, with incentive of over \$33,000.

The dual projects at the District office complex included energy efficient heating equipment, lighting, insulation and doors at the new garage and heating equipment, lighting, insulation, windows, and exit lighting at the new district office.

Customer newsletters have been moved from the Commercial and Industrial Programs to Administrative, Customer Education, and Customer Outreach.

**Administrative/Customer Education/Customer Outreach**

1) **Administrative Expenses - \$11,000:**

Pascoag works hard to keep Administrative costs as reasonable as possible. In 2006, there is no increase in the Administrative Expense.

Pascoag has two Customer Service Representative who devote many hours to the DSM program – from working with customers on appliance rebates, answering customer questions, researching EnergyStar qualified equipment, reconciling the DSM budget, and handling other reporting requirement. The Assistant General Manager, Business Division devotes several hours to the budget process and the creation of DSM programs. In addition, both the General Manager and Assistant General Manager, Operations Division, work with commercial and industrial customers on various commercial projects and do site visits..

The Administrative Expense also covers time spent working with local agencies (TriTown, Burrillville Housing Authority, and Burrillville School Department) to get information on programs to eligible recipients.

In addition to these costs, other examples of Administrative Expense include mileage reimbursement to employees using private cars to attend seminars and other DSM related activities. The District reimburses employees for mileage on private cars according to the IRS rate.

2) **Follow-up Funds for Successful Programs - \$5,000:**

Pascoag is requesting this, as it has for the past several years, as it allows some flexibility of transferring these funds to programs that are high customer demand programs. Any transfer would be done with Division approval.

3) **Customer Education and Customer Outreach - \$14,000:**

This program includes items that were previously listed under Residential, Commercial and Industrial programs. This year, the District proposed a comprehensive program to get information out to its customers. Over the past several years, District staff did this in house using bill inserts and customer newsletters. While these have been relatively successful, it has been difficult for Pascoag to do these mailings with any consistency due to the small size of the District staff.

This year, Pascoag would like to work with a company called Soleil Communications to design a series of mailings to customers. These would include three notices, including one early in the year (February) that would be a

color tri-fold mailer announcing the programs for 2006. This mailer will be custom designed using photos of Pascoag's completed DSM programs.

The second mailing will be a self mailer with a return portion done in late spring and will be used to highlight seasonal appropriate items such as air conditioners, and window and door incentives for summer home improvement projects. Again, this will be tailored to Pascoag's specific programs and will be designed to reflect successful programs.

The third and final mailing of the year will be done in the early fall and will highlight items such as the Burner Replacement Incentive and home electronics.

Samples of these mailers are included with this filing. The proposal from Soleil Communications for this comprehensive mailing/customer notification program is included with this filing as Schedule "I"

Soleil Communications is a public relations/consulting company located in Attleboro, Massachusetts. Its president, David Purdy, has over twenty years experience in public relations, advertising and consulting. Since 1999 Soleil Communications has been providing this service for small to mid-size companies. It provides several different types of energy related material, such as the energy wheel and energy calculators. Soleil Communications provides support to several municipal utilities in New England, including as Mansfield Electric and North Attleboro Electric. Soleil Communications will work with Pascoag to design a comprehensive strategy to inform and educate customers on the value of energy conservation and on conservation programs available to them. Their web address is [www.soleilcommunications.net](http://www.soleilcommunications.net).

Over the past several years, Pascoag has designed programs that, we feel, are innovative and customer friendly. However, one of the biggest problems is how to get the word out to customers as to what is available. An example of this is the incentives on computers and home electronics offered by the District in 2005.

Many homes have certainly upgraded their home electronics in the past year, but only fourteen customers took advantage of the incentive program.

Based on the projected energy savings available on this equipment, this program by itself is well worth promoting.

Because of its size, Pascoag does not have the staff to create a comprehensive program such as the one designed by Soleil Communications. While this amount of money devoted to customer education and outreach is unusual for Pascoag, the District believes that it is well worth the effort. If we find that customer response to the mailings is good, Pascoag will keep the program in 2007. If this tool is not successful in informing customers as to the programs available, the program will not be continued.

Soleil Communications will provide a turn key service to Pascoag, complete from design to customer mailing. This type of outsourcing has allowed Pascoag to keep its Administrative Expenses at last year's level.

Several of the bill stuffers and advertisements used by Pascoag during 2005 are included in the filing, as Schedule "H".

4) **Consultant Fees – National Grid - \$1,000:**

National Grid continues to provide verification of savings on commercial and industrial projects. This line item remains at \$1,000.

5) **Burrillville High School Project - \$8,000:**

This year, Pascoag is requesting a budget of \$8,000 for various conservations projects with the students of Burrillville High School. This partnership, now in its fifth year, continues to be one of the most enjoyable and educational programs offered by Pascoag.

Over the past several years, Pascoag has assisted with the purchase of video and computer equipment that was used by the students to create videos, logos, and animated characters encouraging energy conservation.

The District has used the results of the students' work at various community events and as teaching tools at the elementary schools in Burrillville.

Each year, the students show remarkable imagination and innovation in their projects. Over the years, students have created an energy conservation video, created an animated energy efficient light bulb, designed do-it-yourself home energy audit kits, and updated the District's web site.

Last year's project, the do-it-yourself home energy audit kit was a great success with our customers. In addition to the kit that contained items such as energy efficient light bulbs, weather stripping, night lights, refrigerator thermostats, caulking, and other general conservation items, the students produced a cd designed to walk the home owner through the installation of the various products. Last year's budget allowed for the creation of thirty-five kits. The students completed their project in late May. By the end of June, all of the kits had been distributed to customers. Because of such high demand, a list was created of customers requesting the kits. One of the projects that the students will work on this year is the creation of additional kits.

The students, working in small groups, each design a prototype of their packaging, video introduction and closing, and then each team makes a presentation to District staff. Typically, there are six or seven teams working on this project. The hardest part is to select the one presentation that the entire class will eventually work on.

At the end of the school year, the District hosts a cookout for the students. At the cookout the students present their current project and plans for the next year are formulated.

6) **Community Projects - \$7,500:**

Pascoag Utility District is an active community member. The District participates in various community events throughout the year. These events, usually town-wide, are a valuable way for District staff to meet with customers, listen to customer feedback, and to make customers aware of the programs offered by the District. Many of the ideas for new programs have come out of these events as customers tell us what programs they want to see.

Events attended by the District include the "Burrillville Seniors' Prom", an event hosted by the students of Burrillville High School for the community's senior citizens; the annual Family Fair; the Downtown Pascoag Neighborhood Association Days (DPNA); the Harvest Fair held in October at the William Callahan School; and the DPNA holiday celebration.

At each of these events, District staff host an informational booth, with customer handouts such as the energy efficient night lights, refrigerator thermostats, conservation tips, and information about the District's conservation programs.

In addition to these events, each October, during Public Power Week, Pascoag conducts several instructional sessions with the local elementary schools to discuss electric conservation and electric safety.

This budget is used to pay staff time and to purchase fulfillment material. In the past, the District has made available to its customers energy efficient light bulbs, night lights, refrigerator thermostats, reflective light switch covers, coloring and activity books for younger children, energy conservation wheels, and other material.

Pascoag staff serves on various community boards and provides speakers for local civic organizations such as the Burrillville Lions Club, Burrillville Senior Citizens Association, and the Burrillville High School. The District also works with the local office of TriTown and other local assistance agencies to provide support and assistance to its customers.

In 2006, the Town of Burrillville will celebrate its bicentennial. The plans for the year-long celebration are already well underway. This provides yet another opportunity for community outreach. District staff is actively involved with the local community leaders to make this a successful event.

Pascoo Utility District  
Demand Side Management Programs - 2005

	<u>Actual</u>
Estimated carry over from 2004	\$103,833
Estimated sales for 2005	\$103,000
Net 2005 budget	\$206,833

	<u>Approved</u>	<u>Spent</u>	<u>Balance</u>
<u>Residential Program</u>	<u>2005</u>		
DR0501 ENE Residential Conservation (ENE)	\$ 1,500	\$ 750	\$ 750
DR0502 Incentive for Electric Heat	\$ 5,700	\$ 3,540	\$ 2,160
DR0512 Incentive for Multi-Family Elec heat Conversion	\$ 10,100	\$ 10,075	\$ 25
DR0503 Community Projects	\$ 7,000	\$ 2,174	\$ 4,826
DR0504 Home Energy Audits with Incentives	\$ 5,500	\$ 1,395	\$ 4,105
DR0505 Heating System Incentive	\$ 7,000	\$ 3,146	\$ 3,855
DR0506 Bill Inserts	\$ 5,000	\$ 378	\$ 4,622
DR0507 Energy Homes/Energy Star Rebates	\$ 10,000	\$ 6,050	\$ 3,950
DR0508 Energy Star Thermostats/Lighting	\$ 2,300	\$ 227	\$ 2,073
DR0509 Energy Efficient Windows/Doors	\$ 12,000	\$ 3,650	\$ 8,350
DR0510 Home Office Equipment/Home Electronics	\$ 6,000	\$ 707	\$ 5,293
<b>Net Residential</b>	<b>\$ 72,100</b>	<b>\$ 32,089</b>	<b>\$ 40,011</b>
 <u>Industrial/Commercial</u>			
DI0501 Lighting/HVAC/Energy Efficient Motors	\$ 73,463	\$ 35,308	\$ 38,155
DI0503 Energy Star Incentive - Office Equipment	\$ 8,500	\$ 350	\$ 8,150
DI0502 Bill Inserts/Site Visits/ Meetings	\$ 2,500	\$ 150	\$ 2,350
DI0504 PUD Project #1 - Office	\$ 8,575	\$ 4,581	\$ 3,994
DI0505 PUD Project #2 - Garage	\$ 1,695	\$ 1,400	\$ 295
<b>Net Industrial/Commercial</b>	<b>\$ 94,733</b>	<b>\$ 41,790</b>	<b>\$ 52,943</b>
 <u>Administrative/Ad/Education</u>			
DA0501 Administrative	\$ 11,000	\$ 5,284	
DA0505 Funds for Follow-up to Successful Programs	\$ 5,000	\$ -	\$ 5,000
DA0506 Open House-Energy Expo	\$ 7,500	\$ 4,920	\$ 2,580
DA0502 Customer Promotions	\$ 7,500	\$ 3,917	\$ 3,583
DA0503 Consultation fees with National Grid	\$ 1,000	\$ -	\$ 1,000
DA0504 BHS Project	\$ 8,000	\$ 4,337	\$ 3,663
<b>Net Administrative/Ad/Education</b>	<b>\$ 40,000</b>	<b>\$ 18,459</b>	<b>\$ 21,541</b>

Total suggested DSM 2005 Budget  
with \$53833 additional funds from 2004

\$ 206,833    \$ 92,338    \$ 108,779    \$ -



## Detailed Expenses 2005

### Residential Program

DR0501	ENE Residential Conservation (ENE)	6 Months @ \$125
DR0502	Incentive for Electric Heat	1 Rebate @ \$3464.90 and 1 post inspection @ \$75.00
DR0512	Incentive for Multi-Family Elec heat Conversion	1 Rebate @ \$10,000 and 1 post inspection @ \$75.00
DR0503	Community Projects	Purchase energy efficient lights/bottles/school kits
DR0504	Home Energy Audits with Incentives	9 Audits @ \$155.00 each
DR0505	Heating System Incentive	8 rebates @ \$350.00 and 1 rebate @\$345.50
DR0506	Bill Inserts	1 Billing Insert @ \$375.50
DR0507	Energy Homes/Energy Star Rebates	78 Rebates
DR0508	Energy Star Thermostats/Lighting	12 Rebates
DR0509	Energy Efficient Windows/Doors	9 Doors & 128 Windows
DR0510	Home Office Equipment/Home Electronics	12 Rebates

### Total Residential

### Industrial/Commercial

DI0501	Lighting/HVAC/Energy Efficient Motors	Overlook Nursing & Rehab \$33463.23 and Bliss Golf Investors LLC \$1845.00
DI0503	Energy Star Incentive - Office Equipment	7 Rebates @\$50
DI0502	Bill Inserts/Site Visits/ Meetings	1-Bill Insert \$150.40
DI0504	PUD Project #1 - Office	6 motion detectors, HPS Wall Packs, 6 Window rebate, Insulation, Boiler
DI0505	PUD Project #2 - Garage	20 - 400 Watt fixtures

### Total Industrial/ Commercial

DA0501	<u>Administrative</u>	Milage, supplies, time sheet
DA0505	Funds for Follow-up to Successful Programs	No Activity
DA0506	Open House-Energy Expo	Supplies, food, time sheet
DA0502	Customer Promotions	Time sheet& supplies for the Pezcong Down Town Side walk sale, web update, advertisement,appliance calculat
DA0503	Consultation fees with National Grid	No Activity
DA0504	BHS Project	Supplies for cookout and kits, savings bond, time sheet

### Total Administrative

### Total Expenses through July 2005

**Calculation of Energy Savings for EnergyStar Incentives (1)**

<b><u>Appliance</u></b>	<b><u>Specifications</u></b>	<b><u>Monthly hours operation</u></b>	<b><u>Monthly kwhr use</u></b>	<b><u>Annual kwhr use</u></b>		<b><u>Units w/ Incentives</u></b>	<b><u>Total annual</u></b>
							energy savigns
Air conditioner	6,000 BTU 500 watts	165	83 74	990 892	Stamdard EnergyStar	31	3,039
Clothes Washer	large capacity 500 watts	23	12 11	144 132	Stamdard EnergyStar	28	336
Dish Washer	13,000 watts	24	31 25	372 300	Stamdard EnergyStar	19	1,368
Refrigerator	6-15 years old 17CF, frost free	245	147 103	1764 1236	Stamdard EnergyStar	28	14,784
Dehumidifier	large capcity 650 watts	340	221 166	2652 1992	Stamdard EnergyStar	8	5,280
<b><u>Total Average kwhrs Savings</u></b>							<b><u>24,807</u></b>

(1) From [www.pud-ri.org](http://www.pud-ri.org) "Energy Calculators"

Pascoag Utility District  
Savings Associated with completed conservation Projects for 2005

<i>Project</i>	<i>Date Completed</i>	<i>Kw Savings</i>	<i>kWh Savings</i>	<i>Dolla</i>
<i>Overlook Nursing &amp; Rehab.</i>	<i>April 2005</i>		<i>35,556 kWh</i>	<i>\$3</i>
<i>Electric Heat Conversion</i>	<i>March 2005</i>		<i>16957 to 18757 kWh</i>	<i>\$1</i>
<i>Multi-family Conversion</i>	<i>February 2005</i>		<i>98,800 to 118,800 kWh</i>	<i>\$1</i>

**Pascoag Utility District - Electric Department ("Department")**

**Demand Side Management Charge**

The following provisions will apply to reflect charges collected under the Demand Side Management Program, pursuant to "An Act Relating to the Utility Restructuring Act of 1996", #96-H 8124 Substitute B, Section 39-2-1.2 (b).

The District proposes to include a charge of 2.3 mills per kilowatt-hour delivered to fund a demand side management program and renewable energy resources. The allocation of this revenue between demand side management programs and renewable energy resources shall be determined by the Commission.

The District will submit semi-annual reports to the Commission documenting funds collected and expended. In the event that revenue collected over or under anticipated revenue, the Department shall apply to the Commission for an annual "true-up".

Approval Issued:

Requested Effective Date: January 1, 1998

Approval Date: March 20, 1998

Budget Proposal for Pascoag Utility District Conservation Programs								
2006 Calendar Year								
First Quarter	Quantity	Unit Cost	Total Cost		Notes			
Newsletter <sup>1</sup>	4,400	\$0.55	\$2,420.00		Kickoff of Conservation Programs for 2006			
Commercial Mailer <sup>1</sup>	400	\$3.00	\$1,200.00		Announcement of Commercial Conservation Programs			
Postage	400	\$0.30	\$120.00					
Total for Quarter			\$3,740.00					
Second Quarter								
Consumer Mailer <sup>1</sup>	4,400	\$1.00	\$4,400.00		Assumes similar design to original mailier			
Postage	4,000	\$0.30	\$1,200.00		(Including Summer Energy saving tips)			
Total for Quarter			\$5,600.00					
Third Quarter								
Newsletter <sup>1</sup>	4,400	\$0.55	\$2,420.00		Preparing for Colder Weather Months			
Total for Quarter			\$2,420.00		(Including Winter conservation tips)			
Fourth Quarter								
Public Power Event	2,000	\$1.25	\$2,500.00		Fulfilment material, as required			
Total for Quarter			\$2,500.00		(activity books, energy wheels, etc.)			
<b>Total for Year</b>			<b>\$14,260.00</b>					
<sup>1</sup> Note: Assumes all printed materials will be four color								