

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

IN RE: PASCOAG UTILITY DISTRICT :
MID-YEAR STATUS REPORT : DOCKET NO. 3709

ORDER

On May 25, 2007, Pascoag Utility District ("Pascoag") filed its mid-year status report pursuant to the Order in Docket No. 3709 issued by the Public Utilities Commission ("Commission") regarding its standard offer, transition and transmission accounts. The report indicated that as of May 31, 2007, Pascoag had a \$58,460 over-collection for purchased power and anticipated a net over-collection of \$70,931 as of December 31, 2007. Specifically, Pascoag forecasted a \$233,728 over-collection in standard offer, a \$102,851 under-collection in transition and a \$59,946 under-collection in transmission assuming current rates remained in effect. In light of this net over-collection, Pascoag indicated that it was not opposed to realigning individual factors to bring the three "buckets" closer to balance if the Commission deemed realignment appropriate but requested that the overall rate remain the same until December 31, 2007.

Pascoag also requested authorization to establish a Purchased Power Restricted Fund ("PPRF") in order to ensure sufficient funds during months when the moratorium on terminations for non-payment is in effect in order that Pascoag can pay its power bills in a timely manner. This fund would be initially established by the forecasted \$70,931 net over-collection and the annual MMWEC Excess Funds from Project Six¹. Pascoag requested that the fund have a balance of \$300,000 which is approximately three-fourths of an average month's purchased power expense.

The Division submitted a memorandum recommending that Pascoag be authorized to establish and fund the PPRF Fund and that its current combined rates remain the same. It indicated that it had no preference regarding the realignment of the “buckets”, because it was highly unlikely that any competitive supply would be available to Pascoag customers in the foreseeable future.

At an open meeting on June 22, 2007, the Commission approved Pascoag’s request to establish a PPRF Fund and to retain the combined current rates through December 2007. The Commission approved the realignment of the “buckets” such that the standard offer charge is changed from \$0.07337 to \$0.06758, the transition charge is changed from \$0.01398 to \$0.01764 and the transmission charge is changed from \$0.00991 to \$0.01204 thereby resulting in no change in the estimated over-collection of \$70,931.

Accordingly, it is hereby

(19005) ORDERED

1. Pascoag’s Standard Offer Charge of \$0.06758 per kWh is hereby approved to be effective for usage on and after July 1, 2007;
2. Pascoag’s Transmission Charge of \$0.01204 per kWh is hereby approved to be effective for usage on and after July 1, 2007;
3. Pascoag’s Transition Charge of \$0.01764 per kWh is hereby approved to be effective for usage on and after July 1, 2007;
4. Pascoag is hereby authorized to establish a PPRF fund to be used to pay its power bills during months when cash flow is not sufficient to make such

¹ These are excess funds from a reserve account originally created to offset any unforeseen decommissioning costs associated with the Seabrook Project Six Contract.

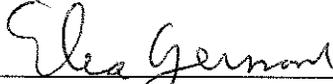
payments. Such fund shall be funded from any over-collection resulting from current rates that are available on December 31, 2007 and annual MMWEC Excess Funds from Project Six. The fund shall not exceed \$300,000 and any payments made from the fund shall be replenished when outstanding arrearages are received; and

5. Pascoag shall comply with all other findings and directives contained in this Report and Order.

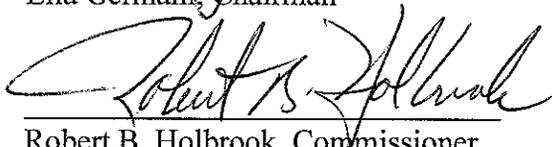
EFFECTIVE AT WARWICK, RHODE ISLAND PURSUANT TO AN OPEN MEETING DECISION ON JUNE 22, 2007. WRITTEN ORDER ISSUED JULY 6, 2007.



PUBLIC UTILITIES COMMISSION



Elia Germani, Chairman



Robert B. Holbrook, Commissioner

*Mary E. Bray, Commissioner

*Commissioner Bray concurs but is unavailable for signature.