

Memorandum

To: L. Massaro
Commission Clerk

From: D. R. Stearns
A. Contente
Division of Public Utilities & Carriers

Date: August 25, 2006

Re: Pascoag Utility District Tariff Advice: Docket 3763

On August 1, 2006 Pascoag Utility District ("Pascoag", or "Company") filed with the Public Utilities Commission ("PUC", or "Commission") a tariff advice requesting modification of tariff number RIPUC 104, Pascoag's rate designation A ("Rate A"). The request, if approved, would allow Pascoag to include in paragraph 3, "Character of Service", the phrase "largest motor permitted: 5 horsepower".

This addition is being requested in order for Pascoag to ensure the integrity of its distribution system and to avoid interruptions in service to customers. High-horsepower motors have been known to cause the failure of some distribution equipment not designed to support such large motors.

While the Division agrees that some horsepower limitations may be necessary to provide customers with safe, dependable electric service, the Division does not agree that the tariff is the appropriate place to include such regulations. The Division is also of the opinion that the language should be changed to consider possible future scenarios where a motor larger than five horsepower is acceptable.

After discussion between Company and Division representatives, both parties agree that it would be more appropriate to incorporate the regulation as part of Pascoag's Terms and Conditions for Electric Service, currently designated tariff number RIPUC 702.

The Division suggests inserting a phrase such as: "Unless permission has been granted by the Company, no customer being served under Pascoag's residential service rate designation A shall be permitted to install any motor with a rating greater than five (5) horsepower." The Company concurs with this language. Both the Division and Pascoag recommend that the above or a similar phrase should be inserted at the end of item 14, "Apparatus and Equipment Requirements", in the Company's Terms and Conditions for Electric Service. The revised tariff would be designated number RIPUC 703, replacing the current number RIPUC 702.

Cc: Thomas Ahern,

Administrator, Division of Public Utilities and Carriers