

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

PASCOAG UTILITY DISTRICT :
DEMAND SIDE MANAGEMENT PROGRAMS : DOCKET NO. 3776
FOR 2007/REQUEST TO REALLOCATE FUNDS :

ORDER

On September 10, 2007, Pascoag Utility District ("Pascoag" or "the Company") filed a request to reallocate certain funds within the various programs of its 2007 Demand Side Management ("DSM") Programs. The Public Utilities Commission ("Commission") approved Pascoag's DSM budget for 2007 in the amount of \$152,090 in Order No. 18827 on December 4, 2006. The Order required Commission approval for all requests to reallocate funds in excess of 10% of the total budget. In its present filing to the Commission, Pascoag requested permission to reallocate 10.45% of its budget. The filing also included two additional requests to transfer funds between residential programs and to transfer funds from the residential programs to the Burrillville Library and Levy Rink projects in the event excess funds remained in the residential fund accounts at the end of the year.

Specifically, Pascoag requested ten changes to its Residential, Commercial/Industrial and Administrative/Ad/Education programs. Six of those changes are increases and four of the changes are decreases to existing programs. Of the six increases, four are to the Residential Programs and include 1. Energy Star Appliance rebate program - \$2250 to satisfy existing rebate requests and to allow for future requests, 2. Energy Efficient Windows and Door Incentives - \$2600 to compensate for overspending and additional requests, 3. Heating System Incentive - \$2100 to cover

additional and potential future requests and 4. Energy Star Thermostat and Lighting Incentive - \$42 to fund potential additional rebate requests.

For its Commercial/Industrial programs, Pascoag requested a \$7500 increase to the Pascoag Well Project for rebates on an energy efficient variable drive motor and a controller. The \$7500 will be reallocated from the Pascoag Hose 1 Project, since Pascoag Hose 1 is not proceeding with their lighting project due to budget constraints. Finally, Pascoag requested that the \$1862 balance remaining from the completed GS Incorporated Lighting Project be moved to residential programs.

Finally, in the Administrative/Ad/Education category, Pascoag requested permission to reallocate all of the \$5130 in the Funds to Follow-up to Successful Programs account to residential programs, and to reallocate \$1400 from the Burrillville High School Project to Community Projects in order to print 1000 conservation and safety coloring books created by a graduating senior to be distributed to elementary school students.

In addition to the above requests, Pascoag requested permission to be allowed to transfer funds between residential programs at the end of the year in order to satisfy additional rebate requests in programs where funds have been depleted from accounts where there are remaining funds. Pascoag also requested permission to transfer any remaining funds in residential programs after all rebate requests have been satisfied to the Burrillville Library and Levy Rink Projects. Both of these projects qualify for more rebates than Pascoag originally included in its 2007 budget.

On September 21, 2007, Mr. David R. Stearns, a rate analyst for the Division of Public Utilities and Carriers ("Division"), filed a Memorandum with the Commission

recommending that the Commission approve Pascoag's reallocation request and recommending that the Commission instruct Pascoag to incorporate its other requests to transfer funds between programs into its 2008 DSM budget as "committed funds" from 2007 programs. Mr. Stearns opined that this would allow Pascoag to spend its entire 2007 DSM budget on 2007 programs while keeping 2007 budget allocations at Commission approved levels through the end of 2007 and would not affect the completion of the specific projects.

At an Open Meeting on September 27, 2007, the Commission unanimously approved Pascoag's request for reallocation of funds. Furthermore, the Commission approved Pascoag's request for flexibility to transfer funds between residential programs at year end to satisfy additional requests for rebates that have been received. Finally, the Commission agreed with the Division recommendation that the transfer of remaining funds from residential programs to the Burrillville Library and Levy Rink Projects, to satisfy additional rebate requests beyond those originally included in the 2007 budget, be incorporated into the 2008 budget as committed funds.

Accordingly, it is hereby

(19098) ORDERED

1. Pascoag Utility District's Request to Reallocate Funds in the 2007 Demand Side Management Programs is approved.
2. Pascoag Utility District's request for flexibility to transfer funds from under performing residential programs to residential programs that have depleted funds at year end is approved.

3. Pascoag Utility District's request to reallocate remaining funds in the residential programs to the Burrillville Library Project and the Levy Rink Project is denied.
4. Pascoag shall comply with all other findings and instructions as contained in this Report and Order.

EFFECTIVE AT WARWICK, RHODE ISLAND PURSUANT TO AN OPEN MEETING DECISION ON SEPTEMBER 27, 2007. WRITTEN DECISION ISSUED OCTOBER 12, 2007.



PUBLIC UTILITIES COMMISSION

Elia Germani, Chairman

Robert B. Holbrook, Commissioner

Mary E. Bray, Commissioner