

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

IN RE: PASCOAG UTILITY DISTRICT :
TARIFF ADVICE FILING TO AMEND :
LARGE COMMERCIAL AND : DOCKET NO. 3846
INDUSTRIAL DEMAND CHARGE :

ORDER

On June 4, 2007 and pursuant to Commission Rule 1.9(c), Pascoag Utility District (“Pascoag”) filed a tariff advice request regarding its rate designation C¹ (“Rate C”).² The new tariff number would be RIPUC 406 and would cancel the existing number RIPUC 405. Pascoag sought language that would allow it to collect demand charges from seasonal or intermittent customers who do not require year round service and who seek to discontinue service for a period of time and resume service within the same twelve month period as the discontinuance.³ In order to resume service within twelve months of disconnection, the customer would be responsible for any avoided demand charges during the period of disconnection.⁴

On June 26, 2007, the Division of Public Utilities and Carriers (“Division”) filed a memorandum recommending approval of Pascoag’s requested tariff change.⁵ The demand charge allows Pascoag to collect monies from the customer responsible for the demand.⁶ The Rate C demand charge is calculated using a rolling twelve month ratcheted demand which is determined by the highest peak kW demand registered within

¹ Rate C is the Large Commercial and Industrial Rate.

² Pascoag Utility District’s June 4, 2007 filing.

³ Id.

⁴ Id.

⁵ Memorandum filed by Division, June 26, 2007.

⁶ Id.

a fifteen minute period when that demand equals or exceeds 15 kW.⁷ This demand charge is the amount charged to the customer for a twelve month period unless a higher kW demand is recorded during that time period.⁸ In the event a higher kW demand is recorded, that higher demand becomes the basis for the demand billing for the next twelve month period.⁹ Pascoag's current tariff does not contain language that allows it to collect demand charges from customers who terminate their service and resume that service within the same twelve month period.¹⁰ This allows customers to avoid paying demand charges that would be otherwise billed.¹¹

At an open meeting on July 26, 2007, the Commission found that the purpose of the demand charge is to allow Pascoag to recover costs it incurs to meet the peak demand of its system. The Commission found that those customers responsible for causing the peak demand should be responsible to pay for the demand charges billed to Pascoag. A seasonal and intermittent customer should not be able to avoid payment of demand charges that would otherwise have been billed to the customer by discontinuing and resuming service within a twelve month period. The Commission approved the tariff change recommended by both the Division and Pascoag Utility District to modify the existing tariff by adding language that would allow it to collect demand charges from seasonal or intermittent customers, who do not require year round service, and who seek to discontinue service for a period of time and then resume service within the same twelve month period as the discontinuance. The Commission approved the language that

⁷ Id.

⁸ Id.

⁹ Id.

¹⁰ Id.

¹¹ Id.

would require a customer to be responsible for any avoided demand charges for the period of disconnection in order to resume service within a twelve month period.

Accordingly, it is hereby

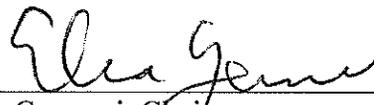
(19032) ORDERED:

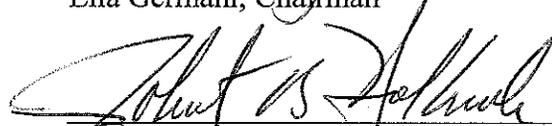
1. Pascoag's Tariff RIPUC 406, canceling Tariff RIPUC 405, entitled Large Commercial and Industrial Rate is hereby approved for usage on and after July 26, 2007.
2. Pascoag shall file clean copies of the approved Tariffs within thirty (30) days of this Order.

EFFECTIVE AT WARWICK, RHODE ISLAND, JULY 26, 2007, PURSUANT TO AN OPEN MEETING DECISION ON JULY 26, 2007. WRITTEN ORDER ISSUED AUGUST 6, 2007.

PUBLIC UTILITIES COMMISSION




Elia Germani, Chairman


Robert B. Holbrook, Commissioner


Mary E. Bray, Commissioner