



PASCOAG
UTILITY DISTRICT

Pascoag Electric • Pascoag Water

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Pascoag, R.I. 02859
Phone: 401-568-6222
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www.pud-ri.org

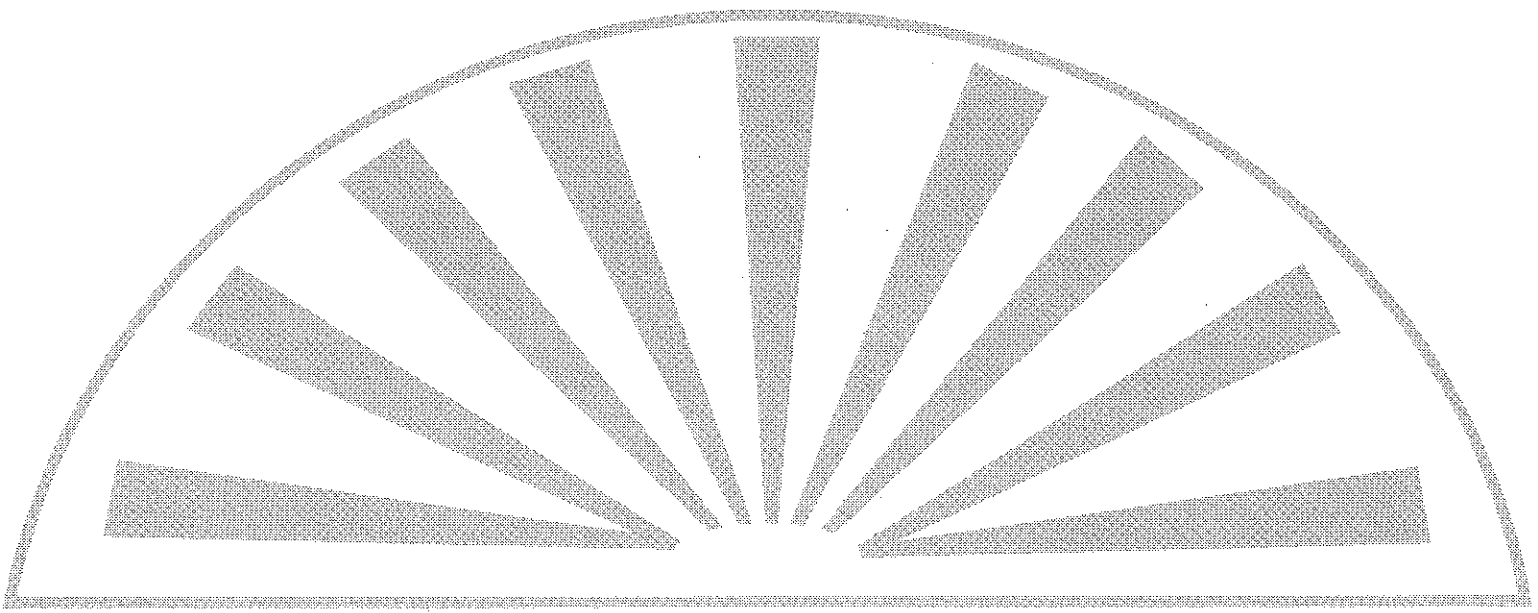
PASCOAG UTILITY DISTRICT'S
DEMAND SIDE MANAGEMENT
PROGRAM – 2009

RIPUC DOCKET NO. 4005

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**PASCOAG UTILITY DISTRICT
ELECTRIC DEPARTMENT**

**PASCOAG UTILITY DISTRICT'S
DEMAND SIDE MANAGEMENT PROGRAM – 2009**

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November 3, 2008

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

Re: RIPUC DOCKET NO. 4005

Dear Ms. Massaro:

On behalf of the Pascoag Utility District ("Pascoag" or the "District"), we herewith file an original and nine copies of Pascoag's proposed Demand Side Management Program for 2009. This submission includes Pascoag's Executive Summary, Program Details for 2009, reconciliation of 2008 DSM activity and budget, and other schedules that support this docket.

If you have any questions, please do not hesitate to contact me.

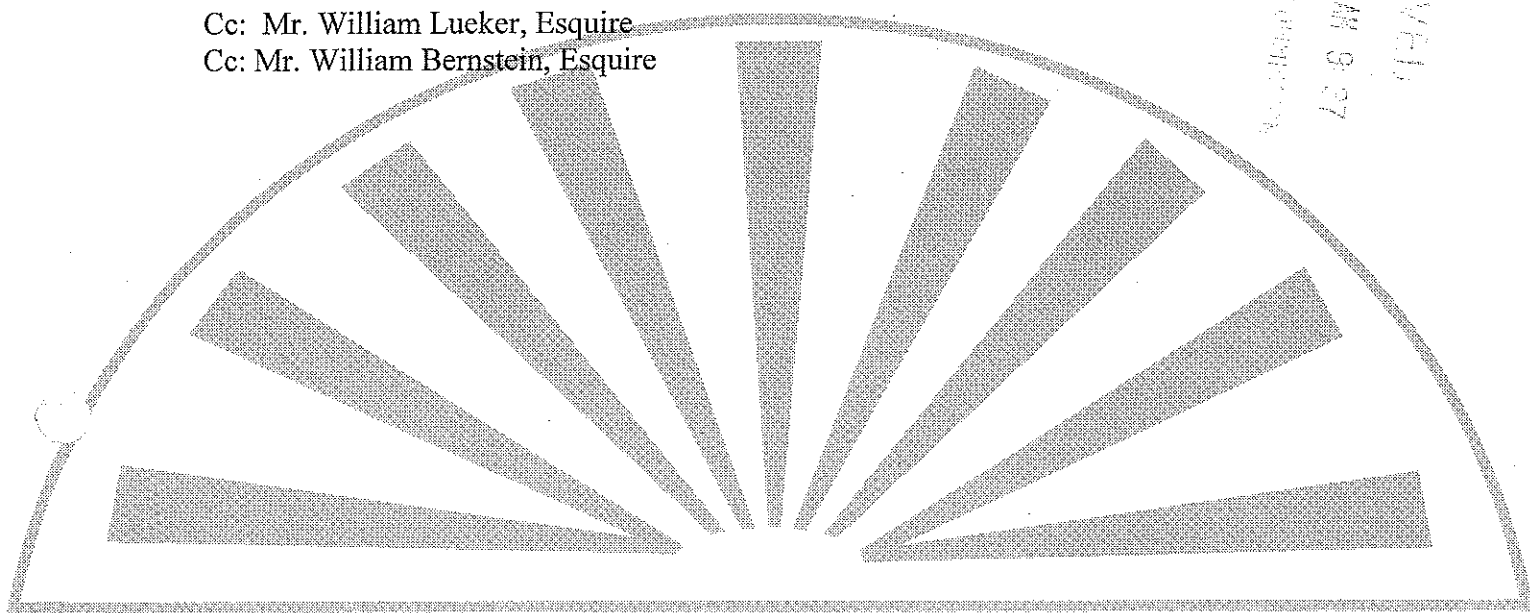
Very truly yours,

Harle Round

Harle Round
Customer Service Supervisor

Cc: Mr. William Lueker, Esquire
Cc: Mr. William Bernstein, Esquire

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J. W. B. P. U. D. DISTRICT



**Pascoag Utility District
Demand Side Management Programs - 2009**

	Actual
Estimated carry over from 2008	\$ 10,000.00
Estimated sales for 2009	\$ 105,000.00
Net 2008 budget	\$ 115,000.00

	Proposed	
	2009	
Residential Program		
DR0901 ENE Residential Conservation (ENE)	\$ 2,040	\$170 per month
DR0902 Home Energy Audits with Incentives	\$ 2,400	up to 10 Audits @ \$190, funds for rebates up to \$500
DR0903 Energy Star Appliance Rebates	\$ 8,000	up to a max of 106 rebates at \$75
DR0904 Energy Efficient Windows/Doors	\$ 5,000	up to a Max of 200 Windows at \$25 or 50 Doors.
DR0905 Heating System Incentive	\$ 5,250	up to a max of 15 rebates at \$350
DR0906 Energy Star Thermostats/Lighting fixtures	\$ 1,000	up to 20 rebates at \$50 Max
DR0907 Home Office Equipment/Home Electronics	\$ 1,500	up to 30 rebates at \$50 Max
DR0908 Electric Heat Conversion/Geothermal System:	\$ 100	to keep the line item open for future requests.
DR0909 New Construction	\$ 8,060	13 units at \$620 Max
DR0910 Central Air Conditioner Incentive	\$ 600	up to 3 rebates at \$200 Max
DR0911 Change a Light Campaign	\$ 1,500	30 up to a max of 30 rebates with a 50% match
DR0912 Energy Conservation Calendars	\$ 4,500	1500 Calendars at \$3.00 each
Net Residential	\$ 39,950	
Industrial/Commercial		
DI0901 Energy Star Incentive - Office Equipment	\$ 500	up to 10 rebates at \$50 max
DI0902 Burrville High School Gym- retrofit	\$ 12,040	Lighting Retrofit at 60%
DI0903 Parks and Recreation Office	\$ 612	Retrofit lighting @60%
DI0904 Legion Hall	\$ 223	Retrofit lighting @60%
DI0905 Town Hall	\$ 3,276	Retrofit lighting @60%
DI0906 Breckwith Lodge	\$ 1,420	Retrofit lighting @60%
DI0907 Consultation Fees	\$ 1,000	to consult with Rise and National Grid
DI0908 Energy Star Commercial Appliances	\$ 1,050	Up to 3 rebates at 10% not to exceed \$350
DI0909 Committed Funds- Lighting Projects	\$ 6,500	Funds that would be available for lighting rebates
DI0910 Community Christmas LED Lights	\$ 2,500	50% rebate. not to exceed \$500 per Fire District, on LED Christmas lights
Net Industrial/Commercial	\$ 29,121	
Administrative/Ad/Education		
DA0901 Administrative	\$ 20,000	Staff hours to administer the program, mileage, supplies.
DA0902 Funds for Follow-up to Successful Programs	\$ 1,000	To be used on more successful programs
DA0903 Outreach/Education	\$ 8,500	To update the web site with DSM programs & send out bill inserts promoting our programs
DA0904 BHS Project	\$ 8,000	To partner with the High school in 2009 and include a cookout.
DA0905 Community Projects	\$ 8,429	To purchase conservation materials, and attend the 2008 Family Fair, Open house, Bussiness Breakfast
Net Administrative/Ad/Education	\$ 45,929	
Total suggested DSM 2009 Budget	\$ 115,000	

Pascoag's 2009 Demand Side Management Program
Executive Summary: Submitted by Harle J. Round

The Residential Programs proposed by Pascoag Utility District for 2009, closely mirror our very successful 2008 programs.

Products that earn the ENERGY STAR trademark prevent gas emissions by meeting strict energy efficiency guidelines set by the U.S. Environmental Protection Agency and the U.S. Department of Energy. Most consumers today realize that by purchasing ENERGY STAR qualified products they can reduce their own energy consumption. It is the District's goal to encourage our customers to buy ENERGY STAR compliant products to help control our consumption demand and reduce greenhouse gas emissions that are contributing to global warming. ENERGY STAR compliant appliances and electronics are being positioned as part of the solution to rising energy costs, and the need for energy efficiency to reduce greenhouse gas emissions. The ENERGY STAR programs that we have in place continue to experience a high customer demand.

However, The District will continue to monitor its programs and will seek permission to reallocate funds should certain programs not perform to expectations.

Energy New England ('ENE') - The energy hot line continues to be a very good resource for the residential customer. Customers with questions about high energy demand can call the toll free number for assistance. Many questions can be answered over the phone. The customer is also offered a home energy audit.

ENERGY STAR Audits are a very educational tool for homeowners. ENE performed eight audits as of September of 2008. Each home owner was given a report on ways to save energy. Many of the upgrades that are suggested in the audits correspond with programs set up for rebates by the District. It is our finding that the customers will take the report and over several years replace things like the boiler, windows, doors, appliances, programmable thermostats, light fixtures, and light bulb, thereby taking advantage of the applicable rebates.

The District would like to continue to offer the home energy audits in 2009. The District would like to keep the number of audits at ten and the same level of money available for audit recommendations that are not covered by the rebate programs.

Rebates for ENERGY STAR Appliances continue to be one of our most popular programs. Funding for the appliances programs was depleted by August of 2008, and a request to reallocate funds to this program was submitted and approved, with an increase to \$7756. The total rebates through October of 2008 are \$6430.

The ENERGY STAR Windows and Doors incentives, with a budget of \$5250.00 are very close to being depleted. The total rebates through October are \$4550.00

ENERGY STAR Heating Systems program had a budget of \$5250 and is within a couple of rebates before its funds are also depleted.

If there are funds unspent at the close of 2008 in the residential programs, the District will again request to use those funds to satisfy any outstanding qualified applications in the various residential programs, where the funds have been depleted. The District would also like to fund the previous three programs at the same level in 2009.

ENERGY STAR Thermostats/Lighting Fixtures with a budget of \$1,000.00 had nine rebates as of October 2008 totaling \$407.29. We expect more requests for programmable thermostats with the onset of winter. The District would like to continue this line item again next year at the same level of funding.

The District would like continue the "Change a Light, Change the World Campaign." Our customers were asked to take a pledge to help change the world one light, one energy-saving step at a time. The program was changed from a \$4.00 maximum rebate back to a 50% rebate with a cap of \$50.00 per customer in order to increase the activity to this program and provide more of an incentive. The District has processed \$87.83 in rebates, and promoted this program at the open house. The District purchased light bulbs, with Division's approval, using funds from this program. The bulbs will be sold to the District's customers for half price; this will allow them to realize an instant rebate of fifty percent. The District would like to decrease this program next year from \$2000.00 to \$1500.00.

A copy of the Change a Light Campaign pledges for Pascoag Utility District is included in Schedule H.

The District seeks to retain the line item for Incentives for Electric Heat Conversion /Geothermal Systems at a budget of \$100. This will continue to leave the line item open should we have a request to convert from electric heat to another source. The District did not have any requests in 2008 for this line item.

New Construction rebates have seen a decline in requests from the contractors as a result of the economy. The District had only processed one rebate as of October of 2008. The District processed a rebate of \$350.00 to Premium Construction LLC. The Harrisville Village project has four more foundations completed, and are currently building a four unit home. They will continue to build units as they are sold. The District is requesting to decrease the funding for this program from \$10,540 to \$6820.00 in 2009.

Central Air Conditioning was still fairly new line item in 2008, and as of October the District has only processed one rebate. The District would like to continue with this program but would like to reduce the funds for this line item in 2009 to \$600.

The ENERGY STAR incentive for office equipment and electronics did better than expected this year. The funds allocated to this line item in 2008 were \$1000.00 and

we have surpassed this amount by \$141. The District would like to continue with this program again next year but increase the funding level from \$1000.00 to \$1500

The Energy Conservation Calendars were a big hit with our customers last year. Each month there were tips on conserving energy, and the District was able to customize the calendar with a page dedicated to the Demand Side Management Programs that are offered and the available rebates. The District is requesting that we increase the number of calendars from 1000 to 1500 in order to benefit more customers. The budget would increase from \$2900.00 to \$4500.00

The ENERGY STAR incentive for office equipment and electronics that was available to our Commercial and Industrial customers has been slow thus far. We have processed three rebates totaling \$150. The District would like to continue this program with the same funding of \$500.00 for 2009.

Lockheed Windows Corporation received a rebate of \$6850, when they installed an air compressor with a variable frequency drive motor.

Northeast Race Cars & Parts Inc. received a rebate of 60%, for a total of \$19,934.00, for a retrofit lighting project they completed early this year.

The District was also able to rebate the Little General Store, when they completed their retrofit lighting project with RISE. They received a rebate of 60% totaling \$2899.

The Carlton Brown building formerly known at the Jessie Smith Library, has signed a contract with RISE for a retro-fit lighting project that will be completed in 2008. The total rebate will be \$3741.70.

The C & I lighting projects has been very active this year; the town has completed a number of energy audits with RISE and plans to act upon them in 2009. The District would like to allocate funds totaling \$17,020.00 for the following retrofit lighting projects, with incentives of 60%; Burrillville High School Gym \$12040.00; Parks and Recreations office \$612.00; Legion Hall \$223.00; Burrillville Town Hall \$3276.00; and Breckwith Lodge \$1420.00.

The District recently held a Business breakfast at its office. Approximate forty commercial and industrial customers attended. Several customers have followed up with questions that, we hope will lead to further projects in 2009. The District would like to keep the line item for Committed Funds-Lighting Projects open, with a budget of \$6,500, so that we have some flexibility in addressing customer projects.

The District further recommends continuing with the Commercial and Industrial programs called "ENERGY STAR Commercial Appliances." The District has several restaurants and nursing homes that might take advantage of this line item. The budget of \$1050.00 will remain the same.

The Administration line item calls for funding at the same level as last year. District Staff spends many hours reconciling the budgets, processing rebates, spending time with potential rebate customers, reporting to the RIPUC, researching new programs and so on. The budget will remain at \$20,000.00 to cover the time spent to oversee this most worthwhile endeavor.

In September of 2008 the District moved the Funds for Follow-Up to Successful Programs to our more successful residential programs. The District would like to keep this line item open in 2009 with \$1,000.00.

The District continued the customer outreach program with Soleil Inc. in 2008. The District worked with Soleil to bring our new web site on line. We would like to keep the line item for Outreach/Education with the same level of funding \$7,500.00. This will allow the district to update the website with the programs for 2009 at www.pud-ri.org. The District would also use some of these funds to run advertisements in the Bargain Buyer, and utilize bill inserts with our programs in 2009.

Pascoag continues to be very active in maintaining a presence at community events. In 2008 we participated in the Burrillville Family Fair, had an open house, and a business breakfast. At the Family Fair, and Open House, we handed out materials on conservation which included brochures, energy wheels, nightlights, and refrigerator thermostats. The feed back is always positive from our customers who come back year after year.

At the Business Breakfast, business owners were made aware of the conservation programs that are available to them. A speaker from RISE spoke to our customers about ways to improve their power factors. A questionnaire was handed out, so we could find out what our businesses customers are looking for through our conservation program. A copy of the business packet is included with this filing in Schedule H.

During Public Power week, many activities took place with the elementary school students, including a number of conservation activities. The District will also be giving away conservation items like night lights and refrigerator brushes in exchange non perishable food donations for the Districts food drive.

The District would like to continue Community Projects with a budget of \$8429.00

The District continued its relationship with Mr. Boucher and his Burrillville High School students and created more "do-it-yourself home energy kits". In June we held the BHS cookout and the students demonstrated their work. We also took the opportunity to thank Mr. Chuck Boucher for many years of dedication to this partnership, and to congratulate him on his retirement.

The District would like to continue this relationship again this year, with Mr. Aldrich, who will be taking over Chuck's position. The District met with Mr. Aldrich and asked him to work with the students at Burrillville High School on a new project.

The challenge is to create a way to safely transport unbroken burnt out CFL's. The CFL's contain mercury and must be disposed of properly. The District has formed a partnership with Home Depot to accomplish this. The District will collect unbroken, burnt out bulbs, and transport them to Home Depot, for the proper disposal and recycling. The packaging that the students create will be used by the District to transport the bulbs safely and keep them from breaking. The District would like to fund this line item at \$8,000 in 2009.

The funding for the 2009 Demand Side Management Program is based on the 2.0 mils per kilowatt-hour assessment established by the legislation. A residential customer using 500 kWh pays a \$1.00 on their monthly electric bill for these conservation programs or about \$12.00 per year. The customer has seen the DSM assessment since its inception, and there is a separate line item on the monthly unbundled electric bill identifying this conservation cost.

Pascoag's proposed budget is based on a forecast of Sales for 2009 of 52,300,000 kWhrs. The estimated budget is rounded up to \$105,000 for 2009, plus an estimated carry over of \$10,000.00. If there are additional funds carried over the District would like to allocate them to the Funds for Follow-up to Successful Programs.

2009 Program Details- Residential, Commercial and Industrial,
Administrative/Ad and Customer Education and Outreach

Residential Programs

In 2009 Pascoag plans to continue all of the current Residential Programs from 2008. Owing to continued high customer demand, Pascoag believes these programs will continue to be successful in 2009.

This Summary will detail the programs proposed for 2009, and will review the success of the 2008 programs

Energy New England – Residential Conservation Services \$2040:

Pascoag will continue its relationship with Energy New England (“ENE”) in 2009. The Residential Conservation Service (“RCS”) provides invaluable technical support to The District staff as well as its customers.

In addition to this support, ENE supplies fulfillment materials to the customers of the District. The materials include energy smart CD’s, conservation booklets, and reference materials and resources. ENE sponsors a toll free energy hot line that is available to customers during normal business hours. Pascoag refers customers with high consumption complaints to this hot line after performing a meter test to rule out a faulty meter. If the customers’ questions can not be resolved over the phone, ENE schedules a home energy audit which goes into greater detail as to how the customer can conserve energy. This year Pascoag tested over forty meters* and sent letters to each customer referring these customers to the toll free energy hot line.

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

The cost for this service will remain at \$170 per month in 2009.

Audits with Follow-Up Incentives-\$2400:

Pascoag would like to maintain the same number of audits in 2009, and maintain the same level of funding available for incentive follow-up. This would allow the following:

10- Audits @ \$190 each	\$1900
Money available for Incentives	\$500

* Meters were proven to be within acceptable accuracy limits

ENE has raised the price to \$190 for each home energy audit in the 2009 calendar year, due largely to the increase in traveling expenses. The District has only had a couple of customers that have taken advantage of the incentives on suggested measures like insulation, weather stripping, electrical outlet insulators, and attic door insulation, etc. Therefore The District proposes to keep that incentive at ten percent (not to exceed \$50). The suggested measures must be implemented in the same calendar year as the audit to qualify for the incentive and can not be a duplicate of a program already established for rebates.

Pascoag does not have anyone on staff that is qualified to perform these types of in-depth audits.

ENERGY STAR Appliance Rebates: \$8,000

Pascoag would like to fund this line item at \$8000 in 2009. This program continues to be very popular. The District depleted funds in this program and even with a reallocation is very close to depleting the funds again. The District has processed \$6430 of its \$7756 budget for 2008.

When a customer purchases an appliance they have to remember that it has two price tags: what you pay to take it home and what you pay for the energy and the water it uses. ENERGY STAR compliant models use 10-50% less energy and water compared to the standard models. Many of the District customers now call before making an appliance purchase to make sure the models they are interested in qualify for rebates.

A customer purchasing an ENERGY STAR compliant refrigerator, freezer, or clothes washer will receive an incentive of 10% not to exceed \$75. A customer purchasing an ENERGY STAR compliant dishwasher or air purifier will receive \$50; an ENERGY STAR air conditioner will receive \$25; an ENERGY STAR dehumidifier will receive \$20.

ENERGY STAR Windows/Skylights and Doors Incentive: \$5,000

The District would like to fund this line item at \$5,000 in 2009. The funds for this line item are very close to being depleted for 2008.

When a customer purchases ENERGY STAR compliant windows and doors and sky lights for the northern area, they will realize energy savings in lower energy use. These windows and doors also help reduce heat loss in winter and offer protection from the summer sun, and reduce condensation and interior fading. ENERGY STAR qualified windows, doors and skylights keep your home cooler in the summer and warmer in the winter.

The District would like to continue the incentives of \$25 per window, up to a maximum of ten per customer and \$50 per door, allowing one doors per customer, provided that they have a U-value of .35 or lower.

On October 3, 2008, President Bush signed into law the "Emergency Economic Stabilization Act of 2008", which will include an extension to the residential tax credit. Improvements that are made between January 1, 2009 and December 31, 2009 will be eligible, so the District will also make its customers aware that they may qualify for up to \$500 in federal tax credits on ENERGY STAR windows, doors and skylights. More information on the tax credits can be viewed at www.energystar.gov.

ENERGY STAR Heating System Incentives: \$5,250

The District would like to fund this program for heating system replacement \$5,250 again next year. The demand for this program continues to be very strong. The District has issued 13 rebates totaling \$4550, in 2008.

With the price of fuel to heat a home today, many homeowners are replacing their older systems with ENERGY STAR compliant gas and oil boilers/furnaces and making every drop of fuel count. Although these products are expensive to purchase up front, the cost difference are paid back over time through lower energy bills.

The ENERGY STAR compliant oil and gas furnaces have annual fuel utilization efficiency (AFUE) ratings of 83% and 90%, or higher, making them up to 15% more efficient than standard models.

ENERGY STAR qualified boilers have annual utilization efficiency (AFUE) rating of 85% or greater. Whether the fuel is gas or oil, they use about 6% less energy than a standard boiler, they achieve greater efficiency with improved features like electronic ignition that eliminates the need to have a pilot light burning all the time; new combustion technologies that extract more heat from the same amount of fuel; and sealed combustion that uses outside air to fuel the burner, reducing drafts and improving safety.

The incentive will remain at 10%, not to exceed \$350.

ENERGY STAR Thermostats/Lighting Fixtures: \$1,000

The District would like to fund this program at the same level in 2009. We would like to continue the fifty percent rebate on lighting fixtures and programmable thermostats.

Programmable thermostats automatically adjust your home's temperature settings, which allow you to save energy while you sleep and when you are away from your home. These units save energy by offering four convenient, pre-programmed temperature settings that allow you to scale back on heating or cooling of your home. Many homeowners work outside of the home during the day and have different schedules on the weekend, these programmable thermostats allow you to scale back on the heat and cooling during these periods of time and save up to an average of \$180 per year. The return on the investment is usually within one year.

ENERGY STAR qualified lighting fixtures use one-quarter less energy than traditional lighting. They distribute light more efficiently and more evenly than the standard fixture. They come in hundreds of decorative styles including portable fixtures, like table, desk and floor lamps, and hard-wired fixtures options like front porch, dining room, kitchen ceiling and under-cabinet, hallway ceiling and wall bathroom vanity fixtures and ceiling fan lighting fixtures. If a customer replaced five of their most frequently used light fixtures in their home with ENERGY STAR qualified models, they could save up to \$65 each year in energy cost.

The incentive will remain at fifty percent, with a cap of \$50.

Home Office Equipment/Home Electronics: \$1,500

This program has had an increase in activity this year, so the District would like to increase the funding in 2009. The incentives for this line item will remain at twenty five percent of the cost, not to exceed \$50. The District has processed \$1,142 in rebates through October of 2008.

ENERGY STAR compliant office equipment such as computers, monitors and imaging equipment like printers and copiers, help to eliminate waste through special energy efficient designs. They use less electricity and when they are not in use enter into a low-power mode. In 2007 the specifications for many office products changed making it more difficult to earn the ENERGY STAR label. The products now use as much as sixty percent less electricity than standard equipment. With these new specifications the results will be the reduction of greenhouse gas emission equal to about seven million cars. The products that fall under office equipment are: computers, copiers, fax machines, digital duplicators, external power adapters, notebook computers/tablet PC's, mailing machines, monitors, printers, scanners, all in ones, and water coolers.

ENERGY STAR compliant Home Electronics use as much as sixty percent less energy. Even when these electronics are off they use power for features like clock displays and remote controls. The average home has roughly two TVs, a VCR, a DVD player and three telephones, and if they were to be

replaced with ENERGY STAR models, it would save over twenty five billion pounds of greenhouse gas emissions, which is like taking three million cars off the road. The products that fall under home electronics are battery charging systems, digital-to-analog converter boxes, cordless phones, combination units, DVD products, external power adapters, home audio, and televisions.

Incentives for Electric Heat Conversion/ Geothermal Systems: \$100

Although the District has no firm commitments for this line item, we would like to continue to keep the line item open because of the potential savings. Pascoag had several customers that converted from electric heat to oil heat in the past. The District has many other electric heat customers that may decide at a future date to convert.

The geothermal heat pumps are similar to ordinary heat pumps, but they use the ground instead of the outside air to provide heating, air conditioning and hot water. By using the earth's natural heat they are among the most efficient and comfortable heating and cooling technologies currently available. They use about thirty percent less energy than a standard heat pump, they are quieter than a conventional system. Therefore the District would to keep this line open should there be any future request.

New Construction Rebates: \$8,060

This program has seen a down turn in light of the economy in 2008. The District has processed only one rebate of \$350 to Premium Construction Inc. Construction at Harrisville Village LLC is in the process of building eight new units which will increase the activity before the end of 2008.

This line item is an excellent way to encourage the contractors to upgrade to ENERGY STAR compliant windows, doors, skylights, heating systems, appliances, programmable thermostats, lighting fixtures, and central air conditioning. Since the current building code in the town of Burrillville does not require the contractors to install Energy Star compliant products, The District feels this program is a great way to encourage energy efficiency in the construction process and to reduce the demand for electricity from these new housing developments.

The budget of \$8,060 will allow us to process thirteen rebates with a cap of \$620 per unit /home:

ENERGY STAR Boiler/Furnace	\$250
ENERGY STAR Windows/Sky Lights, limit of 10 @ \$25	\$225
ENERGY STAR Doors, limit of 2 @ \$50	\$100
ENERGY STAR Appliances at \$50 each	\$50

ENERGY STAR Thermostats/Lighting Fixtures	\$20
Central Air Conditioning	\$200

Central Air Conditioning: \$600

The District has done one rebate for \$200 in 2008. This program is still a fairly new program in 2008 and will be advertised again in 2009. The District would like to reduce the funds for this line item to \$600 in 2009 which would allow us to do three rebates.

About one-seventh of all the electricity in the US is used to air condition buildings. ENERGY STAR qualified central air conditioners have a higher seasonal efficiency rating (SEER) than standard models, which makes them fourteen percent more efficient than standard models. For a customer to qualify for this program they must purchase a central air conditioner with a SEER of 14 or greater, EER of 11.5.

The incentive will remain at ten percent, not to exceed \$200.

Change a Light Campaign: \$1,500

The ENERGY STAR Light Campaign is a national challenge to encourage every American to help change the world, one light – one energy saving step – at a time. The District became a pledge driver in 2008 and has invited our residential electric customers to take a pledge to do their part to save energy and help reduce the risk of global climate change by replacing at least one light in their homes with an ENERGY STAR qualified one (CFL). Twenty-one of Pascoag Utility District residential customers have taken the challenge, and replaced 248 CFL light bulbs, helping to reduce the greenhouse by 101,432 pounds. This small change will save 69,936 kWh over the life time of the bulbs, an estimated savings of \$6504.

The District has also bought CFL's, and plans to offer an instant rebate to our customers on the bulbs equal to a 50% rebate. If this is popular with our customers we would like to purchase more light bubs in 2009 to sell for half price.

The ENERGY STAR label on lighting means you are getting a product that is superior in energy efficiency. ENERGY STAR qualified compact fluorescent light bulbs (CFLs) use seventy-five percent less energy than incandescent bulbs and last six to ten times longer.

The District proposes a rebate of fifty percent of the cost of the light bulbs with a cap of \$50 per customer. They will then be asked to take the pledge on line at www.energystar.gov, so we can track the total pledges for Pascoag Utility District

Energy Conservation Calendars: \$4,500

Last year the District purchased one-thousand energy conservation calendars. These calendars were produced by Energy Savers and features energy saving tips each month. It shows the customer what to look for when purchasing ENERGY STAR compliant products, and was a great way to advertise our programs, since the calendars also featured our 2008 programs, and rebates amounts on the inside page. The District would like to increase the number of calendars to 1,500 to accommodate more customers in 2009. Calendars are always a huge success with the customers, and these will remind customers to conserve with each passing month. The Total budget requested for this line item is \$4,500.

Commercial and Industrial Programs

ENERGY STAR Incentive – Office Equipment/Electronics: \$500

This program did not perform as well in 2008 and The District has only issued one incentive of \$150. The District promoted this program at the business breakfast. The District would like to continue this program and fund it at the same level of \$500.

The office equipment and electronics have the same savings are mentioned in the Home Office Equipment/Home Electronics program. The incentive will remain at twenty-five percent of the cost, with a cap not to exceed \$50.

Industrial and Commercial Projects 2008:

The Carton Brown Building, formally known as the Jessie Smith Library is doing a retro-fit lighting project and should be completed by RISE in 2008. The incentive will be \$3741.70.

The Burrillville Highway Garage is doing a retro-fit lighting project that should be completed by RISE in November of 2008. The incentive will be \$4015.22.

The District completed the following projects in 2008; Lockheed Windows completed a project for a new air compressor with variable drive motors, receiving a rebate of \$6,850; Northeast Race Cars & Parts completed a retrofit lighting project and received a rebate of \$19,934; and the Little General Store completed a retrofit lighting project and received a rebate of \$2,899.

In 2009 the District has been approached with the following projects:

Burrillville High School Gym Lighting Project: \$12,040

The Burrillville High School has approached the District for a retrofit lighting project. The School is working with Eastland Electric to replace the older lights with new more energy efficient lighting. The incentive proposed under this project would qualify for a 60% rebate for a total of \$12,040 rebate.

Burrillville Town Hall Lighting Projects: \$5531

The Town Hall has signed a contract with RISE to complete the following retrofit lighting Project with a 60% rebate each:

Parks and Recreations Office:	\$612
Legion Hall:	\$223

Burrillville Town Hall:	\$3276
Breckwith Lodge:	\$1420

Consultation fees: \$1,000

National Grid and RISE continue to provide verification of savings on the commercial and industrial projects. This line item will remain at \$1000.

ENERGY STAR Commercial Appliances: \$1050

Although the District has not had any request for Energy STAR commercial appliance, we are very hopeful that our commercial customers will take advantage of this program in the future. At the Business Breakfast, this was one of the programs that we highlighted. The District would like to keep the line item open for ENERGY STAR commercial appliances. The District has several restaurants as well as nursing homes that may benefit from these incentives. The following commercial appliances would qualify:

Commercial Dishwashers –ones that earn the ENERGY STAR on average are twenty-five percent more energy efficient and twenty-five percent more water efficient than standard models. .

Commercial Fryers- ones that earn the ENERGY STAR are up to twenty-five percent more energy efficient than standard models. They also offer shorter cook times and higher production rates through advanced burner and heat exchanger designs.

Commercial Ice Machines that earn the ENERGY STAR are on average fifteen percent more efficient and ten percent more water efficient than standard models.

Commercial Hot Food Holding Cabinets that have earned the ENERGY STAR are sixty percent more efficient than standard models. Models that meet the requirements incorporate better insulation, reducing heat loss, and - may also offer additional energy saving devices such as magnetic door gaskets, auto-door closures, or Dutch doors.

The District proposes a rebate of ten percent with a cap of \$350 per appliance; this will allow a maximum of three rebates in 2009.

Committed Funds 2009- Lighting Projects: \$11,500

The District would like to fund this line item at \$11,500 in order to accommodate unidentified projects. Often, businesses will approach the

District after the file date, and ask to be considered for a rebate on a project. This line item gives the District a pool of money to work from, so we do not miss out on an opportunity to work with our business customers.

In 2008 The District was able to accommodate the Little General Store, when they approached us for a rebate on a retrofit lighting project, in late June. This allows us to be proactive and have the ability to work with our customers when they are ready to go forward with a project.

Community Christmas LED Lights: \$2,500

The District created a line item called "Community Christmas LED Lighting". The Harrisville Fire District has approached the District and would like to replace their old incandescent Christmas lights with newer LED Christmas Lights.

At an Energy Advisory meeting at Energy New England, last year, the discussion was on LED Holiday lights. The city of Boston, Massachusetts, did a cost study and as a result, purchased 2100 strings of the C-7 LED lights and realized a savings of \$3.71 per string for a total savings of \$7806.

The electric demand for the old technology is 12.5 watts verses 2.4 watts for the new technology which adds up to a substantial savings in a very short period of time. The costs of the C7 LED, 25 light set is \$18.50, compared to the incandescent C7, 25 light set at \$7.90. The cost for C9 LED, 25 light set is \$25.50 compared to the C9 incandescent, 25 light set at \$7.90. The LED lights are two to three times more expensive, but energy savings of up to 98% makes the payback relatively quick.

The Harrisville Fire District has received a price of \$5,000, to replace their old Christmas lights, with the new LED Christmas lights. The District feels very strongly about helping the Fire Districts replace their older inefficient lighting with efficient Christmas lighting. The savings will directly impact all the ratepayers in the District therefore a rebate of 50% of the cost, for the LED lights are proposed. The District would like to accommodate the Harrisville Fire District by rebating them for a portion of their purchase in 2008, with the remaining balance to be rebated in January of 2009. The District has not been approached by Pascoag Fire District, but would like to make funds available to them also. The budget for 2008 was \$1000, and the District is requesting a budget of \$2,500 for 2009.

Administrative/Ad/ Education

Administrative Expenses: \$20,000

The District would like to fund this line item at the same level as last year, which is \$20,000.

The funds will be used to pay for staff time, schools and seminars related to the DSM, and reimbursement of mileage when employees use their private vehicles for DSM related activities.

Pascoag has two Customer Service Representatives who devote many hours to the DSM programs by working with the customers, taking the application for rebates on the various programs and answering questions over the phone and in person. The Senior Customer Service Supervisor spends many hours researching the compliance of the various rebates that are submitted, reconciling the DSM programs, and updating existing programs as well as creating new programs for next year and requesting reallocation of funds. In addition, the General Manager, and the Assistant General Managers, work with the commercial and industrial customers on various C & I projects and perform site visits.

Follow-Up to Successful Programs: \$1,000

The District is requesting a line item to allow some flexibility in transferring funds to another program with a high customer demand. Any transfer would only be done with the Divisions approval.

Education/Outreach Program: \$8,500

The District worked with Soleil Communication in the winter of 2008 to update its website (www.pud-ri.org). The web site allows customers to go on line and view the available DSM programs, it also allows them to down load rebate forms. The fed back has been very positive from the customers who have viewed the site. Many of the rebate forms that we have processed this year have been downloaded from the internet.

The District would like to use some of these funds to update the website in 2009, process bill inserts promoting the various program, and to run advertisements in the local paper called the ,”Bargain Buyer”.

BHS Project: \$8,000

The District is requesting a budget of \$8,000 for the 2009 conservation project with the Burrillville High School. The Partnership is now in its eighth year and continues to be very educational. In 2008 Chuck Boucher worked with his student to create the very popular "Do-It Yourself Energy Kits". These kits were given away at the Family Fair and the Open House. The students presented their final projects to the staff at Pascoag Utility and several members of the RIPUC, at the BHS cookout held in May.

The District would like to continue this relationship in 2009, with the Tech Club students and the engineering class, the students will create packaging to transport burnt out, unbroken, compact fluorescent lamps (CFL's). This year, the District partnered with Home Depot to dispose of and recycle the CFL's.

This partnership will help keep the CFL bulbs out of the landfill and prevent the mercury they contain from contaminating the soil and the ground water. The packaging that the BHS students create will help the District safely transport the CFL bulbs.

Community Projects: \$8,429

The District participated in many events though out the year in 2008. The District staff attended the Family Fair and promoted the DSM programs by giving away conservation materials, night lights, and refrigerator thermostats. Some of the funds were used to have more of the activity book on safety and conservation printed; they will be given to the children at Austin T Levy School during Public Power Week. The District also held an Open House on October 4, 2008 with activities for families, as well as handouts for the adults on conservation. The District held a Business Breakfast and handed out packets with conservation materials on October 7, 2008.

The District would like to increase the 2009 budget to \$8,429. We plan to purchase fulfillment materials, such as night lights, refrigerator thermostats, refrigerator brushes and other conservation materials which will be given away at the various events.

Pascoag Utility District
Demand Side Management Programs - 2008

	<u>Actual</u>
Estimated carry over from 2007	\$10,811
Estimated sales for 2008	\$110,000
Net 2007 budget	\$120,811

	<u>Approved</u>	<u>Expenses</u>	<u>Balance</u>
	<u>2008</u>		
<u>Residential Program</u>			
1 DR0801 ENE Residential Conservation (ENE)	\$ 2,040	\$ 1,530	\$ 510
2 DR0802 Home Energy Audits with Incentives	\$ 2,000	\$ 1,450	\$ 550
3 DR0803 Energy Star Appliance Rebates	\$ 7,756	\$ 6,430	\$ 1,326
4 DR0804 Energy Efficient Windows/Doors	\$ 5,000	\$ 4,525	\$ 475
5 DR0805 Heating System Incentive	\$ 5,250	\$ 4,550	\$ 700
6 DR0806 Energy Star Thermostats/Lighting	\$ 1,000	\$ 407	\$ 593
7 DR0807 Home Office Equipment/Home Electronics	\$ 1,000	\$ 1,142	\$ (142)
8 DR0808 Incentive for Electric Heat/Geothermal	\$ 100	-	\$ 100
9 DR0809 New Construction	\$ 6,820	\$ 350	\$ 6,470
10 DR0810 Central Air Conditioner Incentive	\$ 800	\$ 200	\$ 600
11 DR0811 Change A Light	\$ 2,000	\$ 90	\$ 1,910
12 DR0812 Energy Conservation Calendars	\$ 2,900	\$ 2,900	-
Net Residential	\$ 36,666	\$ 23,575	\$ 13,091
<u>Industrial/Commercial</u>			
13 DI0801 Energy Star Incentive - Office Equipment	\$ 500	\$ 150	\$ 350
14 DI0802 Lockheed Project	\$ 6,850	\$ 6,850	-
15 DI0803 North East Race Car Lighting Project	\$ 19,934	\$ 19,934	-
16 DI0804 Consultation Fees	\$ 1,000	-	\$ 1,000
17 DI0805 Committed Funds- Lighting Projects	\$ 10,811	\$ 2,899	\$ 7,912
18 DI0806 Commercial Appliances	\$ 1,050	-	\$ 1,050
19 DI0807 Christmas Lighting	\$ 1,000	-	\$ 1,000
Net Industrial/Commercial	\$ 41,145	\$ 29,833	\$ 11,312
<u>Administrative/Ad/Education</u>			
20 DA0801 Administrative	\$ 20,000	\$ 9,927	\$ 10,073
21 DA0802 Funds for Follow-up to Successful Programs	\$ -	-	-
22 DA0803 Outreach/Education	\$ 7,500	\$ 7,500	-
23 DA0805 BHS Project	\$ 8,000	\$ 3,840	\$ 4,160
24 DA0806 Community Projects	\$ 7,500	\$ 7,020	\$ 480
Net Administrative/Ad/Education	\$ 43,000	\$ 28,287	\$ 14,713
DSM 2008 Budget/ Total Expenses	\$ 120,811	\$ 81,695	\$ 39,117

**Pascoag Utility District
Demand Side Management Programs - 2008**

	Actual
Estimated carry over from 2007	\$10,811
Estimated sales for 2008	\$110,000
Net 2008 budget	\$120,811

<u>Residential Program</u>	<u>Approved Budget 2008</u>	<u>Expenses</u>	<u>Detail of expenses</u>
DR0801 ENE Residential Conservation (ENE)	\$ 2,040	\$ 1,530	9 month @ \$170 Each
DR0802 Home Energy Audits with Incentives	\$ 2,000	\$ 1,450	8 Audits @ \$175 Each; 1 rebate
DR0803 Energy Star Appliance Rebates	\$ 7,756	\$ 6,430	104 Rebates
DR0804 Energy Efficient Windows/Doors	\$ 5,000	\$ 4,525	169 Windows & 10 Doors
DR0805 Heating System Incentive	\$ 5,250	\$ 4,550	13- Boilers
DR0806 Energy Star Thermostats/Lighting	\$ 1,000	\$ 408	10 Thermostats & 7-Lighting fixtures
DR0807 Home Office Equipment/Home Electronics	\$ 1,000	\$ 1,142	10 Printers, 2 phones, 13 TV's, 2-laptop, 4 receivers, 1 air purifier
DR0808 Incentive for Electric Heat/Geothermal	\$ 100	\$ -	no activity
DR0809 New Construction	\$ 6,820	\$ 350	1 new home rebate
DR0810 Central Air Conditioner Incentive	\$ 800	\$ 200	1 Central AC
DR0811 Change A Light	\$ 2,000	\$ 90	18 -Rebates
DR0812 Energy Conservation Calendars	\$ 2,900	\$ 2,900	1000 Calendars
Net Residential	\$ 36,666	\$ 23,575	
<u>Industrial/Commercial</u>			
DI0801 Energy Star Incentive - Office Equipment	\$ 500	\$ 150	2 laptops & 1 printer
DI0802 Lockheed Project	\$ 6,850	\$ 6,850	Air compressor & dryer
DI0803 North East Race Car Lighting Project	\$ 19,934	\$ 19,934	Retro fix lighting project
DI0804 Consultation Fees	\$ 1,000	\$ -	no activity
DI0805 Committed Funds- Lighting Projects	\$ 10,811	\$ 2,899	Retro fix lighting at Little General Store
DI0806 Commercial Appliances	\$ 1,050	\$ -	no activity
DI0807 Christmas Lighting	\$ 1,000	\$ -	no activity
Net Industrial/Commercial	\$ 41,145	\$ 29,833	
<u>Administrative/Ad/Education</u>			
DA0801 Administrative	\$ 20,000	\$ 9,927	Time Sheet, Bargain buyer ad
DA0802 Funds for Follow-up to Successful Programs	\$ -	\$ -	Reallocated to appliance rebates
DA0803 Outreach/Education	\$ 7,500	\$ 7,500	Web site updates
DA0805 BHS Project	\$ 8,000	\$ 3,840	Energy Kits and Food for thecookout
DA0806 Community Projects	\$ 7,500	\$ 7,020	Expenses for the Family Fair, Open House, & Bussiness Breakfast
Net Administrative/Ad/Education	\$ 43,000	\$ 28,287	
DSM 2007 Budget/ Total Expenses	\$ 120,811	\$ 81,695	

Calculations of Energy Savings for Energy Star Incentives(1)

<u>Appliance</u>	<u>Specifications</u>	<u>Monthly hours Operation</u>	<u>Monthly kwhr use</u>	<u>Annual kwhr use</u>	<u>Units w/ Incentives</u>	<u>Total annual</u>
Air Conditioner	6000 BTU 500 watts	165	83 74	990 892	Standard EnergyStar	11 1078
Clothes Washer	Large Capacity	23	12 11	144 132	Standard EnergyStar	40 480
Dish washer	13,000 Watts	24	31 25	372 300	Standard EnergyStar	17 1224
Refrigerator	6-15 years old 17CF, frost free	245	147 103	1764 1236	Standard EnergyStar	29 15312
Dehumidifer	Large capacity 650 Watts	340	221 166	2652 1992	Standard EnergyStar	7 4620
Total Average kwhrs Savings						22,714

(1) From www.pud-ri.org "Energy Calculator"

2008 Appliance savings

Pascoag Utility District
Savings Associated with completed conservation Projects for 2008

<i>Project</i>	<i>Date Completed</i>	<i>Kw Savings</i>	<i>kWh Savings</i>	<i>Dollars (\$0.14kwhr)</i>
<i>North East Race Cars</i>	<i>March 2008</i>	<i>12.38</i>	<i>26,999</i>	<i>\$2,295</i>
<i>Little General Store</i>	<i>July 2008</i>	<i>.75</i>	<i>4,616</i>	<i>\$664.33</i>

**Pascoag Utility District- Electric Department ("Department")
Demand Side Management Charge**

The following provisions will be 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.

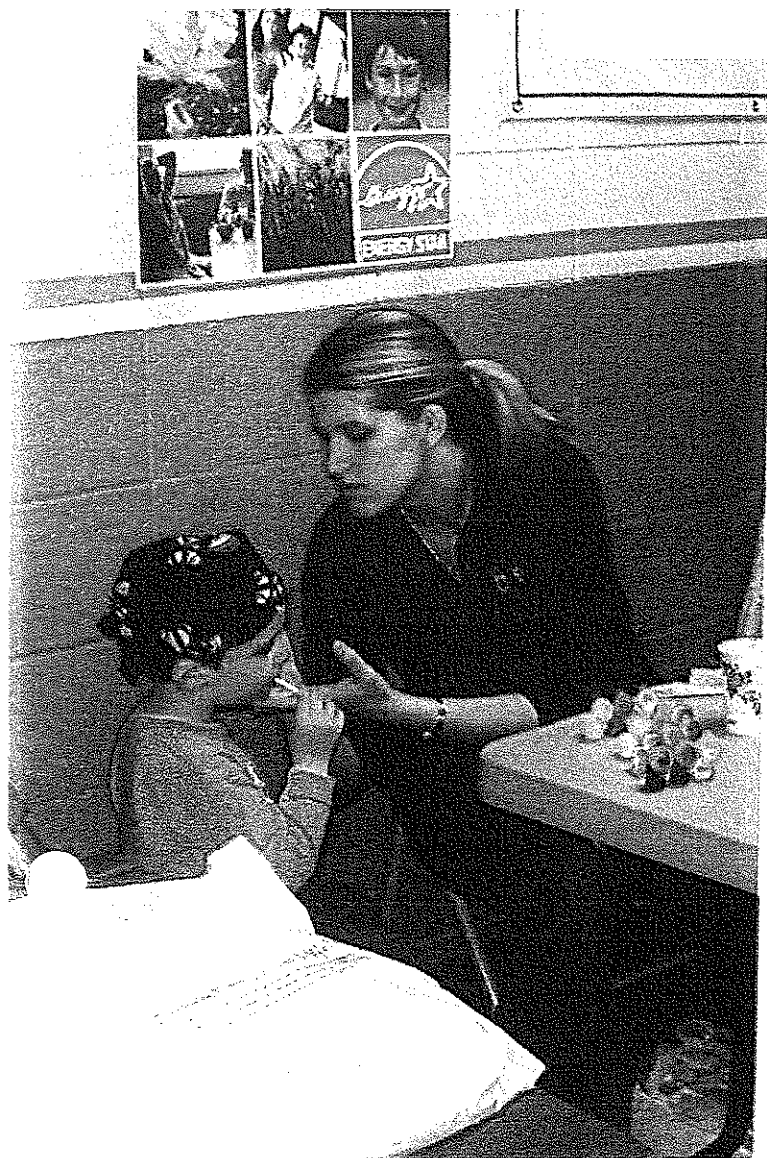
The District will submit semi-annual reports to the Commission documenting funds collected and expended. In the event that revenue collected over or under anticipated revenue, the Department shall apply to the Commission for an annual "true-up".

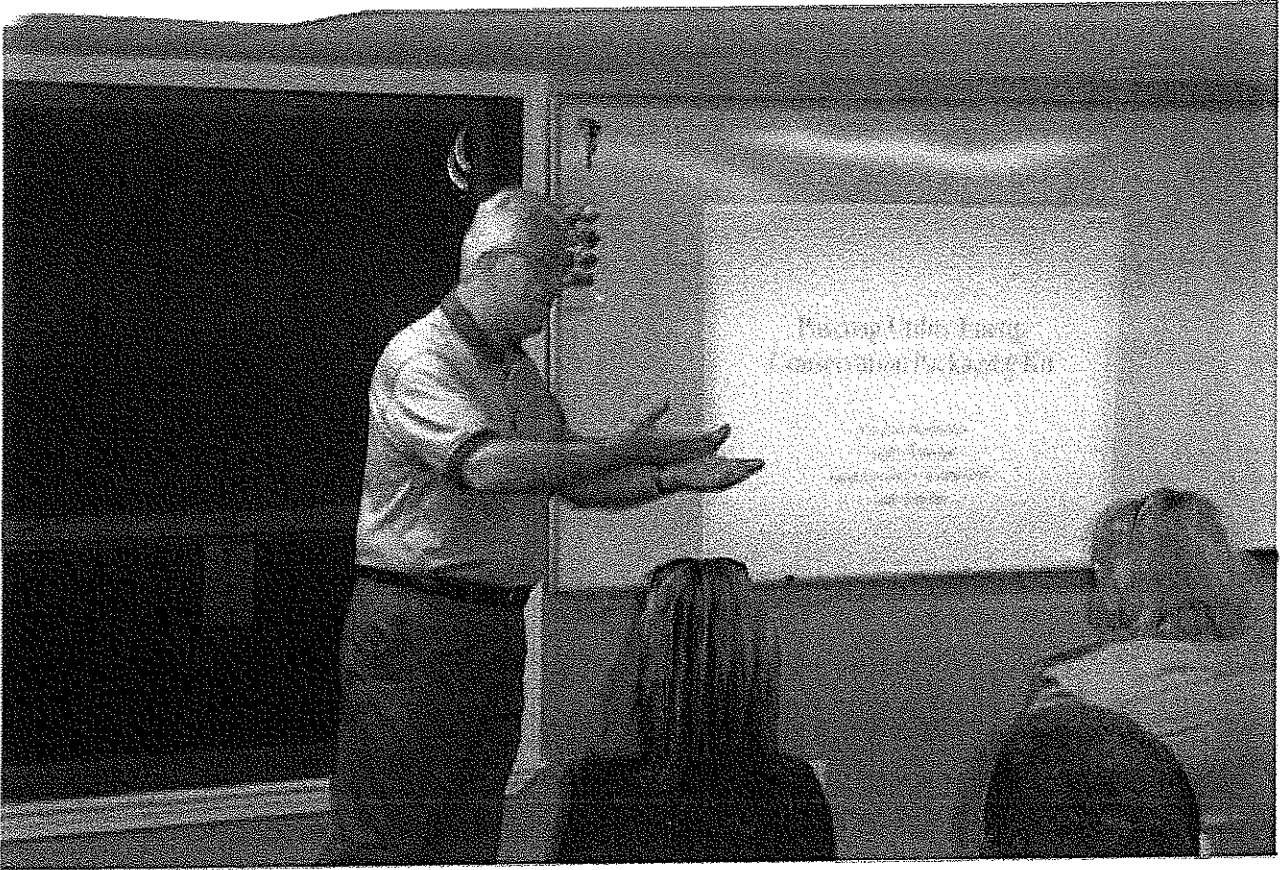
Approval Issued:

Requested Effective Date: January 1, 1998

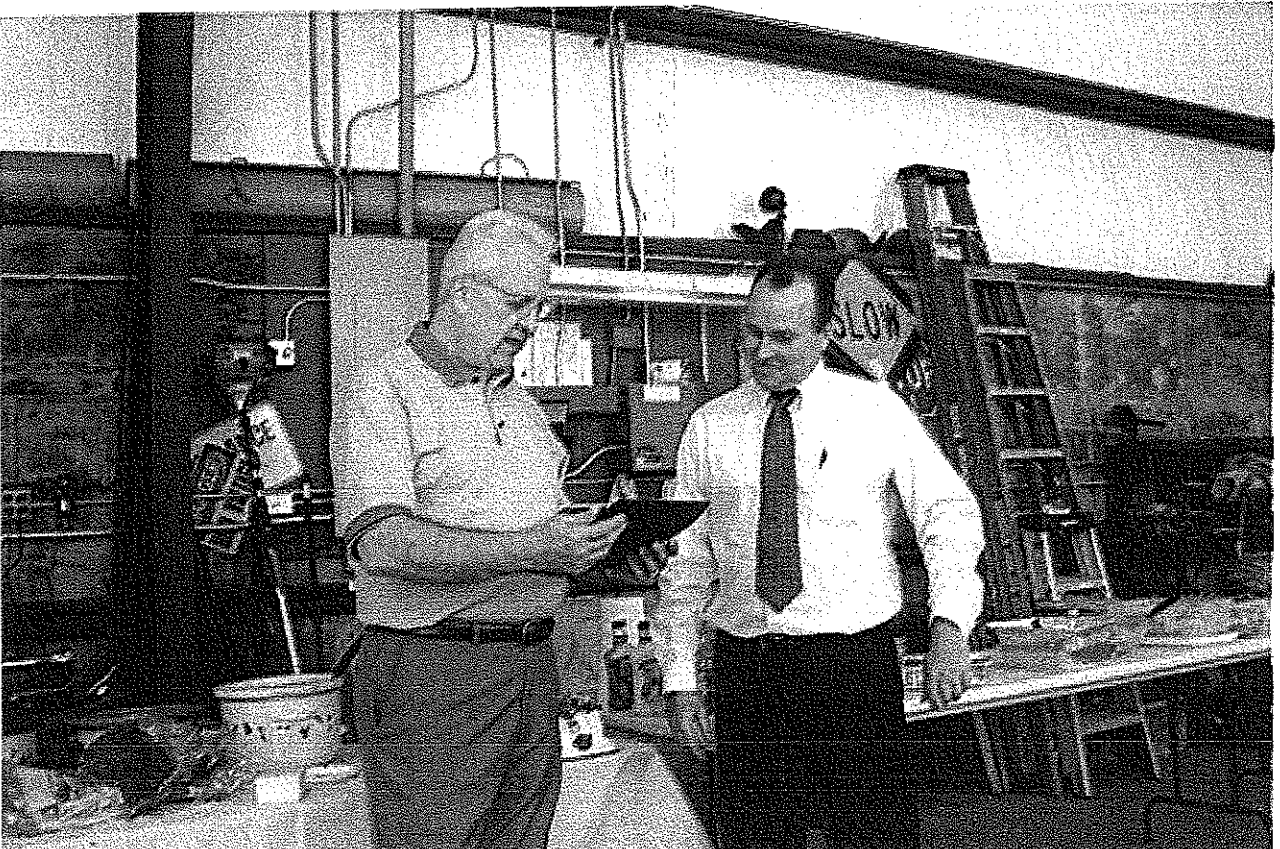
Approval Date: March 20, 1998

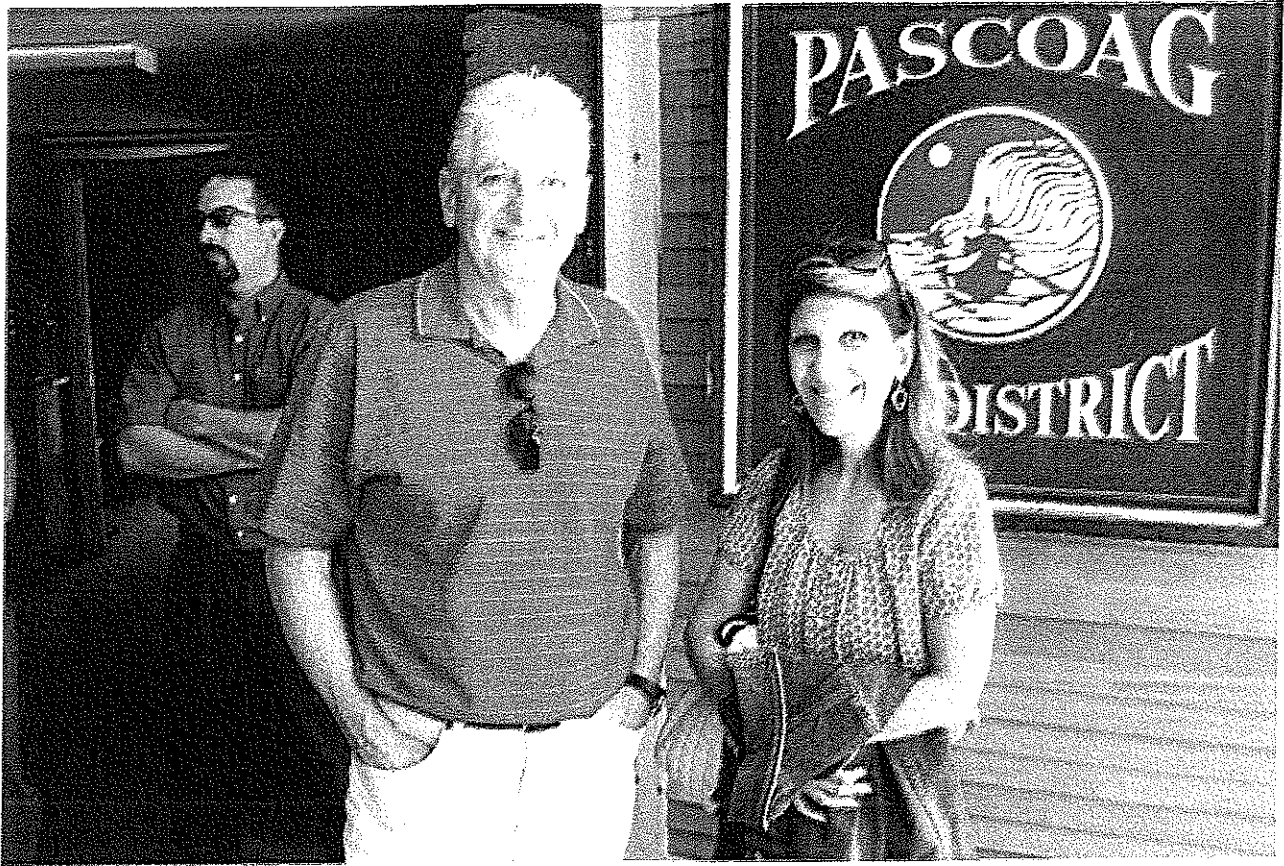
Family Fair 2008



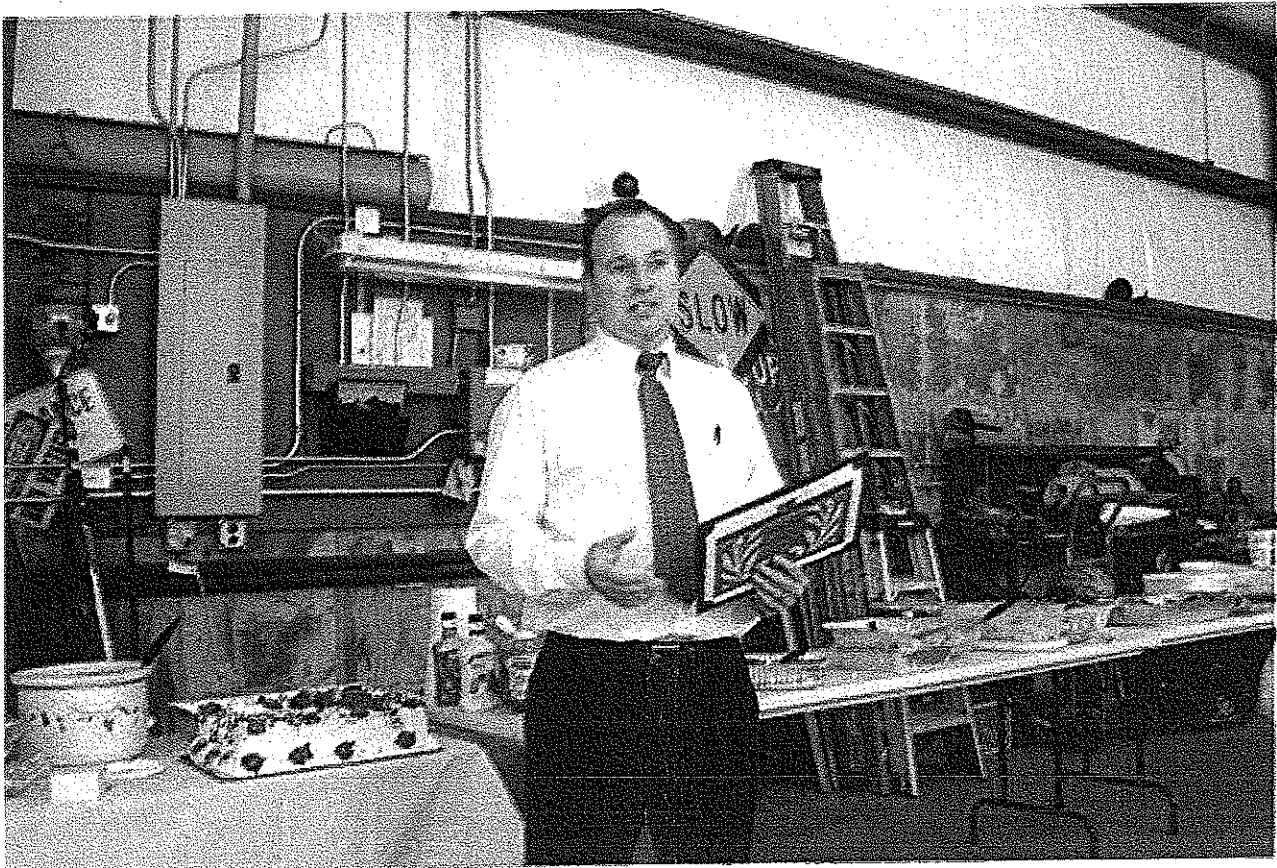


BHS Cookout 2008



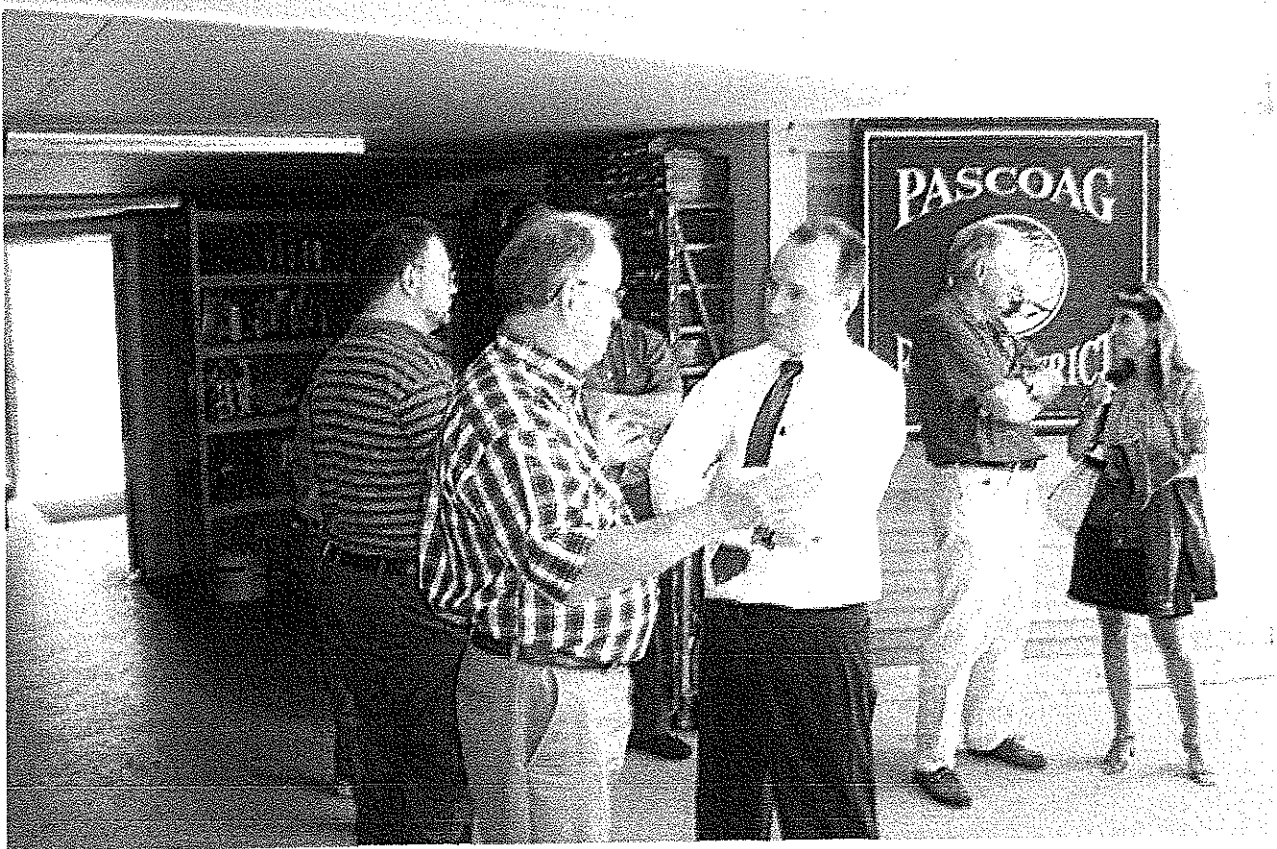


BHS Cookout 2008





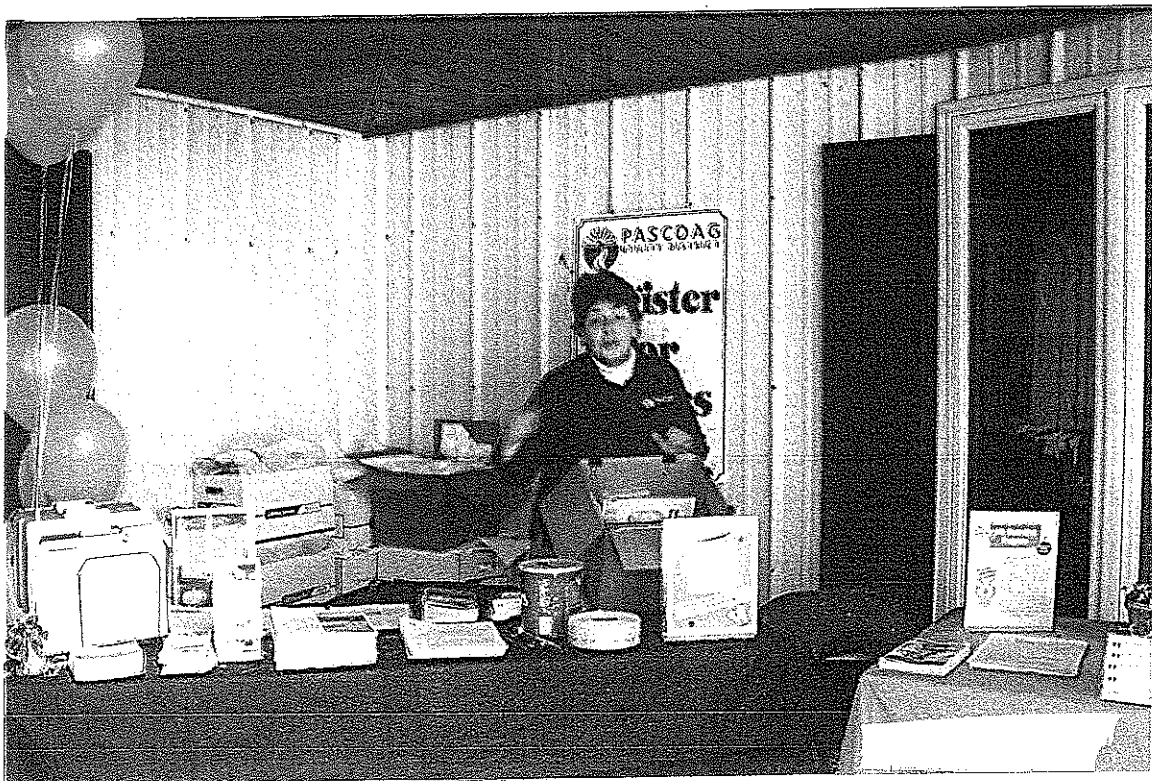
BHS Cookout 2008



Open House 2008

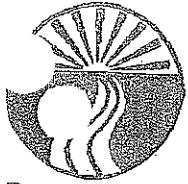


Open House 2008



Open House 2008





PASCOAG UTILITY DISTRICT

Pascoag Electric • Pascoag Water

253 Pascoag Main Street
P.O. Box 107
Pascoag, R.I. 02859
Phone: 401-568-6222
Fax: 401-568-0066
www.pud-ri.org

21.7% Electric Rate Increase requested..... This was the ProJo's headline last week. Actually it was a story about a rate increase request made by National Grid.

What about the Pascoag Utility District (PUD)? Will PUD's electric customers' rates be spiraling upward also? Well there is good news and some not so good news!

First and foremost PUD has requested the RI Public Utilities Commission to maintain our rates, at today's level, for the rest of 2008!

Pascoag Electric's rates were raised in August 2006 and were not adjusted again until January of this year when they were raised 2.2% to account for higher Transmission rates from National Grid and the New York Independent System Operator for transmission of our New York Power Authority Hydro Power allotment. That represented 18 months of stable (and very competitive) rates!

Pascoag continues to receive a large portion of its purchased power under a contract that calls for the provision of energy at a cost of 7.8 cents/kWh. The market price recently has been pegged at between 10.2 cents/kWh with some future trading at 14 cents/kWh!

There is a real possibility that those RI residents served by National Grid will see 11.4 cents/kWh for the Standard Offer portion of their bill sooner rather than later, while PUD customers remain at 5.942 cents/kWh.

The bad news is that our contract that I referred to above ends in 2010. Prior to that PUD will also be negotiating new contracts. They are expected to be MUCH higher!

The Board of Utility Commissioners, the RIPUC and the Division of Public Utilities and Carriers, as well as the Management Team here at PUD, are working together to explore many options right now, as opposed to waiting until 2010.

Amongst those options is PUD's participation in two new Generating Plants owned by and operated for Public Power Systems, such as ours. We continue to be optimistic regarding the competitive pricing of the output of these plants. Additionally, we are considering requests for "moderate" rate increases during 2009 and the 1st half of 2010 to ameliorate any potential for substantial increases associated with new contracts.

Please be assured we are working diligently to keep rates as low as possible without sacrificing the highest level of Customer service.

Ted Garille, General Manager

SAY YOU SAW IT IN THE BARGAIN BUYER-JULY 16, 2008



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National Grid typical customer - \$93/Month: Pascoag Electric typical customer - \$71/Month

Why does a typical customer¹ of Pascoag Utility District pay, on average, \$22 less per month than the typical customer of National Grid?

There are many reasons. Pascoag Utility District has taken several steps to keep your cost as low as possible while maintaining system reliability and exceptional customer service. The District has several long-term power contracts in place, securing over 85% of its customer's needs through the year 2010. Pascoag's power portfolio is also diverse and includes hydro power (20%), nuclear power (20%), with the remainder coming from fossil fuel generating stations.

In addition, Pascoag is pleased to announce that it successfully completed its goal to obtain a credit rating with Standard and Poor's. This spring, the District received a rating of A-, which will enable the District favorable rates on future debt service, and most importantly, will enhance the District's ability to negotiate favorable power contracts.

With the approval of the Rhode Island Public Utility Commission, Pascoag established a "Purchased Power Restricted Fund" account. This account, dedicated to power expenses, will ensure that the District can meet payments to power suppliers in a timely manner, avoiding penalties and interest charges, which would have to be passed on to its customers.

What can you do to help keep the electric rates as low as possible?

There are several things that you can do to help keep your bill as low as possible that will save you money, and help to reduce Pascoag's peak demand.

Conservation – this is the best and easiest way to cut back on your utility bills. By turning off lights, keeping air conditioners set slightly higher, unplugging small appliances and phone chargers when not in use, and by replacing old, inefficient light bulbs with the new energy saving bulbs, you'll see savings in your electric bill. Visit our newly updated website, www.pud-ri.org, for more energy saving ideas.

ENERGY STAR – always look for the ENERGY STAR logo when you buy appliances and electronics. You'll save money in the long run, and you may qualify for a rebate on your electric bill! Call our office before you buy to see what programs are in place for rebates.

Avoid peak hour use – Pascoag's peak hours for energy consumption are between 3:00 p.m. and 9:00 p.m. Whenever possible avoid using dishwashers, clothes washers and electric dryers during this time. By reducing the peak demand for energy, all customers save because as the peak demand increases, Pascoag has to go to the energy market to buy additional power, thus incurring additional expenses.

Pay your electric bill on time – this avoids incurring additional penalties and late charges on your electric bill. It also saves in other ways. Pascoag is a not-for-profit electric company, and does not have huge operating reserves or share-holders. Thus, in order to meet its financial obligations to its suppliers, Pascoag relies on revenue from sales of electricity to its customers. When the District meets its financial obligations in a timely manner, late fees and penalties are avoided.

Always call the office if you are delinquent in your bill – If your electric bill does become delinquent, call the office immediately to make a payment arrangement. If your electric bill is shut off for non-payment, you'll incur a fee of \$25 for reconnection.

Coming Soon!!! Renewable Energy and Sustainable Workshop Series at Pascoag Utility District!

Check our website for more information as it becomes available.

¹ A typical customer is a residential customer using 500 kilowatt-hours of electricity per month.