

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION**

PASCOAG UTILITY DISTRICT :
DEMAND SIDE MANAGEMENT PROGRAMS : **DOCKET NO. 4005**
FOR 2009 :

ORDER

I. Introduction

On November 6, 2008 and pursuant to R.I.G.L. §39-2-1.2, Pascoag Utility District (“Pascoag” or “the Company”) filed its Demand Side Management (“DSM”) Program for 2009 with the Public Utilities Commission (“Commission”). Pascoag proposed an overall budget of \$115,000, all of which would be generated through the legislatively mandated charge of \$0.002 per kWh¹, to be paid by all customers of the utility. The final budget for 2008 is estimated to be approximately \$110,000. Any remaining funds from the 2008 programs will be carried over and incorporated into the 2009 budget as committed funds.² Although the law provides the funding for the programs, the Commission continues to have responsibility for reviewing the design and implementation of Pascoag’s DSM programs.³

II. Pascoag’s Filing

The Executive Summary and Program Details submitted by Pascoag as part of its filing indicate that due to their success, Pascoag’s 2009 DSM Programs will closely mirror the programs that it provided in 2008.⁴ As in past years, Pascoag will conduct

¹ R.I.G.L. §39-2-1.2(b) provides that “[e]ffective as of January 1, 2003, and for a period of ten (10) years thereafter, each electric distribution company shall include charges of 2.0 mills per kilowatt-hour delivered to fund demand side management programs....”

² Docket No. 3888, Order No. 19180.

³ R.I.G.L. §39-2-1.2.

⁴ A detailed summary with the 2008 approved budget and the proposed 2009 budget is attached hereto as Appendix A.

periodic reviews of the performance of the 2009 programs in order to ascertain whether to seek permission to reallocate funds among its programs if such reallocation is deemed necessary.⁵

A. Residential Programs

Pascoag proposed to continue all of its Residential Programs from 2008 as customer demand for the incentives offered by such programs continues to be very high. There are eleven Residential Programs that Pascoag will continue to offer in 2009 with some minor modifications. The 2009 Programs, which include Residential Conservation Service, Home Energy Audits, EnergyStar Appliances, Energy Efficient Doors and Windows, Heating System Incentive, EnergyStar Lighting, Thermostats/Lighting Fixtures, Home Office Equipment/Home Electronics, New Construction Rebates and Central Air Conditioning, Change a Light Campaign and Energy Conservation Calendars will all be renewed. Additionally, Pascoag requested keeping a \$100 line item open as an incentive for conversion of an electric heating system in the event that the Company should have a request to convert from electric heat to another source.⁶

Pascoag's Residential Conservation Service is comprised of several programs conducted through the Company's partnership with Energy New England ("ENE"). ENE provides a toll-free energy hot line, energy referrals, conservation materials, assistance on rebates, and community and school outreach. The Company proposed that the budget for this partnership be funded at \$2,040 for 2009.⁷ Pascoag also proposed continuing the Home Energy Audits Program funding in the amount of \$2,400. ENE has raised the price for each home energy audit in the 2009 calendar year, due largely to the increase in

⁵ Division Exhibit No. 2, Pascoag DSM Filing, December 5, 2008, Schedule B, Revision #1.

⁶ Pascoag Exhibit No. 1, Pascoag DSM Filing, November 6, 2008.

⁷ Pascoag Exhibit No. 1, Pascoag DSM Filing, November 6, 2008, Schedule A at 1.

traveling expenses. Pascoag's proposal anticipates 10 audits at \$190 per audit and incentives totaling \$500. Last year, there were only a few customers that took advantage of the incentives.⁸

The Energy Star Appliance Rebate Program is identified by Pascoag as very popular among its 2008 programs. Because of the success of this program, which provides a \$75 incentive for customers purchasing an Energy Star compliant refrigerator, freezer or clothes washer, a \$50 incentive for the customer purchasing an Energy Star compliant dishwasher or air purifier, a \$25 incentive for the customer purchasing an Energy Star air conditioner and a \$20 incentive for the customer purchasing an Energy Star dehumidifier, Pascoag proposed funding this program for 2009 at \$8,000. Pascoag proposed funding in the amount of \$5,000 for the Energy Star Windows and Doors Program. The program provides a qualifying customer \$25 incentive per window for up to ten (10) Energy Star compliant windows, and a \$50 incentive per door for one (1) Energy Star compliant door, provided they have a U-value of .35 or lower. Pascoag will also inform its customers that they may qualify for a federal tax credit of up to \$500.⁹

Pascoag requested funding for the Heating System Incentive Program in the amount of \$5,250, the same funding requested in 2008. The incentive rebate is ten percent (10%) of the customer's total cost, including labor costs, with a cap of \$350 per customer. In 2008, Pascoag issued eleven (11) incentives for Energy Star compliant heating upgrades, totaling \$4550. The Energy Star Thermostats/Lighting Program provides a rebate for qualifying light fixtures and thermostats. Customers participating in this program receive a rebate of fifty (50%) percent with a cap of \$50 for Energy Star

⁸ *Id.*, Schedule A, Schedule C at 1-2, Schedule D.

⁹ *Id.*, Schedule C.

compliant light bulbs, fixtures and thermostats. Pascoag requested that it receive \$1,000 to fund this program.¹⁰ The Home Office Equipment/Home Electronics Program, which offers a rebate of twenty-five percent (25%) of the cost of Energy Star compliant equipment subject to a cap of \$50, experienced an increase in activity in 2008. In 2008, the approved funding for the program was \$1,000. Pascoag requested that this amount increase to \$1,500 for 2009.¹¹

In 2007, Pascoag's New Construction Rebate Program was extremely successful, however, in light of the economy in 2008, this program has been less popular, and as of the date of its filing, the District had processed only one rebate of \$350, although it anticipated increased activity before the end of 2008. Pascoag requested a reduced line item of \$8,060 to fund this program. The Central Air Conditioning Program proposed by the Company will provide a ten percent (10%) rebate, not to exceed a total of \$200, to customers that purchase an Energy Star qualified central air conditioner with a SEER of 14 or greater or EER of 11.5. Last year, Pascoag gave one rebate of \$200 and is requesting that the program be funded in the amount of \$600 for 2009 which will allow for three (3) rebates.¹²

The Change a Light Campaign will invite at least five hundred (500) electric customers to replace one light bulb with an ENERGY STAR qualified compact fluorescent lamps (CFLs). Pascoag wants to provide a rebate of up to fifty percent (50%) to customers who replace their light bulbs with CFLs with a cap of \$50 per customer for total funding of the program to be \$1,500. The Energy Conservation Calendars will

¹⁰ *Id.*, Schedule C

¹¹ *Id.*, Schedule C at 4.

¹² *Id.*, Schedule C at 6.

feature Pascoag's 2009 programs rebates and will educate customers on purchasing Energy Star compliant products. Pascoag is requesting an increase in the number of calendars to 1,500 to accommodate more customers for a total of \$4,500 for this program.¹³

B. Commercial and Industrial Programs

Pascoag proposed \$29,121 to be allocated to commercial and industrial programs. This amount will be spent on two existing programs and three new programs. Of the total amount proposed, Pascoag requested \$500 for Energy Star Office Equipment and Electronics Incentives and \$1,000 for Consultation Fees with RISE and National Grid. The District has been approached by the Burrillville High School for a retrofit lighting project that would provide a rebate of \$12,040. Additionally, Burrillville Town Hall Lighting Projects, to retrofit lighting at the Parks and Recreation Office, the Legion Hall, the Town Hall and the Breckwith Lodge, would rebate \$5,531.¹⁴

Pascoag also proposed \$1,050 for ENERGY STAR Commercial Appliances, for a rebate of ten percent (10%) with a cap of \$350 per appliance allowing a maximum of three rebates in 2009. These new programs take the place of the Lockheed Aluminum project, the Northeast Race Cars and Parts project, and the Little General Store Project which were all completed in 2008. In addition, Pascoag is asking for \$6,500 in Committed Funds 2009 to fund lighting projects and accommodate unidentified projects. This line item gives the District the opportunity to work with the business community and be proactive on projects. The Community Christmas LED Lighting Project replaces old incandescent Christmas lights with newer LED Christmas Lights. Pascoag proposed a

¹³ *Id.*, Schedule C at 7.

¹⁴ *Id.*

total rebate of \$2,500, or a rebate of fifty (50%) percent of the cost for the LED lights. The Harrisville Fire District has received a price of \$5,000 to replace its old incandescent Christmas lights.

C. Administrative/Ad/Education

Pascoag requested approval of \$45,929 for Administrative/Ad/Education Programs. Administrative expenses pay for staff time, schools and seminars related to DSM and other DSM related activities necessary to implement the programs. Pascoag requested continuing the funding for Administrative expenses of \$20,000 for 2009. Pascoag requested a line item of \$1,000 to allow for flexibility to transfer funds from one program to another should high customer demand for a successful program warrant such a transfer.¹⁵

Because of the success of the pamphlet that Pascoag distributed in previous years with Soleil Communications to introduce available DSM Programs, Pascoag would like to continue to process inserts promoting the various programs and to advertise in the local paper, the *Bargain Buyer*. Additionally, the District worked with Soleil Communications to update its website allowing for customers to view the available DSM programs online and to download rebate forms. For this program, Pascoag requested \$8,500. Pascoag's partnership with Burrillville High School is in its eighth year. Pascoag requested \$8,000 for this program. Projects proposed to be accomplished are the creation of Do-It-Yourself Home Energy Audit kits by students to be given away as raffle prizes at the Family Fair and to customers with high energy use. The students will also be creating packaging to transport burnt out, unbroken, compact fluorescent lamps (CFLs), in partnership with Home Depot. Finally, Pascoag requested increased funding in 2009 in

¹⁵ *Id.*, Schedule A, Schedule B at 4, Schedule C at 11.

the amount \$8,429 for various community events that it continues to participate in throughout the year to promote its DSM programs. Pascoag will give away fulfillment materials, such as night lights and refrigerator brushes at various events in exchange for donations of non-perishable food items.¹⁶

III. Pascoag's Addendum

On December 5, 2008, Pascoag filed Revision #1 to Pascoag's proposed Demand Side Management Programs for 2009. The proposed revisions to the programs are a result of data requests initiated by the Division of Public Utilities and Carriers to clarify some of line item requests in the 2009 DSM Budget. Specifically, the Division questioned discrepancies in the written summary and schedules.¹⁷

IV. Division's Position

On December 12, 2008, Mr. David R. Stearns, a rate analyst for the Division of Public Utilities and Carriers ("Division"), filed a Memorandum with the Commission. After reviewing the filing and Pascoag's responses to Division record requests, and having conversed with a Company representative, the Division recommended that the Commission approve Pascoag's 2009 DSM programs and budget, as revised.¹⁸

V. Commission Findings

The Commission recognizes Pascoag's continued efforts and diligence in designing and implementing its DSM programs and recognizes the Company's commitment to energy conservation. Pascoag's efforts to provide services in an efficient manner are evident by its thorough and complete review of existing programs and modifications to those programs to reflect customer need. The 2009 filing recognizes and

¹⁶ *Id.*, Schedule A, Schedule B at 4, Schedule C at 10-11.

¹⁷ Division Exhibit No. 2, Pascoag DSM Revision 1 filed December 5, 2008.

¹⁸ Division Exhibit No. 1, Division of Public Utilities and Carriers Memorandum, December 11, 2007.

mitigates the effects resulting from a reduction in funding from last year. The filing contains new ideas and adjustments to continuing programs that should generate new and continued ratepayer interest.

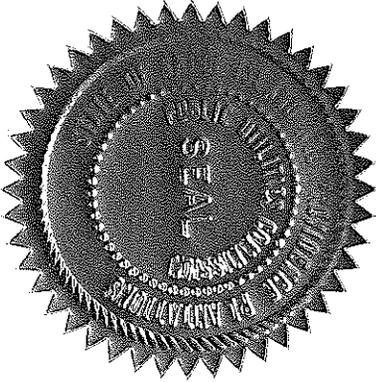
At an open meeting on December 23, 2008, the Commission voted unanimously to approve Pascoag's filing of its 2009 Demand Side Management programs and associated budget as filed on November 6, 2008 and amended on December 3, 2008, finding them to be in the best interest of Pascoag's ratepayers.

Accordingly, it is hereby

(19584) ORDERED:

1. Pascoag Utility District's 2009 Demand Side Management Programs and associated budget are approved.
2. A factor of \$0.0023 per kilowatt-hour is hereby approved in accordance with R.I.G.L. §39-2-1.2, with \$0.002 to be applied to the Demand Side Management Programs approved herein, and \$0.0003 to be administered by the Rhode Island Office of Energy Resources for renewable energy programs.
3. Pascoag shall file with the Division of Public Utilities and Carriers any request to reallocate funds among programs up to 10% of the total budget, with a reference copy to the Commission. Requests to reallocate funds in excess of 10% of the total budget shall require Commission approval.
4. Pascoag shall make its 2010 DSM Filing no later than November 1, 2009.
5. Pascoag shall comply with all other findings and instructions as contained in this Report and Order.

EFFECTIVE AT WARWICK, RHODE ISLAND PURSUANT TO OPEN
MEETING DECISION ON DECEMBER 23, 2008. WRITTEN DECISION ISSUED
FEBRUARY 26, 2009.



PUBLIC UTILITIES COMMISSION

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Elia Germani, Chairman

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Robert B. Holbrook, Commissioner

A handwritten signature in cursive script, appearing to read "Mary E. Bray", written over a horizontal line.

Mary E. Bray, Commissioner

*Chairman Germani concurs but is unavailable for signature.

Appendix A

<u>Residential Programs</u>	<u>2009</u>	<u>2008</u>	<u>Change</u>	<u>Change</u>
	(\$)	(\$)	(2009 vs. 2008)	(2009 vs. 2008)
			(\$)	(%)
ENE Residential Conservation (ENE)	2,040	2,040	0	0.0%
Home Energy Audits with Incentives	2,400	2,000	400	20.0%
Energy Star Appliance Rebates	8,000	7,756	244	3.1%
Energy Efficient Windows / Doors	5,000	5,000	0	0.0%
Heating System Incentive	5,250	5,250	0	0.0%
Energy Star Thermostats / Lighting Fixtures	1,000	1,000	0	0.0%
Home Office Equipment / Home Electronics	1,500	1,000	500	50.0%
Electric Heat Conversion	100	100	0	0.0%
New Construction	8,060	6,820	1,240	18.2%
Central Air Incentive	600	800	(200)	-25.0%
Change A Light Campaign	1,500	2,000	(500)	-
Conservation Calendars	4,500	2,900	1,600	-
Total Residential	39,950	36,666	3,284	9.0%
 <u>Industrial / Commercial</u>				
Energy Star Office Equipment	500	500	0	0.0%
Lockheed Aluminum Air Compressor		6,850	(6,850)	-100.0%
North East Race Cars & Parts		19,934	(19,934)	-100.0%
Consultation Fees	1,000	1,000	0	0.0%
Energy Star Commercial Appliances	1,050	1,050	0	0.0%
Committed Funds	6,500	10,811	(4,311)	-39.9%
Community Christmas LED Lighting	2,500	1,000	1,500	150.0%
Burrillville High School Gym - retrofit	12,040		12,040	
Parks and Recreation Office	612		612	
Legion Hall	223		223	
Town Hall	3,276		3,276	
Breckwith Lodge	1,420		1,420	
Total Commercial / Industrial	29,121	41,145	(12,024)	-29.2%
 <u>Administrative / Advertising / Education</u>				
Administrative	20,000	20,000	0	0.0%
Funds for Follow-Up to Successful Programs	1,000		1,000	-
Education / Outreach	8,500	7,500	1,000	13.3%
Burrillville High School Projects	8,000	8,000	0	0.0%
Community Projects	8,429	7,400	1,029	13.9%
Total Admin. / Adv. / Education	45,929	42,900	3,029	7.1%
Total Budget	115,000	120,711	(5,711)	-4.7%