

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

**PASCOAG UTILITY DISTRICT** :  
**DEMAND SIDE MANAGEMENT PROGRAMS** : **DOCKET NO. 4130**  
**FOR 2010** :

**ORDER**

**I. Introduction**

On November 6, 2009 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 \$104,500, all of which would be generated through the legislatively mandated charge of \$0.002 per kWh<sup>1</sup>, to be paid by all customers of the utility. The final budget for 2009 is estimated to be approximately \$106,387. Any remaining funds from the 2009 programs will be carried over and incorporated into the 2010 budget as committed funds.<sup>2</sup> 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.<sup>3</sup>

**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 2010 DSM Programs will closely mirror the programs that it provided in 2009.<sup>4</sup> As in past years, Pascoag will conduct

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<sup>1</sup> 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....”

<sup>2</sup> Division Exhibit 2, Response to Division Data Request 1-7.

<sup>3</sup> R.I.G.L. §39-2-1.2.

<sup>4</sup> The 2010 approved budget is attached hereto as Appendix A.

periodic reviews of the performance of the 2010 programs in order to ascertain whether to seek permission to reallocate funds among its programs if such reallocation is deemed necessary.<sup>5</sup>

A. Residential Programs

Pascoag proposed to continue all of its Residential Programs from 2009 as customer demand for the incentives offered by such programs continues to be very high. There are twelve Residential Programs that Pascoag will continue to offer in 2009 with some minor modifications. The 2010 Programs, which include Residential Conservation Service, Home Energy Audits, EnergyStar Appliances, Energy Efficient Doors and Windows, Heating System Incentive, Thermostats/Lighting Fixtures, Home Office Equipment/Home Electronics, Incentives for Electric Heat/Geothermal, New Construction Rebates, Central Air Conditioning, Change a Light Campaign and Energy Conservation Calendars will all be renewed.<sup>6</sup>

Energy New England (“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 \$2,100, or \$175 per month, for 2010.<sup>7</sup> Pascoag also proposed continuing the Home Energy Audits Program funding in the amount of \$2,400. Pascoag’s proposal anticipates 10 audits at \$200 per audit and incentives totaling \$400.<sup>8</sup>

The Energy Star Appliance Rebate Program is identified by Pascoag as very popular among its 2009 programs, with its \$6600 budget depleted by September, 2009.

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<sup>5</sup> Division Exhibit No. 1, Pascoag DSM Filing, November 6, 2009 at 1.

<sup>6</sup> *Id.*

<sup>7</sup> *Id.*, Schedule A at 1.

<sup>8</sup> *Id.*, Schedule A, Schedule C at 1-2, Schedule D.

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 2010 at \$6,100. Pascoag proposed funding in the amount of \$6,000, and increase of \$1,000, for the Energy Star Windows and Doors Program noting that funds for this program were depleted by August 2009. The program currently 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 proposed lowering the incentives from \$25 to \$15 per window up to a maximum of ten windows per customer and lowering the incentives for doors from \$50 to \$40. Pascoag will also inform its customers that they may qualify for a federal tax credit of up to \$1500 if windows meet a maximum U-Factor of .30.<sup>9</sup>

Pascoag requested funding for the Heating System Incentive Program in the amount of \$6,000 for 2010. The incentive rebate is ten percent (10%) of the customer's total cost, including labor costs, with a cap of \$250 per customer. 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 compliant light bulbs, fixtures and thermostats.

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<sup>9</sup> *Id.*, Schedule C. The tax credit was increased from \$500 to \$1500 by the American Recovery and Reinvestment Act of 2009.

Pascoag requested that it receive \$1,000 to fund this program.<sup>10</sup> Pascoag noted that there was increased activity to 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. In 2009, the approved funding for the program was \$1,000. Pascoag requested that this amount remain at the amount approved by the Division in the July reallocation of funds from \$1500 to \$2,400 for 2010. Pascoag also requested authority to retain a line item of \$100 for Electric Heat Conversion/Geothermal Systems in the event there is a request for this incentive.<sup>11</sup>

In 2009, Pascoag's New Construction Rebate Program continued to experience a decline in the number of requests from contractors, in light of the current economy. Pascoag requested a reduced line item of \$4,160 to fund this program which will include reducing the window rebates from \$25 to \$15 per window and \$50 to \$40 per door rebate with a cap of \$520 per unit or home in 2010. 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 two rebates of \$200 and is requesting that the program be funded in the amount of \$400 for 2010 which will allow for two (2) rebates.<sup>12</sup>

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%)

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<sup>10</sup> *Id.*, Schedule C at 4.

<sup>11</sup> *Id.*, Schedule C at 4-5.

<sup>12</sup> *Id.*, Schedule C at 6-7.

to customers who replace their light bulbs with CFLs with a cap of \$50 per customer for total funding of the program to be \$500. The Energy Conservation Calendars will feature Pascoag's 2010 programs rebates and will educate customers on purchasing Energy Star compliant products. Pascoag is requesting a decrease in the number of calendars to 1,000 for a total of \$3,680 for this program.<sup>13</sup>

B. Commercial and Industrial Programs

Pascoag proposed \$25,417 to be allocated to commercial and industrial 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 Burrillville High School qualified for a retrofit lighting project that was completed in February of 2009 for a total rebate of \$12,040. Additionally, the following rebates were given: Burrillville Town Hall Lighting Projects - \$3,276, Parks and Recreation Office Lighting Project - \$612, the Legion Hall Lighting Project - \$232, and Breckwith Lodge - \$1,420. Pascoag identified two possible C & I projects for 2010 one retrofit lighting project at the Bridido's IGA and an HVAC project at G S Inc. which would total \$10,892 in rebates once complete. Since no rebates were processed on the Community Christmas LED Lights, Pascoag proposed to discontinue this line item. Additionally, even though no one took advantage of the ENERGY STAR Commercial Appliances rebates, Pascoag noted that it has several restaurants and nursing homes in the area that might take advantage of the program. Pascoag added several appliances and requested a budget of \$700.<sup>14</sup> A line item for Committed Funds in the amount of \$12,325 was also requested in order to accommodate unidentified and identified lighting projects.

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<sup>13</sup> *Id.*, Schedule C at 7.

<sup>14</sup> *Id.* Schedule C at 8-11.

C. Administrative/Ad/Education

Pascoag requested approval of \$44,243 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 2010. Pascoag requested a line item of \$743 to allow for flexibility to transfer funds from one program to another with Division approval, should high customer demand for a successful program warrant such a transfer.<sup>15</sup>

Pascoag worked with Soleil Communications to update its website allowing for customers to view the available DSM programs online and to download rebate forms. Pascoag also held an Open House highlighting energy conservation where there were activities for children and their families. For this program, Pascoag requested \$7,500. Pascoag's partnership with Burrillville High School is in its ninth year. Pascoag requested \$8,000 for this program. The new project proposed by the students this year will be to research and create flyers on smart metering, the smart grid, smart appliances, distributed generation and other sustainable options. Finally, Pascoag requested increased funding in 2010 in the amount \$8,000 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 thermostats and refrigerator brushes at various events in exchange for donations of non-perishable food items to be donated to a local food pantry.<sup>16</sup>

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<sup>15</sup> *Id.*, Schedule C at 11.

<sup>16</sup> *Id.*, Schedule C at 10-11.

### **III. Division's Position**

On December 7, 2009, 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, the Division recommended that the Commission approve Pascoag's 2010 DSM programs and budget, as revised, and that Pascoag be instructed to honor rebate requests received during 2009 at the 2009 approved rebate level. The Division also recommended that Commission authorization of reallocated amounts be required if the amount of reallocation will be greater than 10%. For those allocation requests that do not exceed 10%, the Division recommends that Division authorization be required.<sup>17</sup>

### **III. Hearing**

On December 14, 2009, following public notice, the Commission conducted an evidentiary hearing at its offices at 89 Jefferson Boulevard, Warwick, Rhode Island. The following entered appearances:

FOR PASCOAG:	William Bernstein, Esq.
FOR DIVISION:	Jon Hagopian, Esq. Special Assistant Attorney General
FOR COMMISSION:	Patricia S. Lucarelli, Esq. Chief of Legal Services

During the hearing, Harle Round testified on behalf of Pascoag and its various programs. When asked to explain Pascoag's position regarding satisfying 2009 rebate requests, she testified that there were a number of 2009 rebate requests that Pascoag was unable to satisfy due to funds in the specific account being depleted. Ms. Round testified that Pascoag's proposal was to satisfy these requests with any additional funding

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<sup>17</sup> Division Exhibit No. 1, Division of Public Utilities and Carriers Memorandum, December 7, 2009.

remaining in other programs from the 2009 plan and then to use 2010 funds to satisfy the remaining 2009 requests. Requests satisfied with 2010 funds would be satisfied at the 2010 rebate amount, which in some cases would be lower than the 2009 rebate amounts but in no case would be greater. The Division was opposed to this and recommended that the Commission require Pascoag to satisfy all 2009 rebate requests at 2009 rebate amounts regardless of whether they were being satisfied with 2009 or 2010 funds.<sup>18</sup>

### **Commission Findings**

Immediately following the evidentiary hearing, the Commission unanimously approved Pascoag's 2010 DSM Plan and associated budget. The Commission recognizes Pascoag's continued efforts and diligence in designing and implementing its DSM programs and 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. Pascoag has continuously demonstrated that it does whatever is necessary to accommodate and assist its ratepayers. This is evident by its attempt to satisfy all 2009 rebate requests. The 2010 filing contains new ideas and adjustments to continuing programs that should generate new and continued ratepayer interest.

Accordingly, it is hereby

( 19882) ORDERED:

1. Pascoag Utility District's 2010 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

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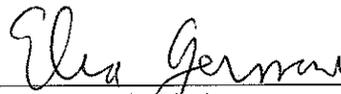
<sup>18</sup> Transcript of Hearing, December 14, 2009.

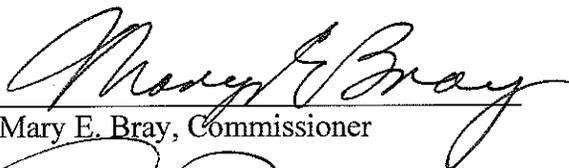
Management Programs approved herein, and \$0.0003 to be administered by the Rhode Island Office of Energy Resources for renewable energy programs.

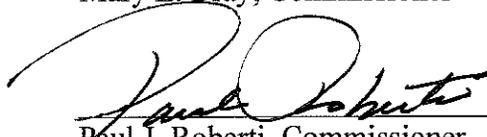
3. Pascoag shall file with the Division of Public Utilities and Carriers any request to reallocate funds among programs up to 10% of the total budget, with a reference copy to the Commission. Requests to reallocate funds in excess of 10% of the total budget shall require Commission approval.
4. Pascoag shall make its 2011 DSM Filing no later than November 1, 2010.
5. Pascoag shall comply with all other findings and instructions as contained in this Report and Order.

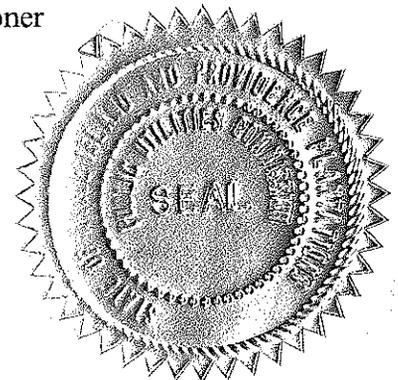
EFFECTIVE AT WARWICK, RHODE ISLAND ON JANUARY 1, 2010  
PURSUANT TO OPEN MEETING DECISION ON DECEMBER 14, 2009. WRITTEN  
DECISION ISSUED DECEMBER 23, 2009.

PUBLIC UTILITIES COMMISSION

  
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Elia Germani, Chairman

  
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Mary E. Bray, Commissioner

  
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Paul J. Roberti, Commissioner



APPENDIX A

Pascoag Utility District  
 Demand Side Management Programs - 2010

Estimated carry over from 2009	Proposed
Estimated sales for 2010	\$ 1,000.00
Net 2010 budget	\$ 104,500.00
	\$ 105,500.00

	Proposed	2010
<b>Residential Program</b>		
DR1001 ENE Residential Conservation (ENE)	\$ 2,100	\$175 per month
DR1002 Home Energy Audits with Incentives	\$ 2,400	up to 10 Audits @ \$200, funds for rebates up to \$400
DR1003 Energy Star Appliance Rebates	\$ 6,100	up to a max of 81 rebates at \$75
DR1004 Energy Efficient Windows/Doors	\$ 6,000	up to a Max of 400 Windows at \$15 or 150 Doors @\$40.
DR1005 Heating System Incentive	\$ 6,000	up to a max of 24 rebates at \$250
DR1006 Energy Star Thermostats/Lighting fixtures	\$ 1,000	up to 20 rebates at \$50 Max
DR1007 Home Office Equipment/Home Electronics	\$ 2,400	up to 48 rebates at \$50 Max
DR1008 Electric Heat Conversion/Geothermal System:	\$ 100	to keep the line item open for future requests.
DR1009 New Construction	\$ 4,160	8 units at \$520 Max
DR1010 Central Air Conditioner Incentive	\$ 400	up to 2 rebates at \$200 Max
DR1011 Change a Light Campaign	\$ 500	\$50 up to a max of 10 rebates with a 50% match
DR1012 Energy Conservation Calendars	\$ 3,860	1000 Calendars at \$3.25 each & setup charge & Shipping
Committed for 2009 Programs	\$ 1,000	Funds to be used to satisfy 2009 qualified Rebates with depleted funds
Net Residential	\$ 35,840	
<b>Industrial/Commercial</b>		
DI1001 Energy Star Incentive - Office Equipment	\$ 500	up to 10 rebates at \$50 max
DI1002 Bridco's IGA	\$ 10,367	Lighting Retrofit at 50%/ new lighting @30%
DI1003 GS Inc	\$ 525	HVAC Equipment
DI1004 Committed Funds- Lighting Projects	\$ 12,325	funds that would be available for lighting projects
DI1005 Consultation Fees	\$ 1,000	to consult with Rise and National Grid
DI1006 Energy Star Commercial Appliance	\$ 700	up to 2 rebates at 10% not to exceed \$350
Net Industrial/Commercial	\$ 25,417	
<b>Administrative/Ad/Education</b>		
DA1001 Administrative	\$ 20,000	Staff hours to administer the program, mileage, supplies.
DA1002 Funds for Follow-up to Successful Programs	\$ 743	To be used on more successful programs
DA1003 Outreach/Education	\$ 7,500	To update the web site with DSM programs , send out bill inserts promoting our programs, & fund the Open House
DA1004 BHS Project	\$ 8,000	To partner with the High school in 2010 and include a cookout
DA1005 Community Projects	\$ 8,000	To purchase conservation materials, and attend the 2010 Family Fair and other community events
Net Administrative/Ad/Education	\$ 44,243	
<b>Total suggested DSM 2010 Budget</b>	\$ 105,500	