

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

PASCOAG UTILITY DISTRICT :
TARIFF ADVICE : DOCKET NO. 4137

ORDER

On December 22, 2009 and pursuant to Commission Rule of Practice and Procedure 1.9(c), Pascoag Utility District (“Pascoag”) filed a tariff advice filing requesting modification of tariff number RIPUC 604, Pascoag’s street lighting tariff, to add language to permit for direct billing of ratepayers for street lighting costs.¹

Pascoag noted in the testimony supporting its modification request that prior to January or February 2009, Pascoag had billed the Pascoag Fire District (“Fire District”) of such service. In or around January or February 2009, Pascoag management was notified by a Pascoag employee that the Fire District was delinquent on payment. Further investigation revealed that the Fire District in executive session decided to terminate payments for street lighting. After consideration of various options that did not include ceasing to provide street lighting service for the obvious safety issues associated with such action, Pascoag entered into a settlement agreement with the Fire District whereby the Fire District would continue to collect and remit the costs of street lighting to Pascoag until the end of the calendar year. Litigation was among the options considered but was rejected because the costs associated with such could be significant.²

¹ Pascoag Utility District’s December 22, 2009 filing.

² *Id.*

While the existing tariff collects the costs of street lighting from property owners, the modification would collect the costs from all of the electric customers in the Fire District. Pascoag noted that this is more equitable in that it assures that all ratepayers deriving the benefit of street lights are bearing the cost of the street lights. While there is an increase in costs to ratepayers, Pascoag believes that the impact is negligible since it amounts to a pre-tax amount of approximately sixty-seven cents per month.³

On January 2010, the Division of Public Utilities and Carriers (“Division”) filed a memorandum outlining the history of the cost recovery for street lighting service. The memorandum noted that the Division had no objection to Pascoag’s request for the tariff change.⁴

At an Open Meeting on January 21, 2010, the Commission approved Pascoag’s tariff modification request. The Commission noted that Pascoag had a long history of superb and distinguished management as shown through its performance and distinguished between Pascoag and other investor owned utilities. The Commission pointed out that while it is not the a utility’s function to assume a public health, safety and welfare role in deciding issues such as how many street lights there should be and where those street lights should be placed, Pascoag has clearly demonstrated through past actions that it is fully capable of assuming this role. The Commission further stated that this decision shall have no precedential value and that the approval of the request was based solely on Pascoag’s municipal structure and the unique situation that arose in this case. Additionally, the Commission commended Pascoag on its negotiation and

³ *Id.*

⁴ Memorandum of D.S. Stearns, January 19, 2010.

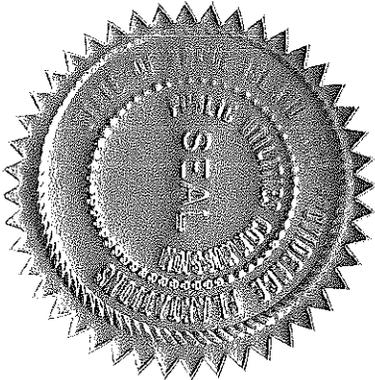
resolution of a difficult situation in a manner that averted the potential for considerable expense to its ratepayers.

Accordingly, it is hereby

(19889) ORDERED:

1. Pascoag Utility District's tariff modification to RIPUC No. 604 filed on December 22, 2009 is hereby approved.

EFFECTIVE AT WARWICK, RHODE ISLAND, JANUARY 21, 2010 PURSUANT TO AN OPEN MEETING DECISION ON JANUARY 21, 2010. WRITTEN ORDER ISSUED JANUARY 25, 2010.



PUBLIC UTILITIES COMMISSION



Elia Germani, Chairman



Mary E. Bray, Commissioner



Paul J. Roberti, Commissioner