

Memorandum

To: L. Massaro

Commission Clerk

From: D. R. Stearns

Rate Analyst, Division of Public Utilities & Carriers

Date: 12/14/2011

Re: Pascoag Utility District 2012 Demand Side Management Program:

RIPUC Docket 4297

On November 4, 2011 Pascoag Utility District ("Pascoag", or "Company") filed with the Commission a proposed Demand Side Management (DSM) budget for calendar year 2012. On December 12 the Company filed revisions to the proposed plan.

Pascoag's proposed 2012 DSM budget totals \$134,659. This represents an increase of \$6,978 compared with the Company's approved 2011 budget of \$127,681.

DSM revenue based on the 2012 kWh sales forecast of 52,936,354 kWh and Pascoag's 2-mill per kWh System Benefit Charge is rounded to \$106,000; the carry-over of DSM funds from the 2011 budget is anticipated to be \$28,659, \$4,978 more than the actual carry-over from 2010 of \$23,681 that was included in 2011's budget.

The Company is proposing three new programs for 2012:

- Appliance Buy-Back Refrigerator/Freezers: Pascoag will offer a \$50 incentive to customers who give up an old, inefficient refrigerator or freezer. Certain criteria such as refrigerator/freezer size and operating condition must be met in order for appliance acceptance;
- EnergyStar® Qualified Water Heaters: The November 4th filing included a proposal to offer an incentive for EnergyStar® propane water heaters. After reviewing responses to Division data requests and subsequent discussion between Pascoag and the Division, it was decided that, because the water heater program would not be cost effective, the Company would revise it. The proposal now is to offer incentives for heat pump electric water heaters and solar-assisted electric water heaters.

- Smart Power Strips: These are standard power strips with surge protection that also cut standby energy, the energy used when electronics are in “sleep” or “off” mode. Some indicators of electronic devices with such peripherals are those with a clock display or status light that stays on after the main device has been turned off, and include such items as entertainment centers, computers, stereo systems, various devices in home office areas, etc. Pascoag states that, according to the Department of Energy, up to 15% of energy used in an average home is used for standby energy.

Pascoag will continue to work with Energy New England (ENE). ENE provides conservation services, energy audits, and reference materials to Pascoag customers. ENE also provides customers a toll free “energy hotline”, and provides the Company with technical assistance.

The Company’s long-standing affiliation with Burrillville High School was suspended for 2011. The high school did not present a project that the Company deemed satisfactory. Pascoag plans to keep the Burrillville School Project line item open in hopes of finding another teacher with whom the Company can partner. Funding would be set at \$3,500.

Pascoag plans to continue several 2011 DSM programs in 2012, monitoring all programs throughout the year and requesting authority to modify budget allocations if necessary, in an attempt to ensure adequate funding of successful programs.

During 2012 Pascoag intends to honor 2011 rebate applications outstanding as of the end of that year at 2011 rebate levels, using a portion of the 2011 carry-over of funds.

The Company proposes continuation during 2012 of the ability to request reallocation of funds from poorly performing programs to high-demand, well-performing programs.

The Division recommends that, as in the past, if the amount of any one reallocation does not exceed 10% of the total DSM budget, reallocation would be subject to the review and authorization of the Division. Otherwise, Pascoag will request Commission authorization to re-allocate funds.

After reviewing the filing and the Company’s responses to Division data requests, the Division recommends that the 2012 DSM budget proposed by Pascoag be approved, subject to inclusion of the reallocation authorization guidelines above.

Cc: Thomas Ahern,
Administrator, Division of Public Utilities and Carriers

Service List