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PUBLIC UTILITIES COMMISSION

# Memorandum

To: L. Massaro

Commission Clerk

From: D. R. Stearns

Rate Analyst, Division of Public Utilities & Carriers

Date: 10/17/2013

Re: Pascoag Utility District 2013 Demand Side Management Program, RIPUC  
Docket 4368:  
Request for an LED Street Light Incentive and Submittal of the LED Street  
Light Report

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As approved by the Commission in Pascoag Utility District ("Pascoag" or "Company") 2012 DSM filing, Docket 4297 (Order number 20638), the Company has conducted an LED street light pilot program consisting of fifty-six lighting units.

Response to the pilot program has been very positive. A customer survey was conducted by the Company; a vast majority of Pascoag's customers responded very favorably to the survey. Results can be found in Attachment #7 of the Company's filing.

On August 30, 2013 Pascoag filed with the Commission a request to be granted an incentive relative to purchase and installation of seventy additional LED street lights within Pascoag's service territory. The lights have been purchased with Company funds. While the LED street lights will benefit customers by saving energy and providing improved lighting quality when compared with the present high pressure sodium (HPS) lighting, Pascoag will realize a decrease in revenue from street lighting by installing the more efficient LED's. The Company is requesting an incentive of 50% of the cost of each LED fixture and installation cost. This would equate to a total incentive OF \$13,732.60 for seventy lights.

Pascoag's 2013 DSM budget includes a line tem titled "LED Street Lights Incentive" containing \$5,000.00.

Pascoag had anticipated losing its largest customer, Daniele Prosciutto, Inc. (DPI) by the end of 2013. In the Settlement Agreement entered into between Pascoag and the Division in Docket 4341, Pascoag's general rate case, and approved by the Commission in Order number 20977, the Company was to implement the approved increased rates for all customers; any base rate revenue collected from DPI prior to DPI's leaving Pascoag's service territory was to be set aside in the purchased power reserve fund to help replenish that fund. As for DSM revenue from DPI, it has been credited to the DSM account, to fund no particular project. Currently DPI remains a customer of Pascoag, and the DSM funds collected from DPI as of the end of August 2013 is \$9,460.00.

Pascoag proposes using the \$5,000 in the 2013 LED rebate line item and \$8,732.60 from the DSM funds from DPI to finance the requested \$13,732.60 incentive.

After review of the proposal, informal discovery, and conversation with Pascoag's DSM Coordinator, the Division recommends Commission approval of the requested incentive.

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

S. Scialabba  
Chief Accountant, Division of Public Utilities and Carriers