



April 25, 2014

Rhode Island Public Utilities Commission  
Ms. Luly Massaro, Commission Clerk  
89 Jefferson Blvd.  
Warwick, RI 02888

Re: Mid-Year Filing for Standard Offer Service, Transition, and Transmission Reconciliation  
RIPUC Docket No. 4454

Dear Ms. Massaro:

On behalf of Pascoag Utility District (Pascoag or PUD), we herewith submit an original and nine copies of Pascoag's Mid-Year Filing for Standard Offer Service, Transition, and Transmission Reconciliation. This submittal consists of three books:

- Book 1 Testimony and Testimony Exhibits
- Book 2 Supporting Schedules
- Book 3 Purchase Power Invoices

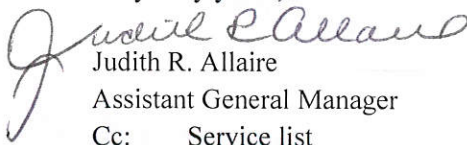
In this filing, Pascoag is requesting the following changes to its Standard Offer Service, Transition and Transmission Charges:

Factor	Current	Proposed	Difference
SOS	\$0.07039	\$0.08056	\$0.01017
Transition	\$0.00568	\$0.00613	\$0.00045
Transmission	\$0.02488	\$0.02679	\$0.00191
Total	\$0.10095	\$0.11348	\$0.01253

Under the current rate, a residential customer using 500 kilowatt-hours of electricity per month pays \$77.23. Under the proposed rate, that customer would see his bill increase to \$83.50, an increase of \$6.27, or 8.1%.

The requested effective date for the new rate is July 1, 2014. If you have any questions, please do not hesitate to contact me.

Very truly yours,

  
 Judith R. Allaire  
 Assistant General Manager  
 Cc: Service list

**Pascoag Utility District**  
**Year End Status Report Compliance Tariff Filing – RIPUC No. 4454**  
**Service List – 2014**

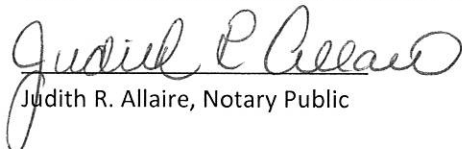
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**Original & nine (9) copies file with:**

Luly E. Massaro Commission Clerk Public Utilities Commission 89 Jefferson Blvd. Warwick, RI 02889	<a href="mailto:Luly.massaro@puc.ri.gov">Luly.massaro@puc.ri.gov</a> <a href="mailto:Patricia.lucarelli@puc.ri.gov">Patricia.lucarelli@puc.ri.gov</a> <a href="mailto:Sharon.ColbyCamara@puc.ri.gov">Sharon.ColbyCamara@puc.ri.gov</a> <a href="mailto:Nicholas.ucci@puc.ri.gov">Nicholas.ucci@puc.ri.gov</a>	(401) 941-4500
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**CERTIFICATE OF SERVICE**

I hereby certify that copy/copies of this Mid-Year Status Report, RIPUC Docket No. 4454 were served electronically on the individuals named in the above List of Recipients of Filing, this 25<sup>th</sup> day of April 2014

  
Judith R. Allaire, Notary Public

My commission expires March 28, 2017

**State of Rhode Island and Providence Plantations  
PUBLIC UTILITIES COMMISSION**

**RE: PASCOAG UTILITY DISTRICT  
RIPUC DOCKET NO. 4454**

**NOTICE OF CHANGE IN RATE**

Pursuant to Rhode Island General Laws (R.I.G.L.), Section 39-3-11, and in accordance with Section 2.4 of the Rules of Practice and Procedure of the Rhode Island Public Utilities Commission (RIPUC), the Pascoag Utility District hereby gives notice of a proposed change in rates filed and published in compliance with R.I.G.L. 39-3-10.

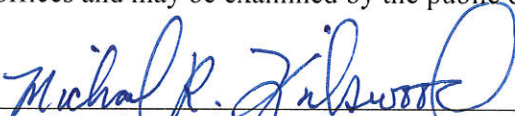
The proposed changes are contained in the exhibits accompanying the filing. The new rates, as proposed, are to become effective July 1, 2014.

Standard Offer	Current	\$0.07039	Proposed	\$0.08056
Transition Charge	Current	\$0.00568	Proposed	\$0.00613
Transmission Charge	Current	<u>\$0.02488</u>	Proposed	<u>\$0.02679</u>
		\$0.10095		\$0.11348

A residential customer using 500 kilowatt-hours is currently paying \$77.23. Under the proposed rates, this customer's bill would increase to \$83.50, an increase of \$6.27, or 8.1 %.

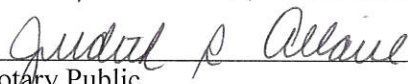
Be advised as follows:

- 1) Pascoag Utility District, incorporated by a special act of the General Assembly, is a quasi-municipal utility within the Village of Pascoag with offices located at 253 Pascoag Main Street, Pascoag, Rhode Island.
- 2) The Electric Department of the Pascoag Utility District operates an electric distribution system providing retail electric service to customers in the Villages of Pascoag and Harrisville, both in the Town of Burrillville, Rhode Island.
- 3) Correspondence for Pascoag Utility District in this case should be addressed to Michael R. Kirkwood, General Manager, Pascoag Utility District Electric Department, 253 Pascoag Main Street, P O Box 107, Pascoag, Rhode Island.
- 4) In accordance with the RIPUC Rules and Regulations, the documents accompanying this filing contain data and information in support of Pascoag Utility District's application. A copy of this filing is at our offices and may be examined by the public during business hours.

  
\_\_\_\_\_  
Michael R. Kirkwood, General Manager  
Pascoag Utility District

STATE OF RHODE ISLAND  
COUNTY OF PROVIDENCE

Subscribed and sworn to before me on the April 24, 2014.

  
\_\_\_\_\_  
Notary Public

*my Commission expires 3/28/2017*



**PASCOAG**  
UTILITY DISTRICT

oag Electric • Pascoag Water

253 Pascoag Main Street  
P.O. Box 107  
Pascoag, RI 02859  
Phone: 401-568-6222  
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www.pud-ri.org

**Pascoag Utility District – Electric Department**  
**Mid-Year Filing for Standard Offer Service, Transmission and Transition**  
**Reconciliation**

**RIPUC Docket No. 4454**

Book 1 – Testimony and Testimony Exhibits

Michael R. Kirkwood, General Manager

Judith R. Allaire, Assistant General Manager



1 **Q. Please describe what Pascoag has observed in terms of the power market in general during**  
 2 **the winter period of 2013/14.**

3 **A.** Pascoag has observed that the power markets became volatile and highly-priced during much of  
 4 this past winter period. ISO-New England’s generation supply is becoming increasingly dependent on  
 5 natural gas-fired generation. As an example, for the months of January through March, natural gas  
 6 accounted for 30% of New England’s generation mix as reported by ISO-New England, and on any given  
 7 day, natural gas generation is often up to 50% of total requirements. Natural gas prices have a  
 8 significant impact on the generation prices in New England due to this predominance of gas-fired  
 9 generation, and the fact that the natural gas units are often on the margin and setting the overall Day-  
 10 Ahead and Real-Time LMP prices.

11 In fact, from the ISO-NE table below, we can see that the all-hours average Day-Ahead LMP for Rhode  
 12 Island was \$170.33/MWh (17 cents/kWh) in January, \$156.41/MWh in February and \$112.49/MWh in  
 13 March, and we can see that the all-hours average Real-Time LMP for Rhode Island was \$163.45 in  
 14 January, \$152.87 in February and \$116.65 in March. These are extremely high average LMPs, and in fact  
 15 the highest LMP for Real Time energy during this period hit during off-peak hours at \$587/MWh, or 58.7  
 16 cents/kWh.

Monthly Electricity Locational Marginal Price Indices

Report for 04/07/2014

Report generated Mon Apr 7 16:30:04 2014

Date	Location	Location Name	Day Ahead On-Peak	Day Ahead Off-Peak	Day Ahead All Hours	Real Time On-Peak	Real Time Off-Peak	Real Time All Hours
Month Begin	ID	Description	\$/MWh	\$/MWh	\$/MWh	\$/MWh	\$/MWh	\$/MWh
1/1/2014	4000	.H.INTERNAL_HUB	201.81	139.18	168.81	188.45	139.92	162.88
1/1/2014	4001	.Z.MAINE	190.41	131.58	159.41	155.7	122.64	138.28
1/1/2014	4002	.Z.NEWHAMPSHIRE	199.9	137.21	166.87	171.32	130.82	149.98
1/1/2014	4003	.Z.VERMONT	199.85	137.94	167.23	180.72	134.65	156.45
1/1/2014	4004	.Z.CONNNECTICUT	198.13	137.97	166.43	187.02	138.85	161.64
1/1/2014	4005	.Z.RHODEISLAND	203.97	140.12	170.33	188.64	140.84	163.45
1/1/2014	4006	.Z.SEMASS	202.99	139.57	169.57	188.89	140.6	163.44
1/1/2014	4007	.Z.WCMASS	202.03	139.51	169.09	187.91	139.7	162.51
1/1/2014	4008	.Z.NEMASSBOST	202.53	139.04	169.08	190.47	140.73	164.26
2/1/2014	4000	.H.INTERNAL_HUB	182.09	132.32	156.02	179.58	128.54	152.84
2/1/2014	4001	.Z.MAINE	174.53	126.61	149.43	170.14	122.6	145.24
2/1/2014	4002	.Z.NEWHAMPSHIRE	181.26	131.06	154.96	177.17	126.47	150.61
2/1/2014	4003	.Z.VERMONT	181.84	131.18	155.3	176.25	125.79	149.82
2/1/2014	4004	.Z.CONNNECTICUT	179.52	130.6	153.89	177.04	126.95	150.8
2/1/2014	4005	.Z.RHODEISLAND	182.74	132.47	156.41	179.23	128.9	152.87
2/1/2014	4006	.Z.SEMASS	181.46	132.15	155.63	179.51	128.67	152.88
2/1/2014	4007	.Z.WCMASS	182.21	132.47	156.15	179.24	128.46	152.64
2/1/2014	4008	.Z.NEMASSBOST	182.37	132.49	156.24	180.32	128.9	153.39
3/1/2014	4000	.H.INTERNAL_HUB	127.93	97.31	111.16	133.56	101.73	116.12
3/1/2014	4001	.Z.MAINE	123.81	93.74	107.34	126.32	96.63	110.06
3/1/2014	4002	.Z.NEWHAMPSHIRE	126.29	96.09	109.75	130.2	99.16	113.2
3/1/2014	4003	.Z.VERMONT	125.85	95.7	109.34	129.43	98.47	112.47
3/1/2014	4004	.Z.CONNNECTICUT	125.46	95.82	109.23	131.56	100.34	114.46
3/1/2014	4005	.Z.RHODEISLAND	130.12	97.94	112.49	133.89	102.42	116.65
3/1/2014	4006	.Z.SEMASS	129.61	97.95	112.27	134.82	102.57	117.15
3/1/2014	4007	.Z.WCMASS	127.74	97.39	111.12	133.5	101.73	116.1
3/1/2014	4008	.Z.NEMASSBOST	128.83	97.68	111.77	134.58	102.24	116.87

17  
 18 These spot market LMPs were driven by both high natural gas prices and the ISO-NE Winter Reliability  
 19 Program that secured oil fired capacity for the winter period at an additional \$75 million dollars in total  
 20 costs per an RFP that was issued by ISO-NE in 2013. ISO-NE issued the RFP in anticipation of the cold  
 21 winter period with the potential for limited gas supplies due to inadequate pipeline capacity into New  
 22 England and the resultant impact it might have on reliability.

1 **Q. How did these high natural gas, oil and ISO-NE spot market LMP prices impact Pascoag?**

2 **A.** Pascoag believed that it had a hedging strategy that was adequate to protect it from high spot  
 3 prices by securing power sources to meet approximately 93% of its load requirement. In past winters  
 4 once shale gas availability came in to play several years ago, we would see short term price increases  
 5 only during extremely cold weather, but such increases were brief in nature and seemed to reflect only  
 6 a moderately stressed gas pipeline system. By not being overly hedged last winter, Pascoag was able to  
 7 take advantage of low spot market prices for a predominant number of hours, without the fear of selling  
 8 excess into the market at a loss. That changed dramatically this year, as high LMPs were observed for  
 9 extended hours through the whole winter period, especially in the months of December through March.  
 10 So for the 8% of Pascoag's requirement that was met by spot market purchases, the high prices and  
 11 lengthy spot market run-up had a dramatic effect on our overall portfolio price as can be seen in the  
 12 divergence of costs and revenues highlighted in the testimony of Judy Allaire. Our Standard Offer rate  
 13 for the period at approximately 7 cents/kWh did not provide the revenues needed for the portion of our  
 14 portfolio that was attributed to spot purchases that were averaging 11 cents to 17 cents/kWh as can be  
 15 seen in the table above. Additionally, Pascoag has a contract with NextEra called the Virtual RISE  
 16 contract that includes a call option for 1 MW of energy priced at the rate of a very efficient gas-fired  
 17 combined-cycle generating station. The unusually high spot natural gas prices, however, caused the call  
 18 option rate to be higher than previously estimated. It made sense anyway to exercise the call option  
 19 most days because although the price was high based on natural gas spot prices, it was still "in the  
 20 money" vs. taking the energy instead from the ISO-NE spot market at a higher rate.

21 **Q. Were high transmission prices associated with Pascoag's NYPA purchases also involved?**

22 **A.** Yes, Pascoag experienced very high and unanticipated transmission prices during this winter  
 23 period for its NYPA hydropower allocation related to transmission congestion in New York since the  
 24 NYISO system was stressed in a very similar manner to New England's transmission system. We asked  
 25 for an explanation from the Massachusetts Municipal Wholesale Electric Company (MMWEC), which  
 26 administers the NYPA transaction of behalf of public power utilities in Massachusetts and Rhode Island,  
 27 and received the following response:

28 *"NYISO charges on the bills that MMWEC receives from NYPA will be increasing over the winter months.  
 29 It is not unusual from these charges to increase during the winter and summer months when loads are  
 30 higher, power prices increase and plant or transmission outages may occur, resulting in higher uplift and  
 31 congestion charges.*

32 *NYPA has explained that the higher charges are a result of higher NYISO congestion charges. NYISO  
 33 congestion charges have increased significantly over the winter. Congestion occurs when there is a price  
 34 difference between where the power is injected in New York to where the power is delivered at the  
 35 border. That is the Transmission cost that NYPA is passing along to MMWEC.*

36 *In assessing the impacts of these increased charges, it is necessary to look at other factors, including the  
 37 value of NYPA power allocations in New England at the time the NYISO charges were incurred.[ ...]*

38 *The bottom line is that the value of NYPA power generally increases when prices are high.*



1 *As you know, there were significant reliability and price issues in January, February and March so far*  
 2 *stemming from constraints on the supply of natural gas to New England and the Northeast. Once the*  
 3 *winter ends, if ever, charges should be more moderate going forward."*

4 **Q. Is Pascoag taking any steps to moderate the potential for high spot market gas prices next**  
 5 **winter which could impact its portfolio?**

6 **A.** Yes. Pascoag, working with its power portfolio advisor Energy New England, is currently waiting  
 7 for bids for the period 2015 through 2017 for 100% load following energy, i.e., energy that will meet  
 8 Pascoag's needs over and above its other fixed entitlements such as Seabrook, NYPA, Miller Hydro,  
 9 Spruce Mountain Wind and Virtual RISE. We are asking for fixed pricing per kWh of requirement, and  
 10 believe seeking a 3-year term will help dramatically improve the pricing since the forward markets are in  
 11 contango, i.e. the extended term prices are less than the more immediate term prices. We currently  
 12 have three tranches in place of load following energy from Exelon/Constellation that have covered a  
 13 significant portion of our portfolio for the 2012-2014 period that have served us well. The three  
 14 tranches of fixed prices were as follows: 5.99 cents/kWh, 4.675 cents/kWh and 6.429 cents/kWh.  
 15 Although forward prices have moved upwards, we are hopeful that a three year term will produce  
 16 pricing that will be efficient and eliminate the potential for further unhedged volatility during the winter  
 17 months of the next several years.

18 **Q. Does this conclude your testimony?**

19 **A.** Yes, it does.

Testimony and Testimony Exhibits – Judith R. Allaire



1

2 **Q. Please explain why Pascoag decided to file a mid-year status report as opposed to the annual**  
 3 **reporting requirement?**

4 **A.** Pascoag, after consultation with Division, decided that a mid-year rate adjustment would  
 5 provide less rate shock to our customers. Additionally, energy prices this winter (specifically November  
 6 thru February) were much higher than forecast, and Pascoag posted a substantial under collection.  
 7 Because of these higher energy prices and a low cash flow over the winter period, Pascoag used money  
 8 from its Purchased Power Restricted Fund (“PPRF”) in order to meet power bill deadlines. As of this  
 9 date, that money has not been reimbursed to the PPRF.

10 At the annual rate hearing in December 2013, Pascoag used actual purchase power costs  
 11 through October, and estimates for November and December. High energy prices resulted in a  
 12 substantially higher than forecast energy costs.

Month	Forecast	Actual	Over/(Under) Forecast
November 2013	\$369,274	\$430,078	\$ 60,804
December 2013	\$417,481	\$561,464	\$143,983
January 2014	\$499,876	\$661,586	\$161,710
February 2014	\$513,795	\$636,579	\$122,784
Total	\$1,800,426	\$2,289,707	\$489,281

13 In January and February energy costs skyrocketed. For the four month period (November  
 14 through February), Pascoag’s actual purchase power costs were almost \$500,000 over forecast. This  
 15 resulted in revenue not keeping pace with the purchase power expense.

16 **Q. What are the primary factors contributing to such high purchase power expenses?**

17 **A.** There are two major factors – the high natural gas prices over the winter period and large  
 18 increases in transmission costs associated with Pascoag’s NYPA power, that typically appear in the  
 19 winter months. Mr. Kirkwood addresses these concerns in more detail in his testimony.

20 **Q. Please summarize the under collection in Purchase Power expense and provide detail for all**  
 21 **activity to the PPRF account.**

22 **A.** A summary of the cumulative over/ (under) collection for this period is summarized below:

Month	Revenue	Expense	Period Over/(Under)	Cumulative
<b>Cumulative Over/(Under) Collection – From October 2013</b>				<b>(\$ 54,237)</b>
November	\$332,189	\$430,078	(\$ 97,889)	(\$152,126)
December	\$332,370	\$561,464	(\$229,094)	(\$381,220)
January	\$442,825	\$661,586	(\$218,761)	(\$599,981)
February	\$530,192	\$636,579	(\$106,386)	(\$706,367)
March	\$450,638	\$560,767	(\$110,129)	(\$816,496)
April (ESTIMATE)	\$433,574	\$419,248	\$ 14,326	(\$802,170)
May (ESTIMATE)	\$412,634	\$366,526	\$ 46,108	(\$756,062)
June (ESTIMATE)	\$436,515	\$436,661	(\$ 146)	(\$756,208)

1 Please note that the revenue and expenses for April, May and June are estimated. When the  
2 actual invoices for the periods are received, Pascoag will provide Division with a monthly reconciliation.

3 It was at this point, after reviewing the monthly submittals with Division staff, that Pascoag  
4 decided that it was fiscally prudent to file a mid-year rate adjustment.

5 In the past, when Pascoag had to use money from the PPRF, we were always able to replace it  
6 within the same fiscal year. While PUD hopes that this is possible in 2014, without mid-year rate relief, a  
7 full reimbursement over the next few months would be impossible.

8 The deposits to the PPRF shown in the table below reflect the base rate charges (customer  
9 charge and demand charge) for DPI that are required as part of the COS Settlement.

10 The drawdown of the PPRF added impetus to the decision to submit a mid-year filing. A  
11 summary of transactions to the PPRF is listed below.

Purchase Power Restricted Fund		Balance 1/1/2014	\$497,983
Month	Deposit	Withdrawal <sup>1</sup>	Balance
January	\$18,230	\$180,000	\$336,213
February	\$18,230	\$155,000	\$199,443
March	\$18,230		\$217,673
April	\$18,230		\$235,903

12 **Q. Has Pascoag encountered any other financial difficulties during this period that influenced**  
13 **your decision to request a mid-year rate correction?**

14 **A.** Yes, other financial obligations did play a part in the decision. The District's dedication to  
15 meeting all payment deadlines for purchase power obligations resulted in the inability to fully fund the  
16 Restricted Fund for Capital and Debt Services. At Pascoag's last COS hearing, the Settlement Agreement  
17 states that Pascoag fund the Restricted Fund for Capital and Debt Service account to an annual level of  
18 \$306,000. In order to do that, PUD tries to "level fund" at a monthly rate of \$25,500. For the first  
19 quarter of this year, Pascoag only funded \$45,000, and while this might not be a concern by itself,  
20 combined with the recent trends, this becomes more of a worrisome issue. So, this year, that  
21 underfunding of the Restricted Fund for Capital and Debt Service, combined with Pascoag's desire to  
22 reimburse the PPRF, is causing additional serious concerns for Pascoag's fiscal reliability.

23 **Testimony Exhibit JRA – 1** is the Cash Flow Summary Reports for the period from January  
24 through March 2014.

25 A summary of all activity to the Restricted Fund for Capital and Debt Service is listed below:

Restricted Fund		Balance 1/1/2014	\$491,214
Month	Deposits	Withdrawals	Balance
January	\$15,000	\$76,036	\$430,178
February	\$10,000	\$ 7,679	\$432,499
March	\$20,000	\$ 4,154	\$448,345

<sup>1</sup> Division consulted prior to withdrawals from PPRF



1 For the first quarter of the year, we would expect, in a perfect situation, to be twenty-five  
 2 percent funded. For the first quarter of 2014, the account was funded to a level of fifteen percent, or  
 3 \$31,500 under the first quarter's goal of \$76,500.

4 Another concern is that over the winter months, Pascoag found difficulty meeting its obligations  
 5 to its non-power vendors. The open account payable balance normally remains in the current to thirty  
 6 day range. This winter, that aging moved to sixty plus days past due, and the District found itself  
 7 struggling to meet those obligations in a timely manner. Testimony Exhibit JRA – 2 summarizes the  
 8 Account Payable and Account Receivable balances.

9 All these items combined to make the decision for a mid-year filing the correct thing to do.  
 10 Since Pascoag received its A- rating from Standard and Poor's back in 2008, we have consistently  
 11 maintained that rating. Our inability to meet our financial obligations in a timely manner, if left  
 12 uncorrected, could impact that rating. And, that credit rating becomes more important as Pascoag goes  
 13 out to the market to structure new power contracts for the future.

14 **Q. Does Pascoag have a severe under collection in all three factors?**

15 **A.** No, the Standard Offer Service is the driving factor in the under collection. A mid-year  
 16 adjustment to the components, before the under collection increases, would be less impactful on our  
 17 customers. If left unchecked now, a larger increase to the Standard Offer Service in January, would  
 18 result in an additional financial hardship to customers when they are also struggling to pay high heating  
 19 bills.

20 Please note that the breakdown listed below contains actual expenses and revenue for January,  
 21 February and March. Estimates are used for April, May and June.

SOS	(\$782,314)
Transition	\$ 38,184
Transmission	(\$ 12,078)
Total	(\$756,208)

22 **Q. What is included in this filing?**

23 **A.** The filing includes actual expenses and revenues for January, February and March. Energy New  
 24 England provided the purchase power forecast for April, May and June, as well as the forecast for the  
 25 period July through December.

26 **Q. Have any other assumptions been made in the filing?**

27 **A.** Yes, Pascoag assumed a growth rate of one percent over the forecast period (July through  
 28 December.) This was based on an improving economy, as well as the potential of the beginning  
 29 construction phase of a proposed residential housing development in the District's service territory.

30 **Q. Will Pascoag be able to provide actual expenses and revenue for April prior to the**  
 31 **hearing?**

32 **A.** Pascoag will be able to provide actual revenue and expenses for April prior to the hearing.  
 33 However, based on the date that the power bills are received, and depending on the hearing date, the  
 4 update may not be available until very close to the hearing date.



1 **Q. What are the requested rates, and how will they impact a typical residential customer?**

2 **A.** A typical residential customer using 500 kilowatt-hours of electricity currently pay \$77.23 per  
 3 month. Under the requested rates, that customer would see his monthly bill increase to \$83.50, an  
 4 increase of \$6.27, or 8.1%. A detailed summary of current rates and requested rates is attached as  
 5 **Testimony Exhibit JRA – 3.**

6 The current rates and requested rates are listed below:

Factor	Current	Requested	Difference
SOS	\$0.07039	\$0.08056	\$0.01017
Transition	\$0.00568	\$0.00613	\$0.00045
Transmission	\$0.02488	\$0.02679	\$0.00191
Total	\$0.10095	\$0.11348	\$0.01253

7 **Q. What is the requested effective date for the rate change?**

8 **A.** Pascoag requests an effective date of July 1, 2014.

9 **Q. Does this conclude your testimony?**

10 **A.** Yes, it does.

**Testimony Exhibits – Judith R. Allaire**

Testimony Exhibit JRA-1

Testimony Exhibit JRA-2

Testimony Exhibit JRA-3

**Summary of Cash Flow - January 2014**

Testimony Exhibit JRA-1

Operating Cash balance forward	\$	172,415	
Projected Purchased Power Expenses:			
ENE		(\$204,503)	
Project 6 (MMWEC & HQ)		(\$83,660)	
NYPA		(\$38,551)	
ENE/ISO		<u>(\$194,915)</u>	
			(\$521,629)
Customer Payments	\$	645,719	
NSF cks		\$0	
Payroll, benefits		(\$126,070)	
Transfer from RF		\$33,045	(capital - S/L, poles, insulators)
Transfer from RF		\$42,911	(Capital - NISC, payment #1)
Transfer to RF		(\$15,000)	January partial contribution
Transfer from PPRF		\$180,000	high power bills, low cash flow (See Summary, below)
Transfer to PPRF		(\$18,230)	(DPI Base rate - January)
NISC Payment		(\$42,911)	
Misc. vendor payments		(\$174,119)	
encumber for additional insurance		(\$7,000)	
Annual Assessment - RIDPU		(\$34,197)	
Annual Insurance Prem		(\$29,078)	(partial)
Encumber for PP - from Jan		\$235,000	
Encumber for PP - for Feb		(\$200,000)	
		<u>\$140,856</u>	

**Other Financial Information:**

Accounts Payable Balance	\$	9,277
Accounts Receivable Balance	\$	538,997

**Summary of Savings/Investments: (Not Restricted)**

Contingency/Emergency	\$	10,000
Storm Fund	\$	19,169
Working Cash Reserve	\$	60,372
Dedicated DSM Fund		
<b>Total Savings/Investment (NR)</b>	\$	<u>89,541</u>

Year-End Reconciliation Account	\$	5,700
Restricted Account(Debt/Capital)	\$	430,177
Restricted Account (RSF)	\$	-
Restricted Account(Purchase Pwr)	\$	<u>336,212</u>

**Summary of PPRF Transfer:**

Power Bills Due	\$521,629
Encumbered as of 1/16	<u>\$ (340,000)</u>
	\$181,629 (rounded to \$180,000)

**Net All Saving/Investment**

\$ 861,630

**Misc. Accounts:**

Customer Deposit Holding Account	\$	256,870
Working Capital - on Deposit w/ ENE	\$	169,288
Working Capital - on Deposit w/MMWE	\$	2,232

**Restricted Fund 2014** \$ 306,000

Jan-14	\$	15,000					
Feb-14							
Mar-14							
Apr-14							
May-14							
Jun-14							
Jul-14							
Aug-14							
Sep-14							
Oct-14							
Nov-14							
Dec-14	\$	-					
<b>Total Transfer</b>	<u>\$</u>	<u>15,000</u>	<u>\$</u>	<u>306,000</u>	<u>5%</u>	<u>\$</u>	<u>291,000</u>

**Storm Fund - 2014** \$ 20,000

Q/E 3/14							
Q/E 6/14							
Q/E 9/14							
Q/E 12/14							
<b>Total Transfer</b>	<u>\$</u>	<u>-</u>	<u>\$</u>	<u>20,000</u>	<u>0%</u>	<u>\$</u>	<u>20,000</u>



**Summary of Cash Flow - February 2014**

Operating Cash balance forward	\$	140,856	
Projected Purchased Power Expenses:			
ENE		(\$211,723)	
Project 6 (MMWEC & HQ)		(\$83,227)	
NYPA		(\$79,095)	
ENE/ISO		(\$259,327)	
			(\$633,372)

Customer Payments	\$	696,050	
NSF cks		(\$598)	
Payroll, benefits		(\$125,263)	
Transfer from RF		\$7,679	VOIP (Part of NISC Project)
Transfer to RF		(\$10,000)	February partial contribution
Transfer from PPRF		\$155,000	high power bills, low cash flow (See Summary, below)
Transfer to PPRF		(\$18,230)	(DPI Base rate - February)
Misc. vendor payments		(\$104,085)	
carry-over encumbered for insurance		\$7,000	
Insurance payt		(\$6,090)	(final)
Encumber for PP - from Feb		\$200,000	
Encumber for PP - for March		(\$187,000)	
		<u>\$121,947</u>	

**Other Financial Information:**

Accounts Payable Balance	\$	10,419
Accounts Receivable Balance	\$	668,789

**Summary of Savings/Investments: (Not Restricted)**

Contingency/Emergency	\$	10,000
Storm Fund	\$	19,169
Working Cash Reserve	\$	60,372
Dedicated DSM Fund		
<b>Total Savings/Investment (NR)</b>	<b>\$</b>	<b>89,541</b>

Year-End Reconciliation Account	\$	5,700
Restricted Account(Debt/Capital)	\$	432,498
Restricted Account (RSF)	\$	-
Restricted Account(Purchase Pwr)	\$	199,442

**Summary of PPRF Transfer:**

Power Bills Due	\$633,372
Encumbered as of 2/17	<u>\$ (480,000)</u>
	\$153,372 (rounded to \$155,000)

**Net All Saving/Investment**

\$ 727,181

**Misc. Accounts:**

Customer Deposit Holding Account	\$	256,870
Working Capital - on Deposit w/ ENE	\$	169,288
Working Capital - on Deposit w/MMWI	\$	2,232

**Restricted Fund 2014 \$ 306,000**

Jan-14	\$	15,000
Feb-14	\$	10,000
Mar-14		
Apr-14		
May-14		
Jun-14		
Jul-14		
Aug-14		
Sep-14		
Oct-14		
Nov-14		
Dec-14	\$	-
<b>Total Transfer</b>	<b>\$</b>	<b>25,000</b>

**Annual Funding Level**  
\$ 306,000

**% Complete**  
8%

**Funding Requirement**  
\$ 281,000

**Storm Fund - 2014 \$ 20,000**

Q/E 3/14		
Q/E 6/14		
Q/E 9/14		
Q/E 12/14		
<b>Total Transfer</b>	<b>\$</b>	<b>-</b>

**Annual Funding Level**  
\$ 20,000

**% Complete**  
0%

**Funding Requirement**  
\$ 20,000

**Summary of Cash Flow - March 2014**

Testimony Exhibit JRA-1

Operating Cash balance forward	\$ 121,947	
Projected Purchased Power Expenses:		
ENE	(\$205,266)	
Project 6 (MMWEC & HQ)	(\$84,862)	
NYPA	(\$99,031)	
ENE/ISO	<u>(\$205,174)</u>	
		(\$594,333)

Customer Payments	\$ 927,653	
NSF cks	(\$845)	
Payroll, benefits	(\$122,924)	
Transfer from RF	\$4,154	2 workstations; and continuation of VOIP project
Transfer to RF	(\$20,000)	
Transfer to PPRF	(\$18,230)	(DPI Base rate - March)
Misc. vendor payments	(\$98,793)	
Encumber for PP - from March	\$187,000	
Encumber for PP - for Spril	(\$252,000)	
	<u>\$133,629</u>	

**Other Financial Information:**

Accounts Payable Balance	\$ 41,111
Accounts Receivable Balance	\$ 521,786

**Summary of Savings/Investments: (Not Restricted)**

Contingency/Emergency	\$ 10,000
Storm Fund	\$ 24,169
Working Cash Reserve	\$ 55,372
Dedicated DSM Fund	
<b>Total Savings/Investment (NR)</b>	<u>\$ 89,541</u>

Year-End Reconciliation Account	\$ 5,700
Restricted Account(Debt/Capital)	\$ 448,344
Restricted Account (RSF)	\$ -
Restricted Account(Purchase Pwr)	<u>\$ 217,672</u>

**Net All Saving/Investment**

\$ 761,257

**Misc. Accounts:**

Customer Deposit Holding Account	\$ 256,870
Working Capital - on Deposit w/ ENE	\$ 169,288
Working Capital - on Deposit w/MMWE	\$ 2,232

**Restricted Fund 2014** \$ 306,000

Jan-14	\$ 15,000
Feb-14	\$ 10,000
Mar-14	\$ 20,000
Apr-14	
May-14	
Jun-14	
Jul-14	
Aug-14	
Sep-14	
Oct-14	
Nov-14	
Dec-14	\$ -

<b>Total Transfer</b>	<u>\$ 45,000</u>	<u>Annual</u>		
		<u>Funding Level</u>	<u>%</u>	<u>Funding</u>
		\$ 306,000	15%	\$ 261,000

**Storm Fund - 2014** \$ 20,000

Q/E 3/14	\$ 5,000
Q/E 6/14	
Q/E 9/14	
Q/E 12/14	
<b>Total Transfer</b>	<u>\$ 5,000</u>

	<u>Annual</u>		
	<u>Funding Level</u>	<u>%</u>	<u>Funding</u>
	\$ 20,000	25%	\$ 15,000

	<u>Summary of Accounts Payable (1)</u>				Balance
	1 - 30 Days	31 - 60 Days	61 - 90 Days	Over 90 Days	
Jan 09	\$ -				\$ -
Feb 09	\$ 13,230				\$ 13,230
Mar 09	\$ 13,288				\$ 13,288
Apr 09	\$ 25,323				\$ 25,323
May 09	\$ 21,821				\$ 21,821
June 09	\$ 18,199				\$ 18,199
July 09	\$ 6,518				\$ 6,518
Aug 09	\$ -				\$ -
Sept 09	\$ 49,415				\$ 49,415
Oct 09	\$ 6,312				\$ 6,312
Nov 09	\$ 5,337				\$ 5,337
Jan 10	\$ 9,116				\$ 9,116
Feb 10	\$ 39,077				\$ 39,077
Mar 10	\$ 28,985				\$ 28,985
April 10	\$ 38,946				\$ 38,946
May 10	\$ 40,566				\$ 40,566
June 10	\$ 42,652				\$ 42,652
July 10	\$ 33,594				\$ 33,594
Aug 10	\$ 7,249				\$ 7,249
Sept 10	\$ 7,660				\$ 7,660
Oct 10	\$ 19,673				\$ 19,673
Nov 10	\$ 12,223				\$ 12,223
Dec 10	\$ 2,980				\$ 2,980
Jan 11	\$ 88,951	\$ 19,858			\$ 108,809
Feb 11	\$ 44,864	\$ 13,321			\$ 58,185
Mar 11	\$ 53,446				\$ 53,446
Apr 11	\$ 16,400				\$ 16,400
May 11	\$ 44,575	\$ 19,206	\$ 9,211		\$ 72,992
Jun 11	\$ 40,464	\$ 5,427			\$ 45,891
Jul 11	\$ 19,194				\$ 19,194
Aug 11	\$ 34,438				\$ 34,438
Sept 11	\$ 18,850				\$ 18,850
Oct 11	\$ 6,860				\$ 6,860
Nov 11	\$ 34,014	\$ 3,699			\$ 37,713
Dec 2011	\$ 12,911				\$ 12,911
Jan 2012	\$ 3,479				\$ 3,479
Feb 2012	\$ 115				\$ 115
March 2012	\$ 14,561				\$ 14,561
April 2012	\$ 12,434				\$ 12,434
May 2012	\$ 32,972				\$ 32,972
June 2012	\$ 5,337				\$ 5,337
July 2012	\$ 2,724				\$ 2,724
August 2012	\$ 11,392				\$ 11,392
September 2012	\$ 16,890				\$ 16,890
October 2012	\$ 6,683				\$ 6,683
November 2012	\$ 14,999				\$ 14,999
December 2012	\$ 5,618				\$ 5,618
January 2013	\$ 8,272				\$ 8,272
February 2013	\$ 2,588				\$ 2,588
March 2013	\$ 245				\$ 245
April 2013	\$ 350				\$ 350
May 2013	\$ -				\$ -
June 2013	\$ 10,184				\$ 10,184
July 2013	\$ 9,697				\$ 9,697
August 2013	\$ 31,792				\$ 31,792
September 2013	\$ 5,222				\$ 5,222
October 2013	\$ 1,219				\$ 1,219
November 2013	\$ 4,590				\$ 4,590
December 2013	\$ 7,517	\$ 7,238	\$ 5,728		\$ 20,483
January 2014	\$ 9,277				\$ 9,277
February 2014	\$ 1,596	\$ 8,823			\$ 10,419
March 2014	\$ 11,974	\$ 12,243	\$ 16,895		\$ 41,112

(1) As of the end of the month, not the end of the accounting period



	<u>Summary of Accounts Receivable</u>					
	1 - 30 Days	31 - 60 Days	61 - 90 Days	Over 90 Days	Balance	
Jan 09	\$ 426,266	\$ 58,313	\$ 27,118	\$ 32,542	\$ 544,239	
Feb 09	\$ 375,162	\$ 126,308	\$ 30,128	\$ 32,923	\$ 564,521	
Mar 09	\$ 288,633	\$ 96,154	\$ 34,557	\$ 34,036	\$ 453,380	
Apr 09	\$ 308,548	\$ 83,189	\$ 33,839	\$ 43,070	\$ 468,646	
May 09	\$ 280,209	\$ 74,044	\$ 20,750	\$ 45,425	\$ 420,428	
June 09	\$ 242,255	\$ 61,515	\$ 16,289	\$ 47,399	\$ 367,458	
July 09	\$ 284,717	\$ 49,015	\$ 12,258	\$ 47,597	\$ 393,587	
Aug 09	\$ 397,771	\$ 72,486	\$ 11,777	\$ 46,798	\$ 528,832	
Sept 09	\$ 358,999	\$ 94,893	\$ 11,750	\$ 47,856	\$ 513,498	
Oct 09	\$ 288,295	\$ 79,502	\$ 16,073	\$ 47,519	\$ 431,389	
Nov 09	\$ 298,750	\$ 78,208	\$ 31,682	\$ 54,115	\$ 462,755	
Dec 09	\$ 259,706	\$ 73,488	\$ 30,139	\$ 31,840	\$ 395,173	w/o \$30,222
Jan 10	\$ 406,987	\$ 77,764	\$ 31,382	\$ 38,031	\$ 554,164	
Feb 10	\$ 374,265	\$ 87,974	\$ 33,458	\$ 43,331	\$ 539,028	
March 10	\$ 274,339	\$ 84,436	\$ 35,289	\$ 39,670	\$ 433,734	
April 10	\$ 317,238	\$ 64,922	\$ 25,397	\$ 38,791	\$ 446,348	
May 10	\$ 259,596	\$ 82,240	\$ 18,480	\$ 41,226	\$ 401,542	
June 10	\$ 296,754	\$ 51,456	\$ 16,868	\$ 40,647	\$ 405,725	
July 10	\$ 634,367	\$ 82,326	\$ 17,598	\$ 40,628	\$ 774,919	
Aug 10	\$ 414,040	\$ 91,728	\$ 15,014	\$ 41,549	\$ 562,331	
Sept 10	\$ 367,844	\$ 108,647	\$ 20,746	\$ 42,024	\$ 539,261	
Oct 10	\$ 333,354	\$ 104,968	\$ 18,835	\$ 39,190	\$ 496,347	
Nov 10	\$ 262,288	\$ 91,484	\$ 35,340	\$ 25,418	\$ 414,530	ARRA grants
Dec 10	\$ 375,702	\$ 77,928	\$ 37,338	\$ 37,649	\$ 528,617	w/o \$19,588
Jan 11	\$ 450,388	\$ 100,876	\$ 31,926	\$ 47,450	\$ 630,640	
Feb 11	\$ 448,389	\$ 131,298	\$ 39,578	\$ 51,404	\$ 670,669	
Mar 11	\$ 304,438	\$ 111,482	\$ 38,110	\$ 49,255	\$ 503,285	
Apr 11	\$ 345,832	\$ 94,256	\$ 40,915	\$ 51,256	\$ 532,259	
May 11	\$ 300,380	\$ 110,420	\$ 27,838	\$ 50,626	\$ 489,264	
Jun 11	\$ 276,381	\$ 71,421	\$ 21,131	\$ 49,402	\$ 418,335	
Jul 11	\$ 357,351	\$ 67,649	\$ 14,772	\$ 52,356	\$ 492,128	
Aug 11	\$ 416,316	\$ 102,619	\$ 13,487	\$ 52,552	\$ 584,974	
Sept 11	\$ 426,478	\$ 104,613	\$ 19,024	\$ 53,944	\$ 604,059	
Oct 11	\$ 277,270	\$ 115,253	\$ 19,070	\$ 55,117	\$ 466,710	
Nov 11	\$ 279,731	\$ 81,547	\$ 39,877	\$ 62,836	\$ 463,991	
Dec 11	\$ 310,415	\$ 80,636	\$ 31,743	\$ 45,586	\$ 468,380	w/o \$31,355
Jan 12	\$ 357,987	\$ 80,400	\$ 33,331	\$ 49,753	\$ 521,471	
Feb 12	\$ 287,214	\$ 100,680	\$ 31,835	\$ 52,032	\$ 471,761	
March 2012	\$ 262,535	\$ 81,095	\$ 36,962	\$ 50,863	\$ 431,455	
April 2012	\$ 270,258	\$ 84,771	\$ 31,753	\$ 56,978	\$ 443,760	
May 2012	\$ 243,911	\$ 69,904	\$ 22,454	\$ 55,862	\$ 392,131	
June 2012	\$ 273,935	\$ 51,677	\$ 21,763	\$ 57,536	\$ 404,911	
July 2012	\$ 322,261	\$ 62,174	\$ 12,657	\$ 57,456	\$ 454,548	
August 2012	\$ 389,238	\$ 77,173	\$ 13,826	\$ 57,775	\$ 538,012	
September 2012	\$ 450,684	\$ 98,213	\$ 13,308	\$ 58,471	\$ 620,676	
October 2012	\$ 227,297	\$ 110,469	\$ 15,766	\$ 21,373	\$ 374,905	w/o \$36,083
November 2012	\$ 304,511	\$ 59,474	\$ 36,017	\$ 25,943	\$ 425,945	
December 2012	\$ 458,273	\$ 60,113	\$ 26,149	\$ 40,248	\$ 584,783	
January 2013	\$ 329,564	\$ 85,844	\$ 32,713	\$ 43,531	\$ 491,652	
February 2013	\$ 383,060	\$ 101,903	\$ 35,440	\$ 46,106	\$ 566,509	
March 2013	\$ 290,317	\$ 85,366	\$ 28,677	\$ 50,131	\$ 454,491	
April 2013	\$ 259,318	\$ 67,822	\$ 33,749	\$ 48,731	\$ 409,620	
May 2013	\$ 228,552	\$ 68,929	\$ 22,080	\$ 45,870	\$ 365,431	
June 2013	\$ 288,616	\$ 64,757	\$ 19,800	\$ 48,036	\$ 421,209	
July 2013	\$ 287,141	\$ 53,393	\$ 16,822	\$ 47,458	\$ 404,814	
August 2013	\$ 340,709	\$ 65,483	\$ 12,813	\$ 46,749	\$ 465,754	
September 2013	\$ 289,175	\$ 72,977	\$ 15,023	\$ 45,583	\$ 422,758	
October 2013	\$ 225,915	\$ 60,602	\$ 17,463	\$ 44,486	\$ 348,466	
November 2013	\$ 369,027	\$ 56,777	\$ 26,592	\$ 23,873	\$ 476,269	w/o \$31,777
December 2013	\$ 279,105	\$ 78,898	\$ 25,738	\$ 34,618	\$ 418,359	
January 2014	\$ 395,468	\$ 71,815	\$ 31,516	\$ 40,198	\$ 538,997	
February 2014	\$ 472,925	\$ 117,649	\$ 32,657	\$ 45,558	\$ 668,789	
March 2014	\$ 318,299	\$ 114,973	\$ 43,391	\$ 45,123	\$ 521,786	

Pascoag Utility District - Electric Department  
Comparison of Current Rate vs. Proposed Rate  
Impact on a 500 Kilowatt-hour Residential Customer

Column 1 Rate at Y/E 2013	Column 2 Rate Approved December 2013 for FY 2014	Column 3 Rate Based on Actual Purchase Power Expenses To-Date
Customer Charge	Unit Cost \$ 6.00 Total \$ 6.00	Unit Cost \$ 6.00 Total \$ 6.00
Distribution	\$ 0.03922 \$ 19.61	\$ 0.03922 \$ 19.61
Transition	\$ 0.01257 \$ 6.28	\$ 0.00613 \$ 3.06
Standard Offer	\$ 0.03550 \$ 17.75	\$ 0.08056 \$ 40.28
Transmission	\$ 0.02505 \$ 12.54	\$ 0.02679 \$ 13.40
DSM/Renewable	\$ 0.00230 \$ 1.15	\$ 0.00230 \$ 1.15
Total	\$ 63.33	\$ 83.50
	Net Increase/(Decrease) \$ 13.90	Net Increase/(Decrease) \$ 6.27
	Percent Increase/(Decrease) 22%	Percent Increase/(Decrease) 8.1%
Transition	\$ 0.01257	\$ 0.00613 \$ 0.00045
SOS	\$ 0.03550	\$ 0.08056 \$ 0.01017
Transmission	\$ 0.02505	\$ 0.02679 \$ 0.00191
Total	\$ 0.07312	\$ 0.11348 \$ 0.01253
	Transition \$ 0.00568 \$(0.00689) -55%	Transition \$ 0.00613 \$ 0.00045
	SOS \$ 0.07039 \$ 0.03489 98%	SOS \$ 0.08056 \$ 0.01017
	Transmission \$ 0.02488 \$(0.00017) -1%	Transmission \$ 0.02679 \$ 0.00191
	Total \$ 0.10095 \$ 0.02784 38.1%	Total \$ 0.11348 \$ 0.01253