

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

IN RE: IN RE: PASCOAG UTILITY :
DISTRICT 2017 DEMAND SIDE : DOCKET NO. 4761
MANAGEMENT PROGRAM :

COMMISSION'S FIRST SET OF DATA REQUESTS
DIRECTED TO PASCOAG UTILITY DISTRICT

November 28, 2017

(Please respond by December 12, 2017)

- 1-1. Does the District feel that the System Benefit Charge of \$0.002 is too high, too low or just right? Please explain your answer.**

Answered by Desarae Dolan:

We are satisfied with the level of funding in the budget which allows us to promote energy conservation in our community and incentivize our customers for their energy conservation efforts. We rarely have to turn away customers who turn in an application for an Energy Star Rebate. This level of funding also allows us to create new programs when opportunities arise and gives us the ability to reallocate funds with approval, to programs that have been more successful than anticipated. We feel that the use of the different programs by our customers is cyclical so this level of funding affords us the flexibility we need to incentivize our customers based on their current needs.

- 1-2. Schedule A-2 indicates that the District proposes to eliminate the Smart Power Strips rebate program in 2018. Will Smart Power Strip rebates be included in the incentives available in the Residential Home Energy Audits program?**

Answered by Desarae Dolan:

If Smart Power Strips were recommended in the customer's home energy audit report, we would rebate them under the Follow-up to Audit Measures incentive. We include up to \$100 per audit in our Home Energy Audit budget for incentives that may not be covered under our existing residential program.

- 1-3. Has the District considered offering enhanced incentives as part of the Residential Home Energy Audit program?**

Answered by Desarae Dolan:

We offer a 10% rebate up to \$100 on items that may be suggested in the home energy audit that aren't covered by the existing residential rebate program.

1-4. Does the District's 2018 Demand Side Management (DSM) Program offer programs for low-income customers? Why or why not?

Answered by Desarae Dolan:

We do not offer specific programs for low-income customers. I did ask our staff if we ever offered low income programs in the past and was told that we tried to implement a program back in the early 2000's. The program wasn't very successful because many of our low income customers live in rental properties where the landlords weren't interested in making the necessary upgrades.

1-5. How does offering \$14,000 in rebates to NeighborWorks benefit low-income ratepayers?

Answered by Desarae Dolan:

NeighborWorks installed high efficiency, Energy Star rated heating systems because they had built similar units in National Grid territory in the past and were incentivized for it. Although we are a small, not for profit utility we tried to accommodate their request because we felt that low income customers would benefit from Energy Star rated equipment by reducing their electric and heating bills.

1-6. Rebates are intended to incentivize customers to install energy efficiency measures. Why is the District proposing \$14,000 in rebates to NeighborWorks for high efficiency heating units that NeighborWorks has already committed to install?

Answered by Desarae Dolan

NeighborWorks had contacted us in January 2017 to discuss what rebate options they would have available to them because they were committed to designing their units to Energy Star standards. They have always designed them that way because they have mostly built units in National Grid territory and have taken advantage of the incentives that they offer for building with Energy Star equipment. We didn't want to discourage them from using Energy Star equipment in Pascoag in the future. We wanted to be able to offer them something for installing Energy Star equipment in their units but we had also already created the budget for 2017. We told them that we would look to see how our programs were performing at the end of 2017 and if some of the programs were underperforming we'd seek to allocate some funds in 2017 and the remainder of the funds in 2018.

1-7. Has the District enrolled mobile homes in its energy efficiency programs? If yes, please identify how many mobile homes were enrolled annually, the energy efficiency measures provided, and the costs of those measures.

Answered by Desarae Dolan:

We do not have any mobile homes located in our territory.

1-8. Why is the 2018 DSM Program in the public interest?

Answered by Desarae Dolan:

The District believes our partnership with Energy Star is a worthwhile endeavor and in the public's best interest. We feel it is our duty to encourage our customers to buy Energy Star compliant products to help control consumption, demand, and reduce greenhouse gas emissions that are contributing to global warming. We are doing our small part by having programs available that help lessen rising energy costs, and educate the public on the need for energy efficiency and conservation to reduce greenhouse gas emissions. The programs that we have in place continue to experience a high customer demand. Our DSM Program also goes hand in hand with our commitment to keep electric rates low for all of our customers and incorporate renewable energy into our power portfolio.

1-9. Does the District continue to offer rebates for CFL lighting? If yes, does the District intend to eliminate CFL lighting rebates in 2019? Please explain your answer.

Answered by Desarae Dolan:

No, we no longer offer rebates for CFL lighting. We discontinued the CFL program in 2017.

1-10. Schedule A-2 indicates that the 2018 DMS Program budget is \$18,836 less than the 2017 DSM Program budget, with the majority of savings (\$11,602) from industrial and commercial lighting and efficiency programs. Please explain why the District targeted industrial and commercial programs for the majority of the budget reduction.

Answered by Desarae Dolan:

Each year our contact at RISE Engineering performs energy audits for our Commercial and Industrial customers that are interested, with the hope that they will commit to an energy efficiency project. Some years are better than others in regards to businesses going forward with these projects. Although we had contact with several customers this past year concerning energy efficiency projects, some chose not to go forward with their projects at this time. We based our budget on which companies have given verbal commitments to going forward with their projects which resulted in the reduction to the budget. If a project comes along during the year, we try to work with the customer and reallocate funds from underperforming programs if necessary, with approval from the Rhode Island Public Utilities Commission.

1-11. Page 10 of Schedule B. How did the District arrive at the 2018 forecasted sales of 56,966,000 kWh? How do 2018 forecasted kWh sales compare with 2017? Include the reason(s) for any difference of more than 10%.

Answered by Harle Round:

The District uses a three year average to estimate kWh sales. Please see Schedule E, which is a three year average of sales to customers with a .75 growth factor included. In

2017, we estimated kWh sales to customers to be 56,173,000 kWh. There is a 1.39% increase in kWh sales from 2017 to 2018. Please see Schedule E from 2017 and 2018, and Schedule F2 from 2017 and 2018, line 113/114, column O from Docket 4762.

1-12. Identify three aspects of the proposed 2018 DSM Program which distinguish it most from the 2017 DSM Program.

Answered by Desarae Dolan:

As I am fairly new to the role of DSM Coordinator, I have kept the program largely the same in order to gain some experience and educate myself. I am nearing the completion of my certificate in Energy Management through the American Public Power Association this year, which has helped to better inform me in my new role. The aspects that would marginally distinguish it from the 2017 program would be the removal of the Geothermal System, Smart Power Strips and Pool Pumps programs from the budget due to lack of interest. We slightly increased funding to home energy audits and slightly decreased the Change a Light program. We increased home energy audits because we feel it's a worthwhile endeavor to educate our customers on their home energy use and we believe we will deplete the funds to that program this year. We decreased the Change a Light Program because the program was underutilized this year. This has been a popular program in the past so there may not be as many rebates coming in because the LED lightbulbs last longer than their incandescent counterparts.

1-13. Schedule A-2 indicates that the District will provide \$27,000 to fund the Burrillville School Department's lighting project for the school ice rink. What amount of funding is the Burrillville School Department providing for the project?

Answered by Desarae Dolan:

The project is estimated to cost \$66,945. If the District provides a rebate of \$27,000, the Burrillville School Department will pay \$39,945.

1-14. What does the District estimate will be collected from each customer class to support the 2018 DSM Program? The 2017 DSM Program? How much was collected from each customer class to support the 2016 DSM Program?

Answered by Harle Round

Year	Residential	Commercial	Industrial
2016	\$63,967.52	\$7,166.02	\$42,387.73
2017(as of October)	\$53,044.57	\$5,719.02	\$33,022.55
2018 (estimated)	\$65,842.99	\$7,098.89	\$40,990.12

1-15. Does the District leverage federal Low-Income Home Energy Assistance Program (LIHEAP) weatherization funds in the 2018 DSM Program?

Answered by Desarae Dolan:

No, we have not been directly involved with LIHEAP weatherization funds. We typically refer our low income customers to Tri Town Community Action Program where they receive guidance on what programs are available to them.

1-16. How many residential and commercial/industrial customers are eligible to participate in the District’s energy efficiency programs?

Answered by Desarae Dolan:

To date, we have 4,074 residential customers, 276 commercial customers and 57 industrial customers that are able to participate in energy efficiency programs.

1-17. Please provide a graph or table indicating the number of customers that have received an energy audit each year from 2013 through 2017. Please provide separate answers for the residential and commercial/industrial classes.

Answered by Desarae Dolan:

Energy Audits Performed 2013-2017		
Year	Residential	Commercial/Industrial
2013	7	2
2014	18	5
2015	16	3
2016	15	3
2017 (as of October)	11	3

1-18. Please provide a graph or table indicating the number of customers that have received an energy efficiency incentive each year from 2013 through 2017. Please provide separate answers for the residential and commercial/industrial classes.

Answered by Desarae Dolan:

Amount of Energy Incentives Received by Class 2013-2017		
Year	Residential	Commercial/Industrial
2013	352	11
2014	368	8
2015	231	10
2016	252	6
2017 (as of October)	190	9

1-19. Please see page 6 and page 15. Are ductless mini-split heat pumps eligible for the \$250 incentive for oil/gas heating system replacement? Why or why not?

Answered by Desarae Dolan:

At this time we've only provided rebates for boilers and furnaces. We may look to include ductless mini-split heat pumps in the heating system rebate program in the future.

1-20. Why do administrative expenses continue to be funded at \$21,000 when each year this line item is consistently under budget?

Answered by Desarae Dolan

Each year, the Administrative program uses the majority of its funds. I've provided the last three years of administrative expenses as detailed in each of the year's reconciliation's.

Year	Administrative Expenses
2014	\$21,000.16
2015	\$20,315.00
2016	\$20,862.66

1-21. What was the total spend for administrative expenses for the last 3 years? Please include a description and itemize each expense per year.

Answered by Desarae Dolan:

Expenses	2014	2015	2016
Labor-			
Projects	\$595.71	\$817.02	\$1,534.98
Phone Calls	\$2,844.70	\$2596.35	\$3,338.77
Rebates	\$9,603.99	\$6,691.18	\$7,186.76
Reporting	\$6,213.54	\$8,720.06	\$7,436.82
Community	\$1,245.65	\$971.36	\$983.49
Supplies & Mileage	\$496.68	\$519.00	\$381.84
Totals:	\$21,000.27	\$20,315.00	\$20,862.66

Labor Costs:

Projects-This accounts for any time spent by staff for working with customers on their energy efficiency projects, pre/post inspection for commercial and industrial projects and any time dedicated to the LED streetlight program.

Phone Calls-This accounts for any time spent by staff answering phone calls related to audits, energy star and rebate questions.

Rebates-This accounts for the time staff spends on processing rebates which includes: calling back customers for additional information, researching whether a product qualifies, inputting the information into our billing system, processing credits, making notes on the customer's account, management approving rebates, sending out letters letting the customer know that the rebate has been processed and filing.

Reporting Requirements-This represents the labor spent compiling the information for the full budget, mid-year and reconciliation each year.

Community-This accounts for the meetings and time spent working on conservation projects within the community

Miscellaneous

Supplies & Mileage- This represents any mileage for traveling to meetings, supplies such as paper, envelopes, postage, copies and miscellaneous office supplies we might need for the programs.

- 1-22. Commercial and Industrial committed funds - does this include \$14,000 for the additional 56 heating units for NeighborWorks project? What is the amount of the incentive paid to NeighborWorks to date for this project?**

Answered by Desarae Dolan:

\$14,000 is included in the budget for Commercial and Industrial Committed Funds for NeighborWorks. We plan to rebate NeighborWorks \$10,000 for 40 of the completed units in December 2017.

- 1-23. Why not use the carryover from the previous year to reduce the projected budget in the current year?**

Answered by Desarae Dolan:

We appreciate the ability to use the carryover from the previous year because it gives us flexibility to work with our customers. We try not to miss an opportunity to work with our customers or the community on a conservation project. The carryover allows us to reallocate funds on programs that are underperforming to projects that could use extra funds or it might allow us to create a new program. We always seek permission from the Rhode Island Public Utilities Commission before we reallocate funds.

	A	B	C	D	E	F	G	H	I	J	K	L	M
62													
63													Schedule E
64	Summary of Energy Sales to Customers Fiscal Year 2014												
65			<u>2014</u>		<u>2013</u>		<u>2012</u>			<u>3-Year Average</u>			
66	January		5614		5074		4,840			5176			
67	February		5252		5212		4,231			4898			
68	March		4465		4108		4,352			4309			
69	April		4399		4438		4,152			4330			
70	May		4308		4349		3,826			4161			
71	June		4164		4193		4,455			4271			
72	July		4652		5026		4,684			4787			
73	August		5395		6025		5,271			5564			
74	September		4765		4817		5,715			5099			
75	October		4339		4230		3,914			4161			
76	November		4468		4543		4,157			4389			
77	December		4249		4546		4,744			4513			
78			56069		56,563		54,342			55,658			F2,Line 108
79													
80													
81	Summary of Energy Sales to Customers Fiscal Year 2015												
82			<u>2015</u>		<u>2014</u>		<u>2013</u>			<u>3-Year Average</u>			
83	January		5,487		5,614		5,074			5,392			
84	February		4,788		5,252		5,212			5,084			
85	March		5,015		4,465		4,108			4,529			
86	April		4,188		4,399		4,438			4,341			
87	May		3,979		4,308		4,349			4,212			
88	June		4,196		4,164		4,193			4,184			
89	July		4,494		4,652		5,026			4,724			
90	August		5,562		5,395		6,025			5,661			
91	September		5,452		4,765		4,817			5,011			
92	October		4,521		4,339		4,230			4,364			
93	November		4,342		4,468		4,543			4,451			
94	December		4,042		4,249		4,546			4,279			
95			56065		56,069		56,563			56,232			
96													
97													
98	Summary of Energy Sales to Customers Fiscal Year 2015												
99			<u>2016</u>		<u>2015</u>		<u>2014</u>			<u>3-Year Average</u>			
100	January		5,279		5,487		5,614			5,460			
101	February		4,840		4,788		5,252			4,960			
102	March		4,150		5,015		4,465			4,543			
103	April		4,760		4,188		4,399			4,449			
104	May		3,880		3,979		4,308			4,056			
105	June		4,087		4,196		4,164			4,149			
106	July		4,908		4,494		4,652			4,685			
107	August		5,739		5,562		5,395			5,565			
108	September		5,761		5,452		4,765			5,326			
109	October				4,521		4,339			4,430		divided by 2	
110	November				4,342		4,468			4,405		"	
111	December				4,042		4,249			4,145		"	
112					56,065		56,069			56,173			

2017 [↑]
 Estimated sales
 No growth factor

	A	B	C	D	E	F	G	H	I	J	K	L	M
80													Schedule E
81	Summary of Energy Sales to Customers Fiscal Year 2015												
82			2015		2014		2013			3-Year Average			
83	January		5,487		5,614		5,074			5,392			
84	February		4,788		5,252		5,212			5,084			
85	March		5,015		4,465		4,108			4,529			
86	April		4,188		4,399		4,438			4,341			
87	May		3,979		4,308		4,349			4,212			
88	June		4,196		4,164		4,193			4,184			
89	July		4,494		4,652		5,026			4,724			
90	August		5,562		5,395		6,025			5,661			
91	September		5,452		4,765		4,817			5,011			
92	October		4,521		4,339		4,230			4,364			
93	November		4,342		4,468		4,543			4,451			
94	December		<u>4,042</u>		<u>4,249</u>		<u>4,546</u>			4,279			
95			56065		56,069		56,563			56,232			
96													
97													
98	Summary of Energy Sales to Customers Fiscal Year 2016												
99			2016		2015		2014			3-Year Average			
100	January		5,279		5,487		5,614			5,460			
101	February		4,840		4,788		5,252			4,960			
102	March		4,150		5,015		4,465			4,543			
103	April		4,760		4,188		4,399			4,449			
104	May		3,880		3,979		4,308			4,056			
105	June		4,087		4,196		4,164			4,149			
106	July		4,908		4,494		4,652			4,685			
107	August		5,739		5,562		5,395			5,565			
108	September		5,761		5,452		4,765			5,326			
109	October		4,456		4,521		4,339			4,439			
110	November		4,155		4,342		4,468			4,322			
111	December		4,748		<u>4,042</u>		<u>4,249</u>			4,346			
112					56,065		56,069			56,299			
113													
114	Summary of Energy Sales to Customers Fiscal Year 2017												
115			2017		2016		2015			3-Year Average			
116	January		4,911		5,279		5,487			5,226			
117	February		4,758		4,840		5,487			5,028			
118	March		4,452		4,150		4,788			4,463			
119	April		4,513		4,760		5,015			4,762			
120	May		3,872		3,880		4,188			3,980			
121	June		4,216		4,087		3,979			4,094			
122	July		5,068		4,908		4,196			4,724			
123	August		4,928		5,739		4,494			5,054			
124	September		4,799		5,761		5,562			5,374			
125	October				4,456		5,452			4,954	Divided By 2		
126	November				4,155		4,521			4,338	"		
127	December		-		4,748		<u>4,342</u>			4,545	"		
128			41,516		58,779		57,510			56,542	mw		

2018
 .75% Increase
 Growth factor
 $56,542 \times 0.0075 =$
 424.06 * mw
 $=$

56,542
 424

 56,966 mw

or: 56,966,000 kWh

