



PASCOAG
UTILITY DISTRICT

Pascoag Electric • Pascoag Water

253 Pascoag Main Street
P.O. Box 107
Pascoag, RI 02859
Phone: 401-568-6222
TTY via RI Relay: 711
Fax: 401-568-0066
www.pud-ri.org

September 9, 2021

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

Re: RIPUC Docket No. 5134
Division 2nd Data Request

Dear Ms. Massaro:

On behalf of Pascoag Utility District Electric Department (Pascoag or the District), we herewith file an original and nine copies of Pascoag's responses to Division's Second Set of Data Requests.

If you have any questions, please do not hesitate to contact me.

Very truly yours,

Harle J Young
Manager of Finance and Customer Service

Service list

**STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION**

IN RE: PASCOAG UTILITY DISTRICT : DOCKET NO. 5134
APPLICATION TO CHANGE RATES :

**Second Set of Data Requests of the
Division of Public Utilities and Carriers to
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DIV 2-1 Mr. Bebyn's direct testimony at page 3, lines 7, indicates that the test year being used is the 12 months, July 1, 2019 to June 30, 2020. Mr. Bebyn's direct testimony at page 10, line 14 indicates that the interim year is the fiscal year ending 2021 (FYE 2021, the interim year). Mr. Bebyn's direct testimony at page 6, line 3, indicates that the Rate Year is July 1, 2019 – June 30, 2020. The Company's March 19, 2021 letter submitted with its rate increase application states that: "The new rates, as proposed, are requested to become effective October 1, 2021. PUD is seeking a rate increase over test year revenue of \$379,332, which translates to a 4.72% increase over test year revenues." It appears clear from Mr. Bebyn's schedules that the test year being used by PUD is the 12 months, July 1, 2019 to June 30, 2020; however, it is less clear what interim year and rate year is being proposed by PUD. Please clarify, in terms of a 12-month calendar period (i.e., similar to this: 12-month period from July 1, 2019 to June 30, 2020): provide in electronic (Excel or Excel compatible) format copies of all schedules and workpapers created in the process of filing the current rate change application.

- a. Exactly what interim year PUD is using.
- b. Exactly what rate year PUD is proposing.
- c. How the rate year that Mr. Bebyn used in his schedules relates to the statement in PUD's March 19, 2021 letter that "The new rates, as proposed, are requested to become effective October 1, 2021."
- d. If the rate year identified in response to part b is something other than the 12-month period, October 1, 2021 through September 30, 2022, please address the time frame mismatch between PUD's proposed rate year and PUD's proposed rate effective date.

Response:

- a) PUD is using an interim year of July 1, 2020 to June 30, 2021.
- b) PUD is using a rate year of July 1, 2021 to June 30, 2022.

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c) The October 1st 2021 effective date requested anticipated the soonest available date subject to suspension period for filing, discovery and hearings.

d) As previously mentioned in Mr. Bebyn's testimony, a major reason for this filing was the new debt service, which is currently being covered by the capital reserve. Any variance due to time frame mismatch will result in the capital reserve having to cover this timing. As mentioned above, the October 1, 2021 effective date requested is anticipated to be the soonest available date subject to suspension period for filing, discovery, and hearings.

Witness Responsible: David G. Bebyn, CPA

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DIV 2-2 Referring to Mr. Bebyn's Schedule DBG-RY-2.

- a. What 12-month calendar period is represented in the column entitled: "TY 2020 Actual"?
- b. What 12-month calendar period is represented in the column entitled: "Interim Year"?
- c. What 12-month calendar period is represented in the column entitled: "Rate Year"?
- d. Is all of the information in columns that are labeled "Rate Year" in Mr. Bebyn's other Schedules consistent with the 12-month calendar period identified in response to part c? If not, identify for each schedule that uses a different calendar period for information that is labeled as "Rate Year" what calendar period is represented by that information.
- e. Is all of the information in columns that are labeled "Interim Year" in Mr. Bebyn's other Schedules consistent with the 12-month calendar period identified in response to part b? If not, identify for each schedule that uses a different calendar period for information that is labeled as "Interim Year" what calendar period is represented by that information.

Response:

- a) The TY 2020 Actual presented on Schedule DBG-RY-2 is not a 12-month calendar period but a 12-month fiscal period covering July 1, 2019 to June 30, 2020.
- b) The "Interim Year" presented on Schedule DBG-RY-2 is not a 12-month calendar period but a 12-month fiscal period covering July 1, 2020 to June 30, 2021.
- c) The "Rate Year" presented on Schedule DBG-RY-2 is not a 12-month calendar period but a 12-month fiscal period covering July 1, 2021 to June 30, 2022.
- d) Yes.

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e) Yes.

Witness Responsible: David G. Bebyn, CPA

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DIV 2-3 Refer to the response to DIV 1-7. Please provide the June 2021 power bills as soon as they are available (response suggests that they will be complete in the first week in August).

Response:

The power bills were provided in the addendum to Division's First Data Request 1-7, dated August 6, 2021.

Witness responsible: Harle Round and David G. Bebyn, CPA

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DIV 2-4 2-4. Pascoag's April 30, 2021 letter To the Board of Commissioners and customers of Pascoag Utility District, accompanying The Comprehensive Annual Financial Report of the Pascoag Utility District for the fiscal year ended December 31, 2020, at page v, states as follows:

... Pascoag after being offered a deal being put together by ENE for a consortium of Massachusetts public power entities together with Pascoag in Rhode Island, executed a transaction in late 2017 with NextEra Energy Marketing, LLC ("NextEra Hedge") that commenced on January 1, 2020. This transaction with NextEra is for a firm supply of 0.5 MW each hour from a carbon-free nuclear facility, and includes associated Nuclear-based Emissions Free Energy Certificates ("EFECs"). The price for all power and EFECs under this transaction in 2020 was \$40.87 /MWh delivered to the Mass. Hub.

- a. How does Pascoag account for the cost of the EFECs and the number of EFECs that Pascoag receives?
- b. Does Pascoag maintain inventory type account of the number of EFECs that it has and the related cost? If not, why not?
- c. How does Pascoag utilize or retire the EFECs?
- d. Do the EFECs have a market value? If so, how can that market value be determined?

Response:

- a) The Cost of EFECs is not split out in the above transaction.
- b) Pascoag keeps track of the number of EFECs and can be used to determine the amount of non-carbon generation in our portfolio.
- c) Pascoag retires the certificates they receive as part of the above transaction.
- d) Currently, EFECs have no third-party market value, as they are only valuable to the energy buyer since there is currently no market available to sell them separately.

Witness responsible: Michael Kirkwood

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DIV 2-5 Concerning Nuclear-based Emissions Free Energy Certificates ("EFECs"), please provide the following information:

- a. From January 2020 through the present, has Pascoag sold any EFECs? If so, please identify the dates of such sales, the sales proceeds and Pascoag's cost basis in the EFECs that were sold.
- b. From January 2020 through the present, has Pascoag retired any EFECs? If so, please identify the dates of such retirements, and provide the related accounting entries that Pascoag recorded related to the EFEC retirements.
- c. As of June 30, 2021, approximately how many EFECs does Pascoag have?
- d. What is Pascoag's cost basis in the quantity of EFECs that are being held as of June 30, 2021?
- e. What is the approximate market value of the EFECs that are being held by Pascoag as of June 30, 2021, and how is that market value determined?

Response:

- a) Pascoag has not sold any EFECs.
- b) The EFECs from 2020 was retired in 2021.
- c) 7,960 EFECs- from the contract with NextEra and Pascoag's entitlement in the Seabrook Nuclear Power Plant.
- d) \$0.00.
- e) \$0.00.

Witness responsible: Michael Kirkwood

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DIV 2-6 Pascoag's April 30, 2021 letter To the Board of Commissioners and customers of Pascoag Utility District, accompanying The Comprehensive Annual Financial Report of the Pascoag Utility District for the fiscal year ended December 31, 2020, at page v, states as follows:

The District has also been in discussion with several solar energy farm developers during the past few years, and reached an agreement with ISM Solar Development LLC ("ISM Solar") and National Grid in July of 2016. In summary, the agreement allows for ISM Solar, which is on the border of our service territory, to interconnect and sell energy directly to National Grid, in return for a monthly payment from ISM Solar to Pascoag of \$3,300 (\$39,600 annually) to compensate the Pascoag customers for lost benefits of power directly from a solar farm, namely potential reductions to transmission and capacity charges. These payments are passed along to our customers as savings against Standard Offer costs. The District continues to negotiate with other solar developers for a possible future agreement for a solar farm in its service territory.

- a. How has this \$39,600 of payments from ISM Solar to Pascoag been reflected in Pascoag's rate increase application? Please explain fully and identify the specific schedules, accounts and line items where this has been reflected.
- b. Will the \$39,600 of payments from ISM Solar to Pascoag related to the above- described agreement be continuing in the Rate Year? If not, explain fully why not. If so, will the amount for the Rate Year be the same \$39,600? If a different amount, please identify the expected Rate Year amount.
- c. Referring to the last sentence in the above quoted passage (i.e., "The District continues to negotiate with other solar developers for a possible future agreement for a solar farm in its service territory."), please provide a status update on further solar farm development in Pascoag's service territory.

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Response:

a) ISM Solar pays \$3,300 to PUD monthly. The payment is applied to GL 555.00 Purchase Power expense as a credit, which reduces the purchase power expense.

Witness responsible: Harle Young and David G. Bebyn, CPA

b) Yes, ISM Solar will make fixed annual payments to PUD of \$39,600, in monthly installments of \$3,300 for every month that the project operates over a 20-year term.

Witness responsible: Harle Young and David G. Bebyn, CPA

c) To date, the only recent solar developments in our service territory have been the net-metered variety for residential customers. We continue to have periodic discussions with solar farm developers who inquire about particular larger parcels of interest. Still, no project of this type has moved past the discussion phase at this time.

Witness responsible: Michael Kirkwood

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DIV 2-7 Debt service and funding capital. Refer to Schedule DGB-RY-3, page 2, account 505-4270, LTD, and to Schedule DGB-RY-11.

- a. Please provide a schedule showing how the \$113,600 Funding Debt Service amount for each year listed on Schedule DGB-RY-11 is broken out between principal and interest.
- b. Is the \$28,400 Funding Capital amount that is shown on Schedule DGB-RY-11 reflected somewhere on Schedule DGB-RY-3? If so, where?
- c. Are any of the \$306,200 annual "Funding" amounts that are listed on Schedule DGB-RY-11 reflected somewhere on Schedule DGB-RY-3? If so, where?
- d. Are any of the annual amounts that are listed on Schedule DGB-RY-11 in the column "Capital Budget expense (per M. Kirkwood testimony)" reflected somewhere on Schedule DGB-RY-3? If so, where is that reflected on Schedule DGB-RY-3 and which year's amounts from Schedule DGB-RY-11 are being used?
- e. Referring to the "Funding Debt Service" amounts on Schedule DGB-RY-11, do those apply only to Pascoag's electric utility? If not, please show the allocation of those amounts between Pascoag's water and electric utility operations.

Response:

- a) Please see the PDF attachment 2-7a., which shows the break out of principal, interest and RIIB fees On the RIIB PAUD-EB-FY20 Loan.
- b) No. What schedule DGB-11 shows is that there is a sufficient capital reserve balance to allow a portion of the current year's capital funding to provide coverage for the debt. Since the coverage is not an actual expenditure for the year, the amount held for the coverage for one year can be expended the following year. As a result, no additional annual funding is needed to meet the coverage.
- c) The annual funding of \$306,200 listed on Schedule DGB-RY-11 is presented on page 2 of 2 listed on Schedule DGB-RY-3 under Future Capital account, which is part of the Maintenance Expenses---General grouping.
- d) The amounts listed on Schedule DGB-RY-11 regarding M. Kirkwood's

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testimony were an attachment to his testimony. Those amounts have subsequently attached a schedule in response to DIV 1-22.

e) Yes.

Witness responsible: Harle Young and David G. Bebyn, CPA

NET DEBT SERVICE

Rhode Island Infrastructure Bank
 2020 Efficient Buildings Fund Loan
 Pascoag Utility District Issue
 Preliminary, Subject to Change

*RIIB
 elec*

Electric Substation

Date	Principal	Interest	Total Debt Service	RIIB Fee (0.30%)	Net Debt Service	Annual Net D/S
09/01/2020	65,000	6,355.16	71,355.16	1,348.09	72,703.25	
12/31/2020						72,703.25
03/01/2021		9,767.97	9,767.97	2,031.07	11,799.04	
09/01/2021	90,000	9,767.97	99,767.97	2,031.07	101,799.04	
12/31/2021						113,598.08
03/01/2022		9,398.97	9,398.97	1,896.07	11,295.04	
09/01/2022	91,000	9,398.97	100,398.97	1,896.07	102,295.04	
12/31/2022						113,590.08
03/01/2023		8,984.92	8,984.92	1,759.57	10,744.49	
09/01/2023	91,000	8,984.92	99,984.92	1,759.57	101,744.49	
12/31/2023						112,488.98
03/01/2024		8,529.92	8,529.92	1,623.07	10,152.99	
09/01/2024	92,000	8,529.92	100,529.92	1,623.07	102,152.99	
12/31/2024						112,305.98
03/01/2025		8,042.32	8,042.32	1,485.07	9,527.39	
09/01/2025	93,000	8,042.32	101,042.32	1,485.07	102,527.39	
12/31/2025						112,054.78
03/01/2026		7,530.82	7,530.82	1,345.57	8,876.39	
09/01/2026	94,000	7,530.82	101,530.82	1,345.57	102,876.39	
12/31/2026						111,752.78
03/01/2027		6,995.02	6,995.02	1,204.57	8,199.59	
09/01/2027	95,000	6,995.02	101,995.02	1,204.57	103,199.59	
12/31/2027						111,399.18
03/01/2028		6,425.02	6,425.02	1,062.07	7,487.09	
09/01/2028	96,000	6,425.02	102,425.02	1,062.07	103,487.09	
12/31/2028						110,974.18
03/01/2029		5,820.22	5,820.22	918.07	6,738.29	
09/01/2029	98,000	5,820.22	103,820.22	918.07	104,738.29	
12/31/2029						111,476.58
03/01/2030		5,168.52	5,168.52	771.07	5,939.59	
09/01/2030	99,000	5,168.52	104,168.52	771.07	104,939.59	
12/31/2030						110,879.18
03/01/2031		4,376.52	4,376.52	622.57	4,999.09	
09/01/2031	101,000	4,376.52	105,376.52	622.57	105,999.09	
12/31/2031						110,998.18
03/01/2032		3,452.37	3,452.37	471.07	3,923.44	
09/01/2032	102,000	3,452.37	105,452.37	471.07	105,923.44	
12/31/2032						109,846.88
03/01/2033		2,401.77	2,401.77	318.07	2,719.84	
09/01/2033	105,000	2,401.77	107,401.77	318.07	107,719.84	
12/31/2033						110,439.68
03/01/2034		1,231.02	1,231.02	160.57	1,391.59	
09/01/2034	107,045	1,231.02	108,276.02	160.57	108,436.59	
12/31/2034						109,828.18
	1,419,045	182,605.92	1,601,650.92	32,685.05	1,634,335.97	1,634,335.97

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DIV 2-8 Other Interest. Refer to Schedule DGB-RY-3, page 2, account 431.000, Other Interest.

- a. Please list the recorded amounts of Other Interest monthly for July 2019 through the present.
- b. For each loan upon which Other Interest was recorded into account 431.000, during the period July 2019 through the present, please identify the loan balance and the interest rate that was applicable during each month.
- c. Were any bank fees or costs other than interest expense recorded into account 431.000, during the period July 2019 through the present? If so, please identify, quantify and explain those other cost amounts by month.

Response:

- a) The other interest expense can be seen monthly in the excel spreadsheet labeled 2-8 a. The GL 431.000 Other Interest Expense is used to record PUD's interest payments on the money we hold for deposit. The interest rate for 7-1-19 to 2-29-20 was 2.91% or 0.002425 monthly. The interest rate for 3-1-20 to 2-28-21 was 2.14% or 0.0017833 monthly. Interest rate for 3-1-21 to present is 0.89% or .000742 monthly.
- b) There is no interest on any loans recorded in this GL account 431.00. Interest on Long Term loans is recorded in GL 427.000 Long Term Debt, which is listed as 505-4270 on Schedule DGB-RY-3 Page 2 of 2.
- c) No, the only expense recorded in GL 431.000 was the deposit interest paid on customer accounts.

Witness responsible: Harle Young and David G. Bebyn, CPA

08/03/2021 10:43:27 AM

GENERAL LEDGER
TRANSACTION DETAIL

Page: 1

JAN 2019 To DEC 2019

Date	Journal Description	Dept	Actv BU Project	Mod	Jrnl Reference Code	Debit	Credit	Balance
Account: 1 0431.0 Customer Deposits Interest Expense						Beginning Balance:		0.00
01/31/19	2019000013 Deposit	0	0	BI	0 Deposit Batch	89.03		89.03
01/31/19	2019000121 Deposit	0	0	BI	0 Deposit Batch	88.68		177.71
01/31/19	2019000296 Deposit	0	0	BI	0 Deposit Batch	150.74		328.45
01/31/19	2019000429 Deposit	0	0	BI	0 Deposit Batch	117.38		445.83
01/31/19	2019000533 Deposit	0	0	BI	0 Deposit Batch	123.98		569.81
01/31/19	2019000705 Deposit	0	0	BI	0 Deposit Batch	166.64		736.45
01/31/19	2019000873 Deposit	0	0	BI	0 Deposit Batch	0.29		736.74
Net Amount For JAN 2019:				736.74		736.74	0.00	
02/28/19	2019000920 Deposit	0	0	BI	0 Deposit Batch	88.46		825.20
02/28/19	2019000964 Deposit	0	0	BI	0 Deposit Batch	89.66		914.86
02/28/19	2019001128 Deposit	0	0	BI	0 Deposit Batch	153.07		1,067.93
02/28/19	2019001356 Deposit	0	0	BI	0 Deposit Batch	116.46		1,184.39
02/28/19	2019001468 Deposit	0	0	BI	0 Deposit Batch	124.35		1,308.74
02/28/19	2019001627 Deposit	0	0	BI	0 Deposit Batch	168.85		1,477.59
02/28/19	2019001713 Deposit	0	0	BI	0 Deposit Batch	0.29		1,477.88
Net Amount For FEB 2019:				741.14		741.14	0.00	
03/31/19	2019001731 Deposit	0	0	BI	0 Deposit Batch	88.63		1,566.51
03/31/19	2019001886 Deposit	0	0	BI	0 Deposit Batch	111.93		1,678.44
03/31/19	2019002075 Deposit	0	0	BI	0 Deposit Batch	190.47		1,868.91
03/31/19	2019002210 Deposit	0	0	BI	0 Deposit Batch	144.39		2,013.30
03/31/19	2019002344 Deposit	0	0	BI	0 Deposit Batch	155.81		2,169.11
03/31/19	2019002488 Deposit	0	0	BI	0 Deposit Batch	209.37		2,378.48
03/31/19	2019002695 Deposit	0	0	BI	0 Deposit Batch	0.72		2,379.20
Net Amount For MAR 2019:				901.32		901.32	0.00	
04/30/19	2019002711 Deposit	0	0	BI	0 Deposit Batch	110.81		2,490.01
04/30/19	2019002775 Deposit	0	0	BI	0 Deposit Batch	112.91		2,602.92
04/30/19	2019002960 Deposit	0	0	BI	0 Deposit Batch	190.79		2,793.71
04/30/19	2019003077 Deposit	0	0	BI	0 Deposit Batch	145.84		2,939.55
04/30/19	2019003184 Deposit	0	0	BI	0 Deposit Batch	157.65		3,097.20
04/30/19	2019003406 Deposit	0	0	BI	0 Deposit Batch	211.24		3,308.44
04/30/19	2019003521 Deposit	0	0	BI	0 Deposit Batch	0.72		3,309.16
Net Amount For APR 2019:				929.96		929.96	0.00	
05/31/19	2019003545 Deposit	0	0	BI	0 Deposit Batch	110.69		3,419.85
05/31/19	2019003682 Deposit	0	0	BI	0 Deposit Batch	113.58		3,533.43
05/31/19	2019003812 Deposit	0	0	BI	0 Deposit Batch	189.32		3,722.75
05/31/19	2019003957 Deposit	0	0	BI	0 Deposit Batch	147.51		3,870.26
05/31/19	2019004119 Deposit	0	0	BI	0 Deposit Batch	159.03		4,029.29
05/31/19	2019004236 Deposit	0	0	BI	0 Deposit Batch	213.42		4,242.71
05/31/19	2019004378 Deposit	0	0	BI	0 Deposit Batch	0.72		4,243.43
Net Amount For MAY 2019:				934.27		934.27	0.00	
06/30/19	2019004490 Deposit	0	0	BI	0 Deposit Batch	111.06		4,354.49
06/30/19	2019004549 Deposit	0	0	BI	0 Deposit Batch	113.68		4,468.17

06/30/19	2019004679	Deposit	0	0	BI	0 Deposit Batch	188.11		Attachment 28a Other Interest
06/30/19	2019004833	Deposit	0	0	BI	0 Deposit Batch	146.71	4,802.9	Page2
06/30/19	2019004994	Deposit	0	0	BI	0 Deposit Batch	158.44	4,961.43	
06/30/19	2019005143	Deposit	0	0	BI	0 Deposit Batch	214.24	5,175.67	
06/30/19	2019005265	Deposit	0	0	BI	0 Deposit Batch	0.72	5,176.39	
		Net Amount For JUN 2019:					<u>932.96</u>	0.00	
07/31/19	2019005343	Deposit	0	0	BI	0 Deposit Batch	111.79	5,288.18	
07/31/19	2019005531	Deposit	0	0	BI	0 Deposit Batch	113.74	5,401.92	
07/31/19	2019005599	Deposit	0	0	BI	0 Deposit Batch	190.55	5,592.47	
07/31/19	2019005703	Deposit	0	0	BI	0 Deposit Batch	147.14	5,739.61	
07/31/19	2019005867	Deposit	0	0	BI	0 Deposit Batch	157.21	5,896.82	
07/31/19	2019005985	Deposit	0	0	BI	0 Deposit Batch	215.51	6,112.33	
07/31/19	2019006145	Deposit	0	0	BI	0 Deposit Batch	0.42	6,112.75	
		Net Amount For JUL 2019:					<u>936.36</u>	0.00	
08/31/19	2019006210	Deposit	0	0	BI	0 Deposit Batch	115.53	6,228.28	
08/31/19	2019006306	Deposit	0	0	BI	0 Deposit Batch	114.34	6,342.62	
08/31/19	2019006456	Deposit	0	0	BI	0 Deposit Batch	189.92	6,532.54	
08/31/19	2019006593	Deposit	0	0	BI	0 Deposit Batch	149.37	6,681.91	
08/31/19	2019006738	Deposit	0	0	BI	0 Deposit Batch	157.35	6,839.26	
08/31/19	2019006912	Deposit	0	0	BI	0 Deposit Batch	214.43	7,053.69	
08/31/19	2019007011	Deposit	0	0	BI	0 Deposit Batch	0.72	7,054.41	
		Net Amount For AUG 2019:					<u>941.66</u>	0.00	
09/30/19	2019007093	Deposit	0	0	BI	0 Deposit Batch	116.03	7,170.44	
09/30/19	2019007183	Deposit	0	0	BI	0 Deposit Batch	113.39	7,283.83	
09/30/19	2019007321	Deposit	0	0	BI	0 Deposit Batch	192.58	7,476.41	
09/30/19	2019007490	Deposit	0	0	BI	0 Deposit Batch	148.58	7,624.99	
09/30/19	2019007596	Deposit	0	0	BI	0 Deposit Batch	157.99	7,782.98	
09/30/19	2019007732	Deposit	0	0	BI	0 Deposit Batch	215.99	7,998.97	
09/30/19	2019007852	Deposit	0	0	BI	0 Deposit Batch	0.36	7,999.33	
		Net Amount For SEP 2019:					<u>944.92</u>	0.00	
10/31/19	2019007874	Deposit	0	0	BI	0 Deposit Batch	120.16	8,119.49	
10/31/19	2019008020	Deposit	0	0	BI	0 Deposit Batch	115.89	8,235.38	
10/31/19	2019008210	Deposit	0	0	BI	0 Deposit Batch	191.05	8,426.43	
10/31/19	2019008332	Deposit	0	0	BI	0 Deposit Batch	152.45	8,578.88	
10/31/19	2019008456	Deposit	0	0	BI	0 Deposit Batch	159.53	8,738.41	
10/31/19	2019008637	Deposit	0	0	BI	0 Deposit Batch	217.50	8,955.91	
10/31/19	2019008792	Deposit	0	0	BI	0 Deposit Batch	0.36	8,956.27	
		Net Amount For OCT 2019:					<u>956.94</u>	0.00	
11/30/19	2019008833	Deposit	0	0	BI	0 Deposit Batch	120.40	9,076.67	
11/30/19	2019008891	Deposit	0	0	BI	0 Deposit Batch	116.19	9,192.86	
11/30/19	2019009027	Deposit	0	0	BI	0 Deposit Batch	191.09	9,383.95	
11/30/19	2019009207	Deposit	0	0	BI	0 Deposit Batch	151.21	9,535.16	
11/30/19	2019009336	Deposit	0	0	BI	0 Deposit Batch	158.68	9,693.84	
11/30/19	2019009458	Deposit	0	0	BI	0 Deposit Batch	215.86	9,909.70	
11/30/19	2019009519	Deposit	0	0	BI	0 Deposit Batch	0.36	9,910.06	
		Net Amount For NOV 2019:					<u>953.79</u>	0.00	
12/31/19	2019009679	Deposit	0	0	BI	0 Deposit Batch	117.15	10,027.21	
12/31/19	2019009759	Deposit	0	0	BI	0 Deposit Batch	115.66	10,142.87	
12/31/19	2019009917	Deposit	0	0	BI	0 Deposit Batch	192.04	10,334.91	
12/31/19	2019010094	Deposit	0	0	BI	0 Deposit Batch	153.40	10,488.31	
12/31/19	2019010258	Deposit	0	0	BI	0 Deposit Batch	158.42	10,646.73	
12/31/19	2019010343	Deposit	0	0	BI	0 Deposit Batch	219.41	10,866.14	

12/31/19 2019010448 Deposit

0 0 BI 0 Deposit Batch

Net Amount For DEC 2019: 956.44

	0.36		Attachment 28a Other Interest
	956.44	0.00	10,866.50
	10,866.50	0.00	10,866.50
	0.00	0.00	
	10,866.50	0.00	
	10,866.50	0.00	10,866.50

Subtotal For Account: 1 0431.0

Grand Total Beginning Balances:

Grand Total Transactions: 84

Grand Total:

PARAMETERS ENTERED:

Division: All

Accounts: 1 0431.0

Department: All

Activity: All

Sort By: Div/Acct

Date Selection: Period

Period: JAN 2019 To DEC 2019

Module: All

Journal Activity: All

Accounts With No Transactions: Yes

Extended Reference: No

Interface Detail: No

Group by Department: No

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PASCOAG UTILITY DISTRICT

Revision: 87975

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TRANSACTION DETAIL

JAN 2020 To DEC 2020

Date	Journal Description	Dept	Actv BU Project	Mod	Jrnl Reference Code	Debit	Credit	Balance
Account: 1 0431.0 Customer Deposits Interest Expense						Beginning Balance:		0.00
01/31/20	2019010557 Deposit	0	0	BI	0 Deposit Batch	118.39		118.39
01/31/20	2020000094 Deposit	0	0	BI	0 Deposit Batch	115.76		234.15
01/31/20	2020000244 Deposit	0	0	BI	0 Deposit Batch	193.12		427.27
01/31/20	2020000363 Deposit	0	0	BI	0 Deposit Batch	154.28		581.55
01/31/20	2020000518 Deposit	0	0	BI	0 Deposit Batch	160.95		742.50
01/31/20	2020000631 Deposit	0	0	BI	0 Deposit Batch	220.49		962.99
01/31/20	2020000800 Deposit	0	0	BI	0 Deposit Batch	0.36		963.35
Net Amount For JAN 2020:				963.35		963.35	0.00	
02/29/20	2020000873 Deposit	0	0	BI	0 Deposit Batch	120.51		1,083.86
02/29/20	2020000946 Deposit	0	0	BI	0 Deposit Batch	116.35		1,200.21
02/29/20	2020001109 Deposit	0	0	BI	0 Deposit Batch	195.33		1,395.54
02/29/20	2020001227 Deposit	0	0	BI	0 Deposit Batch	156.02		1,551.56
02/29/20	2020001385 Deposit	0	0	BI	0 Deposit Batch	161.12		1,712.68
02/29/20	2020001479 Deposit	0	0	BI	0 Deposit Batch	220.50		1,933.18
02/29/20	2020001633 Deposit	0	0	BI	0 Deposit Batch	0.36		1,933.54
Net Amount For FEB 2020:				970.19		970.19	0.00	
03/31/20	2020001664 Deposit	0	0	BI	0 Deposit Batch	120.70		2,054.24
03/31/20	2020001805 Deposit	0	0	BI	0 Deposit Batch	87.32		2,141.56
03/31/20	2020001924 Deposit	0	0	BI	0 Deposit Batch	146.89		2,288.45
03/31/20	2020002092 Deposit	0	0	BI	0 Deposit Batch	117.48		2,405.93
03/31/20	2020002249 Deposit	0	0	BI	0 Deposit Batch	120.74		2,526.67
03/31/20	2020002344 Deposit	0	0	BI	0 Deposit Batch	165.97		2,692.64
03/31/20	2020002491 Deposit	0	0	BI	0 Deposit Batch	0.27		2,692.91
Net Amount For MAR 2020:				759.37		759.37	0.00	
04/30/20	2020002528 Deposit	0	0	BI	0 Deposit Batch	88.94		2,781.85
04/30/20	2020002627 Deposit	0	0	BI	0 Deposit Batch	88.48		2,870.33
04/30/20	2020002735 Deposit	0	0	BI	0 Deposit Batch	147.42		3,017.75
04/30/20	2020002879 Deposit	0	0	BI	0 Deposit Batch	116.14		3,133.89
04/30/20	2020002988 Deposit	0	0	BI	0 Deposit Batch	122.20		3,256.09
04/30/20	2020003137 Deposit	0	0	BI	0 Deposit Batch	167.23		3,423.32
04/30/20	2020003261 Deposit	0	0	BI	0 Deposit Batch	0.39		3,423.71
Net Amount For APR 2020:				730.80		730.80	0.00	
05/31/20	2020003301 Deposit	0	0	BI	0 Deposit Batch	88.94		3,512.65
05/31/20	2020003368 Deposit	0	0	BI	0 Deposit Batch	88.53		3,601.18
05/31/20	2020003487 Deposit	0	0	BI	0 Deposit Batch	147.04		3,748.22
05/31/20	2020003635 Deposit	0	0	BI	0 Deposit Batch	118.38		3,866.60
05/31/20	2020003762 Deposit	0	0	BI	0 Deposit Batch	122.26		3,988.86
05/31/20	2020003861 Deposit	0	0	BI	0 Deposit Batch	167.74		4,156.60
05/31/20	2020003983 Deposit	0	0	BI	0 Deposit Batch	0.27		4,156.87
Net Amount For MAY 2020:				733.16		733.16	0.00	

06/30/20	2020004036	Deposit	0	0	BI	0 Deposit Batch	88.58		4,245.45
06/30/20	2020004174	Deposit	0	0	BI	0 Deposit Batch	88.08		4,333.53
06/30/20	2020004256	Deposit	0	0	BI	0 Deposit Batch	148.11		4,481.64
06/30/20	2020004407	Deposit	0	0	BI	0 Deposit Batch	117.93		4,599.57
06/30/20	2020004544	Deposit	0	0	BI	0 Deposit Batch	122.89		4,722.46
06/30/20	2020004710	Deposit	0	0	BI	0 Deposit Batch	168.91		4,891.37
06/30/20	2020004820	Deposit	0	0	BI	0 Deposit Batch	0.27		4,891.64
		Net Amount For JUN 2020:					734.77	0.00	
07/31/20	2020004870	Deposit	0	0	BI	0 Deposit Batch	88.58		4,980.22
07/31/20	2020004950	Deposit	0	0	BI	0 Deposit Batch	88.67		5,068.89
07/31/20	2020005102	Deposit	0	0	BI	0 Deposit Batch	148.12		5,217.01
07/31/20	2020005284	Deposit	0	0	BI	0 Deposit Batch	119.03		5,336.04
07/31/20	2020005422	Deposit	0	0	BI	0 Deposit Batch	122.68		5,458.72
07/31/20	2020005551	Deposit	0	0	BI	0 Deposit Batch	169.75		5,628.47
07/31/20	2020005655	Deposit	0	0	BI	0 Deposit Batch	0.27		5,628.74
		Net Amount For JUL 2020:					737.10	0.00	
08/31/20	2020005710	Deposit	0	0	BI	0 Deposit Batch	88.58		5,717.32
08/31/20	2020005879	Deposit	0	0	BI	0 Deposit Batch	88.95		5,806.27
08/31/20	2020006015	Deposit	0	0	BI	0 Deposit Batch	148.22		5,954.49
08/31/20	2020006165	Deposit	0	0	BI	0 Deposit Batch	119.17		6,073.66
08/31/20	2020006342	Deposit	0	0	BI	0 Deposit Batch	123.07		6,196.73
08/31/20	2020006457	Deposit	0	0	BI	0 Deposit Batch	170.38		6,367.11
08/31/20	2020006607	Deposit	0	0	BI	0 Deposit Batch	0.27		6,367.38
		Net Amount For AUG 2020:					738.64	0.00	
09/09/20	2020006824	Journal Entry	0	0	GL	0 reverse interest a conversion problem		8.06	6,359.32
09/30/20	2020006635	Deposit	0	0	BI	0 Deposit Batch	88.24		6,447.56
09/30/20	2020006763	Deposit	0	0	BI	0 Deposit Batch	89.13		6,536.69
09/30/20	2020006912	Deposit	0	0	BI	0 Deposit Batch	147.91		6,684.60
09/30/20	2020007036	Deposit	0	0	BI	0 Deposit Batch	120.55		6,805.15
09/30/20	2020007198	Deposit	0	0	BI	0 Deposit Batch	123.55		6,928.70
09/30/20	2020007316	Deposit	0	0	BI	0 Deposit Batch	171.40		7,100.10
09/30/20	2020007464	Deposit	0	0	BI	0 Deposit Batch	0.27		7,100.37
		Net Amount For SEP 2020:					741.05	8.06	
10/31/20	2020007513	Deposit	0	0	BI	0 Deposit Batch	88.32		7,188.69
10/31/20	2020007607	Deposit	0	0	BI	0 Deposit Batch	89.62		7,278.31
10/31/20	2020007772	Deposit	0	0	BI	0 Deposit Batch	148.38		7,426.69
10/31/20	2020007938	Deposit	0	0	BI	0 Deposit Batch	122.52		7,549.21
10/31/20	2020008063	Deposit	0	0	BI	0 Deposit Batch	124.29		7,673.50
10/31/20	2020008187	Deposit	0	0	BI	0 Deposit Batch	172.24		7,845.74
10/31/20	2020008349	Deposit	0	0	BI	0 Deposit Batch	0.27		7,846.01
		Net Amount For OCT 2020:					745.64	0.00	
11/30/20	2020008381	Deposit	0	0	BI	0 Deposit Batch	85.02		7,931.03
11/30/20	2020008507	Deposit	0	0	BI	0 Deposit Batch	90.22		8,021.25
11/30/20	2020008620	Deposit	0	0	BI	0 Deposit Batch	149.35		8,170.60
11/30/20	2020008793	Deposit	0	0	BI	0 Deposit Batch	122.00		8,292.60
11/30/20	2020008903	Deposit	0	0	BI	0 Deposit Batch	126.92		8,419.52
11/30/20	2020009011	Deposit	0	0	BI	0 Deposit Batch	171.81		8,591.33
11/30/20	2020009116	Deposit	0	0	BI	0 Deposit Batch	0.27		8,591.60
		Net Amount For NOV 2020:					745.59	0.00	
12/31/20	2020009185	Deposit	0	0	BI	0 Deposit Batch	85.91		8,677.51

12/31/20	2020009244	Deposit	0	0	BI	0 Deposit Batch	90.98		8,768.49
12/31/20	2020009453	Deposit	0	0	BI	0 Deposit Batch	152.36		8,920.85
12/31/20	2020009574	Deposit	0	0	BI	0 Deposit Batch	122.98		9,043.83
12/31/20	2020009722	Deposit	0	0	BI	0 Deposit Batch	126.24		9,170.07
12/31/20	2020009821	Deposit	0	0	BI	0 Deposit Batch	170.91		9,340.98
12/31/20	2020009944	Deposit	0	0	BI	0 Deposit Batch	0.27		9,341.25
Net Amount For DEC 2020:				749.65			<u>749.65</u>	<u>0.00</u>	
Subtotal For Account: 1 0431.0							<u>9,349.31</u>	<u>8.06</u>	9,341.25
Grand Total Beginning Balances:							0.00	0.00	
Grand Total Transactions: 85							<u>9,349.31</u>	<u>8.06</u>	
Grand Total:							<u><u>9,349.31</u></u>	<u><u>8.06</u></u>	9,341.25

PARAMETERS ENTERED:

Division: All
Accounts: 1 0431.0
Department: All
Activity: All
Sort By: Div/Acct
Date Selection: Period
Period: JAN 2020 To DEC 2020
Module: All
Journal Activity: All
Accounts With No Transactions: Yes
Extended Reference: No
Interface Detail: No
Group by Department: No

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PASCOAG UTILITY DISTRICT

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TRANSACTION DETAIL

JAN 2021 To JUL 2021

Date	Journal Description	Dept	Actv BU Project	Mod	Jrnl Reference Code	Debit	Credit	Balance
Account: 1 0431.0 Customer Deposits Interest Expense						Beginning Balance:		0.00
01/31/21	2020010047 Deposit	0	0	BI	0 Deposit Batch	86.04		86.04
01/31/21	2021000040 Deposit	0	0	BI	0 Deposit Batch	90.64		176.68
01/31/21	2021000224 Deposit	0	0	BI	0 Deposit Batch	152.29		328.97
01/31/21	2021000317 Deposit	0	0	BI	0 Deposit Batch	123.58		452.55
01/31/21	2021000491 Deposit	0	0	BI	0 Deposit Batch	126.41		578.96
01/31/21	2021000572 Deposit	0	0	BI	0 Deposit Batch	173.10		752.06
01/31/21	2021000734 Deposit	0	0	BI	0 Deposit Batch	0.27		752.33
Net Amount For JAN 2021:				752.33		752.33	0.00	
02/28/21	2021000780 Deposit	0	0	BI	0 Deposit Batch	85.85		838.18
02/28/21	2021000955 Deposit	0	0	BI	0 Deposit Batch	91.05		929.23
02/28/21	2021001098 Deposit	0	0	BI	0 Deposit Batch	155.26		1,084.49
02/28/21	2021001263 Deposit	0	0	BI	0 Deposit Batch	125.93		1,210.42
02/28/21	2021001333 Deposit	0	0	BI	0 Deposit Batch	127.68		1,338.10
02/28/21	2021001516 Deposit	0	0	BI	0 Deposit Batch	173.95		1,512.05
02/28/21	2021001534 Deposit	0	0	BI	0 Deposit Batch	0.27		1,512.32
Net Amount For FEB 2021:				759.99		759.99	0.00	
03/31/21	2021001610 Deposit	0	0	BI	0 Deposit Batch	85.91		1,598.23
03/31/21	2021001802 Deposit	0	0	BI	0 Deposit Batch	37.21		1,635.44
03/31/21	2021001914 Deposit	0	0	BI	0 Deposit Batch	63.17		1,698.61
03/31/21	2021002049 Deposit	0	0	BI	0 Deposit Batch	51.72		1,750.33
03/31/21	2021002240 Deposit	0	0	BI	0 Deposit Batch	52.39		1,802.72
03/31/21	2021002357 Deposit	0	0	BI	0 Deposit Batch	71.06		1,873.78
03/31/21	2021002514 Deposit	0	0	BI	0 Deposit Batch	0.11		1,873.89
Net Amount For MAR 2021:				361.57		361.57	0.00	
04/30/21	2021002551 Deposit	0	0	BI	0 Deposit Batch	35.50		1,909.39
04/30/21	2021002640 Deposit	0	0	BI	0 Deposit Batch	36.98		1,946.37
04/30/21	2021002804 Deposit	0	0	BI	0 Deposit Batch	63.60		2,009.97
04/30/21	2021002928 Deposit	0	0	BI	0 Deposit Batch	51.84		2,061.81
04/30/21	2021003096 Deposit	0	0	BI	0 Deposit Batch	52.62		2,114.43
04/30/21	2021003269 Deposit	0	0	BI	0 Deposit Batch	71.59		2,186.02
04/30/21	2021003392 Deposit	0	0	BI	0 Deposit Batch	0.11		2,186.13
Net Amount For APR 2021:				312.24		312.24	0.00	
05/31/21	2021003453 Deposit	0	0	BI	0 Deposit Batch	36.22		2,222.35
05/31/21	2021003551 Deposit	0	0	BI	0 Deposit Batch	36.90		2,259.25
05/31/21	2021003673 Deposit	0	0	BI	0 Deposit Batch	64.22		2,323.47
05/31/21	2021003843 Deposit	0	0	BI	0 Deposit Batch	51.66		2,375.13
05/31/21	2021004005 Deposit	0	0	BI	0 Deposit Batch	52.38		2,427.51
05/31/21	2021004120 Deposit	0	0	BI	0 Deposit Batch	71.37		2,498.88
05/31/21	2021004213 Deposit	0	0	BI	0 Deposit Batch	0.11		2,498.99
Net Amount For MAY 2021:				312.86		312.86	0.00	

06/30/21	2021004258	Deposit	0	0	BI	0 Deposit Batch	35.92		2,534.91
06/30/21	2021004429	Deposit	0	0	BI	0 Deposit Batch	37.26		2,572.17
06/30/21	2021004597	Deposit	0	0	BI	0 Deposit Batch	64.76		2,636.93
06/30/21	2021004722	Deposit	0	0	BI	0 Deposit Batch	51.80		2,688.73
06/30/21	2021004882	Deposit	0	0	BI	0 Deposit Batch	52.82		2,741.55
06/30/21	2021005055	Deposit	0	0	BI	0 Deposit Batch	71.42		2,812.97
06/30/21	2021005162	Deposit	0	0	BI	0 Deposit Batch	0.11		2,813.08
		Net Amount For JUN 2021:		314.09			<u>314.09</u>	<u>0.00</u>	
07/31/21	2021005208	Deposit	0	0	BI	0 Deposit Batch	36.18		2,849.26
07/31/21	2021005343	Deposit	0	0	BI	0 Deposit Batch	37.44		2,886.70
07/31/21	2021005515	Deposit	0	0	BI	0 Deposit Batch	64.41		2,951.11
07/31/21	2021005620	Deposit	0	0	BI	0 Deposit Batch	52.17		3,003.28
07/31/21	2021005693	Deposit	0	0	BI	0 Deposit Batch	53.24		3,056.52
07/31/21	2021005860	Deposit	0	0	BI	0 Deposit Batch	71.50		3,128.02
07/31/21	2021006007	Deposit	0	0	BI	0 Deposit Batch	0.13		3,128.15
		Net Amount For JUL 2021:		315.07			<u>315.07</u>	<u>0.00</u>	
Subtotal For Account:	1 0431.0						<u>3,128.15</u>	<u>0.00</u>	3,128.15
Grand Total Beginning Balances:							0.00	0.00	
Grand Total Transactions:	49						<u>3,128.15</u>	<u>0.00</u>	
Grand Total:							<u><u>3,128.15</u></u>	<u><u>0.00</u></u>	3,128.15

PARAMETERS ENTERED:

Division: All
Accounts: 1 0431.0
Department: All
Activity: All
Sort By: Div/Acct
Date Selection: Period
Period: JAN 2021 To JUL 2021
Module: All
Journal Activity: All
Accounts With No Transactions: Yes
Extended Reference: No
Interface Detail: No
Group by Department: No

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**STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION**

IN RE: PASCOAG UTILITY DISTRICT : DOCKET NO. 5134
APPLICATION TO CHANGE RATES :

**Second Set of Data Requests of the
Division of Public Utilities and Carriers to
Pascoag Utility District**

DIV 2-9 Good Neighbor Energy Fund and Uncollectibles. Refer to the response to DIV 1-16.

- a. By applying the Good Neighbor Energy Fund amounts to the oldest accounts receivable balances, is PUD able to collect the revenue associated with those billings and thus avoid having to write off those accounts receivable amounts as bad debts? If not, explain fully why not.
- b. The Company's response to DIV 1-16 refers to "the write off account." Is that "write off account" the same as account 904.000, Uncollectible Accounts Expense, which is listed on Schedule DGB-RY-3, page 1 of 2, for which PUD had a test year expense of \$44,172 and is proposing an "Adjusted Rate Year" amount of \$37,319? If not, explain fully.
- c. How does the Company determine amounts that are recorded in the "write off account"? Explain fully and provide an illustrative example.

Response:

- a) Yes, the funds help these customers lower their arrearage and help to keep customers from applying for the Arrearage Management Program (AMP).
- b) Yes, the write-off account is GL 904.00 Uncollectible Accounts.
- c) The District hits GL 904.00 when a customer enters into an Arrearage Management Program and meets the requirements for forgiveness. We also hit this GL account when a customer files for Bankruptcy. In September or October, we run a Bad Debt White-off report with a disconnect compare date of August 31 of that year. This report will give us all of the disconnected or final billed accounts and still have balances. The customer service representatives (CSR) then go through this list to see if the customer has moved to another location within our territory. The CSR transfers the balance to their active account if applicable. They also make phone calls to try to encourage payment from customers who have left our area. They prepare a final report and present it to the Board of Commissions for approval to write the accounts off. The average write-off per year over the past eight years is \$33,584. The highest is \$53,513 and the least amount being \$20,424.

2013	2014	2015	2016	2017	2018	2019	2020
\$21,574	\$32,460	\$38,195	\$53,514	\$32,323	\$32,418	\$38,348	\$20,424

Witness responsible: Harle Young and David G. Bebyn, CPA

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DIV 2-10 Allocation of common costs between Pascoag electric and water. Refer to Schedules DGB-RY-7, DGB-RY-8, and any other schedules reflecting an allocation of Pascoag costs between electric and water.

- a. Show in detail how the 80% Electric / 20% Water allocation used on Schedule DGB-RY-8 and elsewhere was developed.
- b. On Schedule DGB-RY-7 each position shown there has an allocation of more than 80% to Electric and less than 20% to Water. Identify and provide the supporting documentation for each Electric and Water allocation shown on Schedule DGB-RY-7 and explain in detail why for each position listed there more than 80% is being allocated to Electric (and less than 20% to Water).
- c. Do any of the Pascoag personnel listed on Schedule DBG-RY-2 prepare time reports or keep records of whether they are working on (1) general, (2) electric utility or (3) water utility matters? If not, explain fully why not. If so, please identify and provide the time reporting records for 2020 and to-date for calendar 2021.

Response:

a) PUD bases this allocation upon the total number of customers. There are 4671 customers in electric and 1086 customers in water. These counts result in an 80/20 split.

b) During the budget meetings each year, the time for each position is determined based on projects and daily processes. Many of the processes that are done in the office are performed together for both water and electric. It would be very difficult to keep a timesheet. The District has always created an Administrative transfer sheet as seen in schedule DGB-RY-7 and we book the entry to the general ledger monthly. Two customer service representatives process payments, take walk-in customers, process applications, and answer phones. They have seven billing cycles and only one cycle is for water. The turnover of customers is far less in water because many of the properties are rented. The head clerk is responsible for electric disconnections and only spends five percent of her time on water and filling in when needed. The General Manager, Assistant General Manager, Manager of Finance and Administrative Supervisor all have a time split of 85% electric and 15 % water. The water department is not regulated and requires

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much less time than Electric to reconcile. The Human Resource Coordinator spends 10% of her time on Water; she has two employees to track in water and sixteen to track in electric. The project coordinator spends 15% of her time on water-related invoices.

c) No, we do not prepare time reports or keep records of whether they work on general, electric utility, or water matters. Please see the previous question on why we do not track the time with timesheets.

Witness responsible: Harle Round and David G. Bebyn, CPA

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DIV 2-11 The Pascoag 2020 financial statement show the following amounts of assets and total net position for Electric, Water and Total:

	<u>2020</u>		
	<u>Electric</u>	<u>Water</u>	<u>Total</u>
Current assets	\$ 3,577,525	\$ 1,597,064	\$ 5,174,589
Noncurrent assets	6,580,144	8,350,118	14,930,262
Deferred outflows of resources	<u>202,881</u>	<u>-</u>	<u>202,881</u>
Total assets and deferred outflows of resources	<u>\$ 10,360,550</u>	<u>\$ 9,947,182</u>	<u>\$ 20,307,732</u>
Total net position	<u>6,072,730</u>	<u>5,983,256</u>	<u>12,055,986</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 10,360,550</u>	<u>\$ 9,947,182</u>	<u>\$ 20,307,732</u>

Were the relative amounts of Electric and Water assets, or Total Net Position, considered and used in determining allocation of any Pascoag costs between the Electric and Water operations? If not, explain fully why not.

Response:

PUD does not think it would be fair to allocate using just the amounts of the assets. It is much more expensive to run a pipe in the ground compared to running an overhead line. In addition, the pipe in the ground is less likely to have damage from weather-related storms where the overhead lines are very susceptible to damage. Furthermore, if the transportation asset alone were used, the results would closely match the 80/20 split resulting from customers served. The net book value of the transportation equipment as of August 2021 is \$499,104, whereas the water is \$111,856. The split based on those numbers would be 81% Electric and 19% Water. It would make more sense to look at the number of customers served and the number of employees needed to maintain these assets rather than just basing it on assets.

Witness responsible: Harle Young and David G. Bebyn, CPA

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DIV 2-12 Are any of the insurance expense amounts listed on Schedule DGB-RY-8 based on or related to the amounts of Pascoag assets? If so, which insurance items on Schedule DGB-RY-8 are based on amounts of Pascoag assets?

Response:

No. All of the insurances presented on Schedule DGB-RY-8 are allocated with 80% Electric and 20% Water. Please see the response for DIV 2-11 to explain why PUD does not think an allocation of insurance amounts based on Pascoag assets.

Witness responsible: Harle Young and David G. Bebyn, CPA

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DIV 2-13 Should an allocation of insurance amounts that are based on Pascoag assets reflect the relative amounts of assets that are reported on Pascoag's audited financial statements for the electric and water operations? If not, explain fully why not. If so, please show replacement asset-based allocations for the insurance expense items listed on Schedule DBG-RY-8 for the insurance amounts that are based on Pascoag assets.

Response:

No. Please see the response for DIV 2-11 to explain why PUD does not think an allocation of insurance amounts based on Pascoag assets.

Witness responsible: David G. Bebyn, CPA

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DIV 2-14 Pascoag audit related to Major Federal Programs. Refer to the portions of the Pascoag audit of 2020 financial statements that relate to the independent auditors Marcum Group's audit and opinion related to Pascoag's Major Federal Programs, i.e., the Single Audit Section, which contains the following descriptions:

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for the Pascoag Utility District's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Pascoag Utility District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

And shows the following as being Pascoag's Major Federal Programs/Schedule of Federal Awards:

**PASCOAG UTILITY DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

<i>Federal Grantor</i>	Federal	Pass-through		
<i>Pass-Through Grantor</i>	CFDA	Entity Identifying	Passed Through	Total Federal
<u>Program Title</u>	<u>Number</u>	<u>Number</u>	<u>to Subrecipients</u>	<u>Expenditures</u>
<i>U.S. Department of Agriculture</i>				
Water and Waste Disposal Systems for Rural Communities- Grant	10.760	N/A	N/A	\$ 887,532
Water and Waste Disposal Systems for Rural Communities - Loan	10.760	N/A	N/A	1,191,706
<i>Total U.S. Department of Agriculture</i>				<u>2,079,238</u>
<i>Total Expenditures of Federal Awards</i>				<u>\$ 2,079,238</u>

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- a. Do any of the items related to the Federal Awards listed above pertain to Pascoag's electric utility operations? If so, how much?
- b. Do all of the items related to the Federal Awards listed above pertain to Pascoag's water utility operations?
- c. How does Pascoag allocate the cost of the independent audits that are performed by Marcum LLP between (1) its electric utility and (2) water utility operations?
- d. What rate year amount is Pascoag proposing for the costs of the independent audits that are performed by Marcum LLP and what allocation of that cost between electric and water utility operations was used?

Response:

- a) No, none of the Federal awards listed above pertain to Pascoag's electric utility operations.
- b) Yes, all of the items related to the Federal Awards listed above pertain to Pascoag's water utility operations.
- c) The District allocates the Annual Financial Statement Audit cost at 80% Electric and 20% Water. The water department paid 100% of the Single Audit related to the federal awards that were water-related.
- d) Based upon the response to DIV 1-26, Marcum LLP's fee for the Rate Year would be \$43,000. Based upon the allocation of 80% Electric and 20% Water, the electrical Division cost for the rate year should be \$34,400. Pascoag proposed a cost of \$36,000 on Schedule DBG-RY-3. Based upon the 80% Electric and 20% Water allocation, the rate year needs an adjustment of \$1,600 for the Outside Service-auditing account.

Witness responsible: Harle Round and David G. Bebyn, CPA

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DIV 2-15 Refer to page 54 of Pascoag's 2020 audited financial statement presentation, which has a Schedule of Revenues and Expenses, Budget and Actual – Electric Division, for the Year Ended December 31, 2020.

- a. What is the "Penalty Interest" item under Other Income, and how were the actual and budget amounts of \$8,229 and \$44,000 determined?
- b. On Schedule DGB-RY-2, why is an amount for Penalty Interest of \$23,038 being used?
- c. Page 54 of Pascoag's 2020 audited financial statements shows actual Total Other Revenue of \$131,157 for the Electric Division, but Schedule DGB-RY-2 only shows \$107,364 of Total Other Revenue. Why is the \$107,364 amount on DBG-RY-2 so much lower than the actual 2020 Electric Division amount from the audited financial statement presentation?

Response:

- a) The budget of \$44,000 was determined based on historical data. On March 13, 2020, per docket 5022, the Governor of Rhode Island declared a state of emergency. Effective on March 16, 2020 all electric, natural gas, water and sewer utilities had to cease certain collections activities, including penalizing them their electric bills. The only interest income we have received is on our miscellaneous receivable billing from April 2020 through August 3, 2021. The actual amount of interest in 2020 was \$8,229. Please see PDF 2-15 a. Penalty Interest.
- b) The Rate Year anticipated that this interest income on our miscellaneous receivable would be restored at some point during the rate year. The rate year was proposed by using the unadjusted test year.
- c) The 2020 audited financial statements show actual Total Other Revenue of \$131,157 for the Electric Division, including grant revenue. The grant revenues and expenditures in the test year are removed since these revenue and expenditures washout and the grant revenue is not available to cover non-grant expenditures.

Witness responsible: Harle Round and David G. Bebyn, CPA

Search Type: Account Division: 1 - ELECTRIC
Account: 426.300 Penalty Interest

Filter
Starting Year: 2019 Compare: Actual Budget Revision:
Number Of Years: 4 Type: Both Percentage: Prior Year

Comparison Set Aside Retrieve

View: Table

Post Month	2019 Actual ...	2019 Actual ...	2018 Actual ...	2018 Actual ...	2018 ...	2018 ...	2017 Actual ...	2017 Actual ...	2017 ...	2017 ...	2016 Actual ...	2016 Actual ...	PTD	YTD
January	-3,558.84	-3,558.84	-3,852.69	-3,852.69	92.372...	92.372...	-3,934.56	-3,934.56	97.919...	97.919...	-3,354.31	-3,354.31	117.29...	117.29...
February	-3,907.39	-7,466.23	-4,157.05	-8,009.74	93.994...	93.214...	-4,304.60	-8,239.16	96.572...	97.215...	-6,122.95	-9,477.26	70.302...	86.936...
March	-3,934.71	-11,400.94	-3,974.74	-11,984.48	98.992...	95.130...	-4,212.49	-12,451.65	94.356...	96.248...	-4,492.22	-13,969.48	93.773...	89.134...
April	-3,349.55	-14,750.49	-2,431.36	-14,415.84	137.76...	102.32...	-1,491.23	-13,942.88	163.04...	103.39...	-4,559.53	-18,529.01	32.705...	75.248...
May	-2,861.14	-17,611.63	-3,617.90	-18,033.74	79.082...	97.659...	-3,863.34	-17,806.22	93.646...	101.27...	-4,046.31	-22,575.32	95.478...	78.874...
June	-2,685.68	-20,297.31	-2,892.55	-20,926.29	92.848...	96.994...	-3,504.68	-21,310.90	82.533...	98.195...	-3,164.72	-25,740.04	110.74...	82.792...
July	-2,426.34	-22,723.65	-3,039.17	-23,965.46	79.835...	94.818...	-3,637.78	-24,948.68	83.544...	96.059...	-6,823.92	-32,563.96	53.309...	76.614...
August	-2,788.29	-25,511.94	-3,463.26	-27,428.72	80.510...	93.011...	-4,087.37	-29,036.05	84.730...	94.464...	-970.50	-33,534.46	421.16...	86.585...
September	-3,194.03	-28,705.97	-3,805.59	-31,234.31	83.930...	91.905...	-4,437.25	-33,473.30	85.764...	93.311...	-4,703.27	-38,237.73	94.343...	87.540...
October	-2,743.03	-31,449.00	-3,758.27	-34,992.58	72.986...	89.873...	-4,404.41	-37,877.71	85.329...	92.383...	-4,062.44	-42,300.17	108.41...	89.545...
November	-2,424.01	-33,873.01	-4,360.24	-39,352.82	55.593...	86.075...	-4,217.59	-42,095.30	103.38...	93.485...	-4,800.63	-47,100.80	87.854...	89.372...
December	-2,230.04	-36,103.05	-2,264.80	-41,617.62	98.465...	86.749...	-1,611.68	-43,706.98	140.52...	95.219...	-3,804.61	-50,905.41	42.361...	85.859...
Total YTD	-36,103.05	-36,103.05	-41,617.62	-41,617.62			-43,706.98	-43,706.98			-50,905.41	-50,905.41		

\$36,103

\$41,618

\$43,706

\$50,905

172,333 / 4 = 43,083 average over 4 years

Search Type: **Account** Division: **1 - ELECTRIC**
 Account: **426.300** Penalty Interest

Filter
 Starting Year: **2021** Compare: **Actual** Budget Revision:
 Number Of Years: **2** Type: **Both** Percentage: **Prior Year**

Comparison
 View: **Table**

Post Month	2021 Actual ...	2021 Actual ...	2020 Actual ...	2020 Actual ...	2020 ...	2020 ...
January	-146.73	-146.73	-2,685.65	-2,685.65	5.4635%	5.4635%
February	-71.24	-217.97	-2,693.17	-5,378.82	2.6452%	4.0524%
March	-35.31	-253.28	-1,395.16	-6,773.98	2.5309%	3.7390%
April	-288.84	-542.12	-149.59	-6,923.57	193.08...	7.8301%
May	-280.93	-823.05	-152.12	-7,075.69	184.67...	11.632...
June	222.19	-600.86	-155.87	-7,231.56	-142.5...	8.3089%
July	-71.05	-671.91	-355.59	-7,587.15	19.980...	8.8559%
August	0.00*	-671.91	-58.05	-7,645.20	0.0000%	8.7887%
September	0.00*	-671.91	-105.52	-7,750.72	0.0000%	8.6690%
October	0.00*	-671.91	-59.17	-7,809.89	0.0000%	8.6033%
November	0.00*	-671.91	-187.01	-7,996.90	0.0000%	8.4021%
December	0.00*	-671.91	-232.43	-8,229.33	0.0000%	8.1648%
Total YTD	-671.91	-671.91	-8,229.33	-8,229.33		

On March 13, 2020 per docket 5022, the Governor of Rhode Island declared a state of emergency and effective on March 16, 2020 all electric, natural gas, water and sewer utilities had to cease certain collections activities, which included penalizing their electric bills. The only interest income we have received is on our miscellaneous receivable billing from April of 2020 to the present.

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DIV 2-16 What specific amounts on Schedule DBG-RY-3, Expense Analysis, for the Adjusted Rate Year, are comparable to the each of the Electric Utility Operating Expense amounts listed on page 54 of the financial statement presentation in the "Actual on Budgetary Basis" column for the year ended December 31, 2020, which are summarized below:

Expenses

Operating Expenses	
Purchased power	3,680,082
Transmission	1,736,991
Operation and maintenance	866,375
Customer account expense	231,784
Administrative and general	1,053,912
Taxes on payroll and property	102,243
	<hr/>
Total Operating Expenses	7,671,387

Response:

The expense amounts presented on page 54 of the financial statement presentation in the "Actual on Budgetary Basis" column for the year ended December 31, 2020, are not comparable to the Schedule DBG-RY-3. The problem in comparing the two is that numerous test year adjustments are required to convert the actual Generally Accepted Accounting Principles (GAAP) financials to the non-profit regulatory revenue and expenditures presented on Schedule DBG-RY-3. In addition to the test year adjustments, the rate year removes revenues and expenditures which are supported to purchase power and transmission rates since this filing only covers the general rate revenues.

Witness responsible: David G. Bebyn, CPA

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DIV 2-17 The page 54 presentation provided with the 2020 financial statements shows a line item for "Rhode Island Greenhouse Gas Initiative Grant Expense" for the year ended December 31, 2020 in the amount of \$31,185 in the "Actual on Budgetary Basis" column and \$83,700 in the "Original and Final Budget" column. Does Pascoag have a Rate Year budgeted amount for "Rhode Island Greenhouse Gas Initiative Grant Expense" included somewhere on Schedule DBG-RY-3? If so, where and in what account and amount is that reflected? If not, should there be a Rate Year amount for this on Schedule DBG-RY-3, and what should that Rate Year amount be and how is it derived?

Response:

Pascoag does not have any grant expenditure included on Schedule DBG-RY-3. These expenditures and the test year grant revenue have been removed as part of the test year adjustments. The grant revenues and expenses result in a wash on the PUD financials. Regarding the grant amounts, Nathan Cleveland from DOA is telling PUD to use a placeholder number of \$75,000 for RGGI funds for 2022. He also noted that OER's investment is proposed and not official. They derived that number by looking at the collections the District is anticipating for 2022 and supplementing that amount with RGGI funds to maintain the recent program momentum while transitioning the DSM Program to a self-sustaining model in three years at the higher budget/service level, which will include increasing collections from the District in future years. When the time is appropriate, the District will seek permission to increase the Demand Side Management Charge.

Witness responsible: Harle Young and David G. Bebyn, CPA

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DIV 2-18 Does Pascoag have any amounts for Interest on Customer Deposits on Schedule DBG-RY-3? If so, what are the amounts and in which account on Schedule DBG-RY-3 are such amounts reflected?.

Response:

Yes, Pascoag has \$10,867 in interest allocated under 431.000 Other Interest Expense.

Witness responsible: Harle Young and David G. Bebyn, CPA

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DIV 2-19 What amounts for Interest on Long-Term Debt are reflected on Schedule DBG-RY-3, how were those derived? How do they compare with the \$13,460 amount for Pascoag Electric Division Interest on Long-Term Debt shown for the year ended 2020?

Response:

The long-term interest reflected on the financials for 2020 reflects the first payment due on 9/01/20 for the new 2020 loan and the accrued interest for the months for 2020 that would be made with the following payment on 03/01/21. The rate year presents, on Schedule DBG-RY-3, the funding need for both the principal and interest in the amount of \$113,000. The interest portion alone for July 2021 through June 2022 is \$23,094, supported by the amortization table presented in response to DIV 2-7a.

Witness responsible: David G. Bebyn, CPA

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DIV 2-20 Has PUD reflected on Schedule DBG-RY-3 an item for Debt Issuance Costs, which are shown for the Pascoag Electric Division to be \$27,353 for 2020? If so, where and in what amount is that reflected on Schedule DBG-RY-3. If not reflected on Schedule DBG-RY-3, explain why not.

Response:

No. This expenditure is a one-time expense and will not reoccur in the rate year.

Witness responsible: David G. Bebyn, CPA

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DIV 2-21 Page 54 of the 2020 financial statement presentation, shows, for the Pascoag Electric Division a 2020 amount of \$394,164 for "Capital Expenditures, Less Advances for Contributions and New Debt." How does that compare with amounts presented for the Rate Year on Schedule DBG-RY-3 for the related items?

Response:

The amounts presented on page 54 of the 2020 financial statement reflect that year's actual expenditures. The annual amount can vary from year to year based upon the projects selected for completion for that given year. The funding for these projects is restricted, thus allowing the funds to accumulate before larger projects are completed. The response to DIV 1-22 shows that the capital budget would vary from \$209,500 to \$429,000 over the next five years. The average funding for the five-year period is \$306,200. The rate year amount on Schedule DBG-RY-3 reflects the annual funding based upon this average funding for the five-year period in the amount of \$306,000.

Witness responsible: David G. Bebyn, CPA