



November 30, 2021

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

Re: Year-End Status Report  
RIPUC Docket No.: 5194

Dear Ms. Massaro;

On Behalf of Pascoag Utility District (Pascoag or PUD), I herewith submit an original and nine copies of Pascoag's Corrected Testimony of Harle J Young which was submitted on November 4, 2021 along with a correction to the line references in Schedule H/ Testimony Exhibit HJY 3.2 and 7.2.

The corrections do not change the factors below.

Factor	Current (2021)	Proposed (2022)	Difference
Power Supply Service	\$0.06273	\$0.06476	0.00203
Transmission	\$0.03687	\$.03902	0.00215
PPRFC	(\$0.00129)	(\$0.00121)	0.00008
Total	\$0.09831	\$0.10258	0.00427

Under the current Rate, a residential customer using 500 kilowatt-hours of electricity per month pays \$75.92 under the proposed rate, that customer will see his bill increase to \$78.05, an increase of 2.13 or 2.8%.

I have included a redlined copy as well as a clean copy.

Very truly yours,

Harle J. Young  
Manager of Finance & Customer Service

Cc: Service List

Red Lined Copy

Corrected Testimony & Testimony Exhibits

Harle J. Young, Manager, Finance & Customer Service

- **Q1. Please provide an update of the status of the Pascoag's fuel reconciliation for the period ending December 31, 2021.**

A1. As of this filing dated (November 8, 2021), this submittal contains actual expenses and revenues through September 2021. The fourth quarter (October through December) is based on estimates provided by Energy New England ('ENE'). The projected reconciliation at December 31, 2021 is estimated to be an over collection of \$122,614.

- **Q2. Before you get into the details of the over collection, could you please provide an update on Pascoag's Purchase Power Restricted Fund and Restricted Fund for Capital and Debt Services, as well as a status on the Districts Cash flow position.**

A2. The District's cash flow was adequate to meet all the purchase power obligations this year. The District applied for the Paycheck Protection Program in 2020 and the loan was forgiven in February of 2021, which helped us through a very difficult time. As a result, the District did not have to use money from the **Purchase Power Restricted Fund ("PPRF")**. We continue to transfer a monthly amount to the Purchase Power Restricted Fund equal to the base rate revenue (customer charge and demand charge) from Daniele Prosciutto International (DPI) and we withdraw the Purchase Power Restricted Fund Credit (PPRFC). The monthly transfer of base rate revenue is required from Pascoag's Cost of Service Filing in 2013 (RIPUC Docket #4341) and the withdrawals were approved in RIPUC Docket 5083 which was \$68,632.81 reimbursement of the PPRFC that is being issued back to the customers through a credit on their electric bills. The balance in this account is now at \$601,848.34 as of the October transfer. A summary of activity for the PPRF for 2021 can be seen in **Testimony Exhibit HJY 2.5**.

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Restricted Fund Credit. The District has filed a Cost of Service Study that includes Daniele International Inc. (DPI) continuing operation at the current capacity. Therefore, the District will no longer be required to transfer the base rate and demand from the DPI three current accounts to the Purchase power account once the base rate case has concluded. We would propose re-evaluate any excess balance with next year’s rate filing. The credit would result in 1.21 mills (\$0.00121) per kilowatt hour in the proposed rates for 2022, please see **Testimony Exhibit HJY 2.1 – through 2.5**. The proposed reduction in the PPRF is also outlined in **Testimony Exhibit HJY-3.1 – 3.3**.

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<b>Table #3 Storm Fund Goal for 2020 is \$20,000 (\$5,000 per quarter)</b>			
Start Balance (Dec 2020)	\$95,909.00		
Date	Deposit	Withdrawal	Balance
3-2021	\$5,000		\$100,909
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11-2021	\$5,000		\$115,909

As of this filing, Pascoag has met all of our financial obligations. The Cash Flow Summaries for fiscal year 2021 are attached as **Testimony Exhibit HJY 5.1 through 5.9**. The Accounts Payable balances are all within the thirty-day window and Standard and Poor’s upgraded Pascoag to an A Rating, in 2019. A Summary of the Accounts Payable/Accounts Receivable balances is attached as **Testimony Exhibit HJY 6.1 & 6.2**.

- **Q3. Please provide the details of the cumulative over-collection and then break it out by factor.**

A3. The cumulative over-collection of the combined Power Supply Service and Transmission charge is expected to be \$122,614 as shown in Table #4 and Table #5. Please see Testimony Exhibit HJR-10.1- 10.6 for ENE’s projections for October – December 2021.

	<u>Start Bal</u>	<u>Revenue</u>	<u>Expense</u>	<u>Monthly</u>	<u>Cumulative</u>
Jan-21	\$348,535	\$480,479	\$496,334	(\$15,855)	\$332,681
Feb-21	\$332,681	\$483,421	\$454,334	\$ 29,087	\$361,767
Mar-21	\$361,767	\$433,699	\$483,284	(\$49,585)	\$312,182
Apr-21	\$312,182	\$421,406	\$439,147	(\$17,741)	\$294,440
May-21	\$294,440	\$366,851	\$369,099	(\$ 2,248)	\$292,192
Jun-21	\$292,192	\$409,445	\$484,205	(\$74,761)	\$217,431
Jul-21	\$217,431	\$503,004	\$514,211	(\$ 11,207)	\$206,224
Aug-21	\$206,224	\$503,251	\$468,999	\$34,253	\$240,477
Sep-21	\$240,477	\$524,375	\$479,575	\$ 44,800	\$285,276
Oct-21EST	\$285,276	\$408,965	\$438,304	(\$ 29,339)	\$255,938
Nov21EST	\$255,938	\$400,428	\$434,855	(\$ 34,427)	\$221,511
Dec21EST	\$221,511	\$414,487	\$513,383	(\$ 98,897)	\$122,614
	Period Cumulative Over/(Under) collection			(\$225,921)	
	Forecast Cumulative Over/(Under) Collection at 12/31/21				\$122,614

Table #5	Summary of Year-End Cumulative Over/ (Under) Collection as of 12/31/2021 <sup>1</sup>
Purchase Supply Service	\$ 6,979
Transmission	\$ 115,635
<b>Total</b>	<b>\$ 122,614</b>

- **Q4. Please provide reasons for the over-collection in 2021.**

A4. The District started the year with a cumulative over-collection for the combined Purchase Supply Service and Transmission Charge of \$348,535 from December 31, 2020. The balance in this account is \$285,276 which is reconciled to the September-21 Schedule C-1, please see HJY Testimony Exhibit 7.1. The District had under-collections for six of the nine months, January, March - July for a total of (\$171,397) which helped to bring down the

<sup>1</sup> Based on actual expenses and revenue through September; estimates were used for October through December.



cumulative over-collection. In three of the nine months, February, August, and September there were over collections totaling \$108,140.

The District received a total of (\$91,403.91) in Forward Market Capacity Credits (FMC) and (\$1,404.34) in settlements along with Use Right Credits from Hydro Quebec (\$13,816.14). The District received a total of (\$120,366.62) in REC sales credits for 2021 from Canton Mountain (47,493.17), Spruce Mountain (\$56,247.19), Brown Bear (\$13,515.01), and Cabot & Turner Rec sales (\$3,110.25), which help to reduce the Purchase Power expenses. The District started receiving its monthly check for the ISM Solar Development agreement which is \$3,300 per the proposed settlement in RIPUC Docket 4636 starting in September of 2019 and continuing for 20 years. The total ISM Credit that will be received in 2021 will be a total of (\$39,600) which also helped to reduce the Power Supply expenses. The District deposits any over-collection money to a Year-End over Collection ("YEOC") account which is an account on deposit with Bristol County Saving Bank. The money in this account was used to make up the gap in revenue when the rate reduction began flowing the over-collection back to the District's customers in 2022.

**A copy of Schedule A-1 showing the REC sales Testimony Exhibit HJY 8.1**

When Reconciling the ENE Forecast to the Actual cost through September, the forecast was under budget by (\$80,533) and the MWH purchased were under budget by (782) MWH. **Please see Testimony Exhibit HJY 8.2.**

Using ENE's 2021 Power Assumptions for October, November and December, we estimate the cumulative over-collection will be \$122,614 at the end of 2021, which is the net of \$6,979 Power Supply Service and \$115,635 Transmission. The estimated sales to customers for 2021 are 53,728 MWH which is calculated using an actual one-year average for January 2021 – September 2021 and an actual one-year average October 2020 - December 2020. We have factored in 0.00% growth factor for 2022. **Please see Testimony Exhibit HJY 7.1 through Testimony Exhibit HJY 7.6.**

- o The forecasted 2022 Transmission cost is \$2,212,309 minus the estimated over collection of \$115,635 divided by 53,728 MWH equals \$39.02 per MWH or \$0.03902 per kWh, an increase of \$0.00215 to the Transmission rate.
- o The forecasted Power Supply Service for 2022 is ~~\$3,438,640~~ ~~\$3,486,640~~ minus the estimated over-collection of \$6,979, divided by 53,728 MWH equals \$64.76 per MWH or \$0.06476 per kWh ~~an increase of (\$0.00203)~~ to the Purchase Supply Service rate.
- o The District is also proposing to decrease the Purchase Power Restricted Fund Credit (PPRFC) from \$69,632.81 to \$64,899.87 and this would decrease the flow back of PPRFC to (\$0.00121) which would result in an increase of \$0.00008.

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- o The net result of the Transmission, Power Supply Service, and PPRFC will be an increase of \$0.00427 per kWh or an increase of 2.8%. A 500-Kilowatt Hour per month Residential Customer will see their bill increase from \$75.92 to \$78.05, or an increase of \$2.13. **Please see Testimony Exhibit HJY-7.3 through 7.4.**

Other factors that contributed to the under-collection to the Power Supply Service component was the fact that Pascoag only received 832,108 interruptible kilowatt-hours (kWh) from the two New York Power Authority (NYPA) entitlements for the previous three quarters ending in September 2021. ENE forecasted a cost of \$2,630,834 the actual cost as of September 2021 was \$2,670,608 a difference of \$39,774. **Please see Testimony Exhibit HJY 12.1- 12.3.**

The District estimated in last year's filing that we would have 41,444 MW in sales through the month of September 2021. The actual sales through September are only 41,440 MW, an under collection of (4) MW. The District is still feeling the effects of energy conservation measures being implemented by the Demand Side Management Program that are keeping consumption levels flat. **Please see Testimony Exhibit HJY 11.1.**

The transmission charge is estimated to have an over collection of \$115,635 at the end of 2021. Revenue exceeded expenses in two of the nine months and expenses exceeded revenue in seven of the nine months. ENE estimates for 2021 were used to calculate October, November, and December. ENE forecasted a cost of \$1,638,886 through September of 2021 and the actual bills through September are \$1,518,580 a difference of (\$120,306) less than the forecasted budget. **Please see Testimony Exhibit HJY-12.1-12.3.**

- **Q5. You stated that the forecast in this filing contained actual expenses and revenue through September and that estimates were used for October, November and December. Will you be able to provide an update on the actual expenses at or prior to the hearing?**

A5. Yes, all the October power invoices should be received by November 30, 2021. The District will be able to provide actual expenses and revenue for October shortly after that date. The District will provide an Addendum to this filing incorporating that information.

When the November and December invoices are received and recorded, Pascoag will provide the Division with this information through the monthly updates.

- **Q6. What is the forecast for purchase power cost for 2021**



A6. The District, working with its consultants at Energy New England (“ENE”), has submitted the 2022 forecast total of \$5,698,950 which is an increase of \$42,687 from the 2021 Budget of \$5,656,263.

Table #6:	ENE Forecast 2022
Energy	\$3,486,386,640
Transmission	\$2,212,310
Total	\$5,698,950

ENE has provided a summary sheet of the 2022 Bulk Power Cost Projections for Pascoag Utility District, which is included as **Testimony Exhibit HJY-9.1 through 9.2**.

**The major adjustments used by ENE are listed below and broken out in more detail in Testimony Exhibit HJY-9.4.**

1. The Seabrook projections include a fixed cost reduction to \$15.20/kw based on the 4/6/20 Budget which will result in a \$6,392 increase. The energy will be reduced to \$4.74/MWH for an increase of \$2,942 and Transmission will increase by \$13. The estimated net increase was \$9,347;
2. The NYPA projections are based on Historical deliveries and cost. The entitlement in the fixed costs will be reduced to 81.68% of the Rhode Island Allotment (1600 Base, 100 Peaking). This will result in a decrease of (\$548). The Energy capacity factor set at 75% will result in lower purchases due to the entitlement reduction with a cost of (\$31). The transmission costs based on 2 year historical actuals with a 5% increase and allocated with the 81.68% allocation for Pascoag will reduce the cost by (\$22,795) The net decrease for NYPA is (\$23,795,374);
3. ENE updated the Capacity projections to reflect the auction pricing, bilateral, and payments by the Lead Participants. The FMC payments by Lead Participants will increase by \$28,987. The ISO FCM cost will decrease by (\$149,274). The Capacity Charge for Constant Energy will decrease by (\$20,133). The net adjustments to the capacity cost is (\$140,420);
4. ENE Updated NextEra Rise Call Options which increased the fixed cost by \$1,370 and they updated the Energy to include the price lock of 6/30/16 with an increase of \$10,577. The net increase was \$11,947;
5. The Bilateral Transactions includes a contract extension for Miller Hydro (now Brown Bear Hydro) which will decrease (\$5,163), Spruce Mountain update projects based on historical deliveries including place holder of \$25/REC for sale and a contract with Canton Wind which includes placeholders for \$25/REC for sale will increase \$1,253. ENE projected an increase of \$211,774 for NextEra (Seabrook) &

- (Seabrook) & BP Bilateral & Cabot/ Turners Bilateral. The net increase to the Bilateral Transactions is \$207,865;
6. A change from sales to purchases with ISO –NE resulting in a decrease of (\$126,146);
  7. The ENE charges to the regular and short supply update fees to reflect executed service agreement 1/22/18 with Spruce, Canton & LT Seabrook Monthly fees increased by \$3,684;
  8. The Adjustments to estimated ISO-NE expense saw a \$0.00 change to the annual fee, a decrease of (\$1,323) to the load base charges to account for reduced expenses for winter reliability. The scheduled charges increase by \$7,617 and the transmission projections by ISO-NE increased YOY by \$83,986. The net increase to Adjustments for estimated ISO-NE Expenses was \$90,290;
  9. ISM Solar Credit inclusion -20 years no change \$0.00;
  10. National Grid’s Network Transmission Charges reduced forecast to \$324K based on historical invoices 7/20-6-21 with an estimated decrease of (\$36,002);
  11. ENE adjustments to the DAF Sub-transmission increased projection from \$5,700 To \$14,420/month Jan -May increase by \$43,600;
  12. For the Hydro Quebec Transmission Charges, the Use Right Values were increased \$1 and the FCM Credit was increased \$1,905. The net adjustment was \$1,906.

The total adjustments for all categories resulted in increase of \$42,687 to the 2022 budget. The estimated Forecasted Budget from ENE is \$5,698,950.

- **Q7. What are the proposed factors, and what impact will they have on a residential customer using 500 kilowatt-hours of electricity.**

A7. A residential customer using 500 Kilowatt-hours of electricity currently pays \$75.92 under the proposed rates, that customer would see his monthly bill increase to \$78.05, an increase of \$2.13. A detailed summary of current rates and requested rates is included in this filing as **Testimony Exhibit HJY-7.3** The Factors proposed are listed in **Table #78** which also includes a Purchase Power Restricted Fund Credit(“PPRFC”) which was created to refund \$64,899.87 of the estimated over collection that was mentioned earlier in this testimony.

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<b>Table 7: Factor</b>	<b>Current (2021)</b>	<b>Proposed (2022)</b>	<b>Difference</b>
Power Supply Service	\$0.06273	\$0.06476	0.00203
Transmission	\$0.03687	\$0.03902	0.00215
PPRFC	(\$0.00129)	(\$0.00121)	0.00008
<b>Total</b>	<b>\$.09831</b>	<b>\$0.10258</b>	<b>\$0.00427</b>

- **Q8. Is Pascoag using any growth factors in its calculations for 2022?**

A8. No, The District is not using a growth factor this year. Growth is very slow and the energy efficiency measure be implemented are reducing consumption.

- **Q9. Are there any other issues that impact Pascoag' financial position?**

A9. We continue to see high annual write offs. This year the uncollectable accounts is at \$19,844. The District continues to have problems collecting money from its protected class and financial hardship classified customers. These problems are outlined more fully in the District's monthly RIPUC 1725 filing. **Table #8** is a history of the District's uncollectable account.

<b>Year:</b>	<b>Write Off Amount:</b>
2011	\$31,355
2012	\$36,083
2013	\$31,777
2014	\$28,875
2015	\$39,195
2016	\$53,514
2017	\$33,323
2018	\$32,418
2019	\$38,348
2020	\$36,085
2021	\$19,844 Estimate

- **Q10. Does this conclude your testimony?**

Q10A. Yes, it does.

With Corrected References

**Forecast Rates**

**Corrected Line References**

**Transmission Cost Calculations:**

Estimated Sales (MWH) to customers	53,728	See Schedule F-2, Line 117	S/B Line 126
Forecast Transmission Cost	\$2,212,309	See Schedule F-2, line 80	S/B Line 83
Historic Transmission Revenue	(\$1,961,227)	See Schedule A-3, Line 153	S/B Line 157
Historic Transmission Expense	\$ 2,023,201	See Schedule A-2, Line 80	S/B Line 82
Carry over from prior period (12/31/2020)	(\$177,608)	See Schedule C-4, Line 215	
Total	\$2,096,674		
<b>Cost per MWH</b>	<b>\$ 39.02</b>	<b>Transmission Charge</b>	

**Power Supply Calculation:**

Estimated Sales (MWH) to customers	53,728	See Schedule F-2, Line 117	S/B line 126
Forecast Standard Offer	\$3,486,640	See Schedule F-2, line 107	S/B line 119
Historic SOS Revenue	(\$3,388,582)	See Schedule A-3, Line 154	S/B line 156
Historic SOS Expense	\$ 3,552,530	See Schedule A-2, Line 119	S/B line 123
Carry over from prior period (12/31/2020)	(\$170,927)	See Schedule C-2, Line 220	
Total	\$3,479,661		

<b>Cost per MWH</b>	<b>\$ 64.76</b>	<b>Power Supply</b>
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(1) This is the net amount including any over/(under) recovery

**Purchase Power Reserve Fund Credit**

Estimated Sale (MWH) to customers	53,728	See Schedule F-2, Line 117	S/B line 126
<b>Total Flow back for 2021</b>	<b>\$ (64,899.87)</b>		

<b>Cost Per MWH</b>	<b>\$ (1.21)</b>	<b>Purchase Power Reserve Fund Credit</b>
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(2) this is the net amount including the PPRFC

<b>Total</b>		<b>\$ 102.59</b>
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**Revenue/Expense Proof:**

Forecast Transmission Cost	\$ 2,212,309	See Schedule F-2, line 80	S/B line 83
Over/Under Collection at period end	(\$115,635)	Schedule C-4, Line 233	
	\$ 2,096,674	\$	39.02
Forecast Power Supply Cost	\$ 3,486,640	See Schedule F-2, line 107	S/B line 118
Over/Under Collection at period end	(\$6,979)	Schedule C-2, Line 238	
	\$ 3,479,661	\$	64.76
Purchase Power Reserve Fund Credit	\$ (64,899.87)	\$	(1.21)
		<b>\$ 102.59</b>	



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	Period Cumulative Over/(Under) collection			(\$225,921)	
	Forecast Cumulative Over/(Under) Collection at 12/31/21				<b>\$122,614</b>

<b>Table #5</b>	<b>Summary of Year-End Cumulative Over/ (Under) Collection as of 12/31/2021<sup>1</sup></b>
Purchase Supply Service	\$ 6,979
Transmission	\$ 115,635
<b>Total</b>	<b>\$ 122,614</b>

- **Q4. Please provide reasons for the over-collection in 2021.**

A4. The District started the year with a cumulative over-collection for the combined Purchase Supply Service and Transmission Charge of \$348,535 from December 31, 2020. The balance in this account is \$285,276 which is reconciled to the September-21 Schedule C-1, please see **HJY Testimony Exhibit 7.1**. The District had under-collections for six of the nine months, January, March - July for a total of (\$171,397) which helped to bring down the

<sup>1</sup> Based on actual expenses and revenue through September; estimates were used for October through December.



cumulative over-collection. In three of the nine months, February, August, and September there were over collections totaling \$108,140.

The District received a total of (\$91,403.91) in Forward Market Capacity Credits (FMC) and (\$1,404.34) in settlements along with Use Right Credits from Hydro Quebec (\$13,816.14). The District received a total of (\$120,366.62) in REC sales credits for 2021 from Canton Mountain (47,493.17), Spruce Mountain (\$56,247.19), Brown Bear (\$13,515.01), and Cabot & Turner Rec sales (\$3,110.25), which help to reduce the Purchase Power expenses. The District started receiving its monthly check for the ISM Solar Development agreement which is \$3,300 per the proposed settlement in RIPUC Docket 4636 starting in September of 2019 and continuing for 20 years. The total ISM Credit that will be received in 2021 will be a total of (\$39,600) which also helped to reduce the Power Supply expenses. The District deposits any over-collection money to a Year-End over Collection ("YEOC") account which is an account on deposit with Bristol County Saving Bank. The money in this account was used to make up the gap in revenue when the rate reduction began flowing the over-collection back to the District's customers in 2022.

**A copy of Schedule A-1 showing the REC sales Testimony Exhibit HJY 8.1**

When Reconciling the ENE Forecast to the Actual cost through September, the forecast was under budget by (\$80,533) and the MWH purchased were under budget by (782) MWH.

**Please see Testimony Exhibit HJY 8.2.**

Using ENE's 2021 Power Assumptions for October, November and December, we estimate the cumulative over-collection will be \$122,614 at the end of 2021, which is the net of \$6,979 Power Supply Service and \$115,635 Transmission. The estimated sales to customers for 2021 are 53,728 MWH which is calculated using an actual one-year average for January 2021 – September 2021 and an actual one-year average October 2020 - December 2020. We have factored in 0.00% growth factor for 2022. **Please see Testimony Exhibit HJY 7.1 through Testimony Exhibit HJY 7.6.**

- The forecasted 2022 Transmission cost is \$2,212,309 minus the estimated over collection of \$115,635 divided by 53,728 MWH equals \$39.02 per MWH or \$0.03902 per kWh, an increase of \$0.00215 to the Transmission rate.
- The forecasted Power Supply Service for 2022 is **\$3,486,640** minus the estimated over-collection of \$6,979, divided by 53,728 MWH equals \$64.76 per MWH or \$0.06476 per kWh an increase of \$0.00203 to the Purchase Supply Service rate.
- The District is also proposing to decrease the Purchase Power Restricted Fund Credit (PPRFC) from \$69,632.81 to \$64,899.87 and this would decrease the flow back of PPRFC to (\$0.00121) which would result in an increase of \$0.00008.

- The net result of the Transmission, Power Supply Service, and PPRFC will be an increase of \$0.00427 per kWh or an increase of 2.8%. A 500-Kilowatt Hour per month Residential Customer will see their bill increase from \$75.92 to s \$78.05, or an increase of \$2.13. *Please see Testimony Exhibit HJY-7.3 through 7.4.*

Other factors that contributed to the under-collection to the Power Supply Service component was the fact that Pascoag only received 832,108 interruptible kilowatt-hours (kWh) from the two New York Power Authority (NYPA) entitlements for the previous three quarters ending in September 2021. ENE forecasted a cost of \$2,630,834 the actual cost as of September 2021 was \$2,670,608 a difference of \$39,774. **Please see Testimony Exhibit HJY 12.1- 12.3.**

The District estimated in last year’s filing that we would have 41,444 MW in sales through the month of September 2021. The actual sales through September are only 41,440 MW, an under collection of (4) MW. The District is still feeling the effects of energy conservation measures being implemented by the Demand Side Management Program that are keeping consumption levels flat. **Please see Testimony Exhibit HJY 11.1.**

The transmission charge is estimated to have an over collection of \$115,635 at the end of 2021. Revenue exceeded expenses in two of the nine months and expenses exceeded revenue in seven of the nine months. ENE estimates for 2021 were used to calculate October, November, and December. ENE forecasted a cost of \$1,638,886 through September of 2021 and the actual bills through September are \$1,518,580 a difference of (\$120,306) less than the forecasted budget. **Please see Testimony Exhibit HJY-12.1-12.3.**

- **Q5. You stated that the forecast in this filing contained actual expenses and revenue through September and that estimates were used for October, November and December. Will you be able to provide an update on the actual expenses at or prior to the hearing?**

A5. Yes, all the October power invoices should be received by November 30, 2021. The District will be able to provide actual expenses and revenue for October shortly after that date. The District will provide an Addendum to this filing incorporating that information.

When the November and December invoices are received and recorded, Pascoag will provide the Division with this information though the monthly updates.

- **Q6. What is the forecast for purchase power cost for 2021**



A6. The District, working with its consultants at Energy New England (“ENE”), has submitted the 2022 forecast total of \$5,698,950 which is an increase of \$42,687 from the 2021 Budget of \$5,656,263.

<b>Table #6:</b>	<b>ENE Forecast 2022</b>
Energy	\$3,486,640
Transmission	\$2,212,310
<b>Total</b>	<b>\$5,698,950</b>

ENE has provided a summary sheet of the 2022 Bulk Power Cost Projections for Pascoag Utility District, which is included as **Testimony Exhibit HJY-9.1 through 9.2.**

**The major adjustments used by ENE are listed below and broken out in more detail in Testimony Exhibit HJY-9.4.**

1. The Seabrook projections include a fixed cost reduction to \$15.20/kw based on the 4/6/20 Budget which will result in a \$6,392 increase. The energy will be reduced to \$4.74/MWH for an increase of \$2,942 and Transmission will increase by \$13. The estimated net increase was \$9,347;
2. The NYPA projections are based on Historical deliveries and cost. The entitlement in the fixed costs will be reduced to 81.68% of the Rhode Island Allotment (1600 Base, 100 Peaking). This will result in a decrease of (\$548). The Energy capacity factor set at 75% will result in lower purchases due to the entitlement reduction with a cost of (\$31). The transmission costs based on 2 year historical actuals with a 5% increase and allocated with the 81.68% allocation for Pascoag will reduce the cost by (\$22,795) The net decrease for NYPA is (\$23,374);
3. ENE updated the Capacity projections to reflect the auction pricing, bilateral, and payments by the Lead Participants. The FMC payments by Lead Participants will increase by \$28,987. The ISO FCM cost will decrease by (\$149,274). The Capacity Charge for Constant Energy will decrease by (\$20,133). The net adjustments to the capacity cost is (\$140,420);
4. ENE Updated NextEra Rise Call Options which increased the fixed cost by \$1,370 and they updated the Energy to include the price lock of 6/30/16 with an increase of \$10,577. The net increase was \$11,947;
5. The Bilateral Transactions includes a contract extension for Miller Hydro (now Brown Bear Hydro) which will decrease (\$5,163), Spruce Mountain update projects based on historical deliveries including place holder of \$25/REC for sale and a contract with Canton Wind which includes placeholders for \$25/REC for sale will increase \$1,253. ENE projected an increase of \$211,774 for NextEra (Seabrook) &

BP Bilateral & Cabot/ Turners Bilateral. The net increase to the Bilateral Transactions is \$207,865;

6. A change from sales to purchases with ISO –NE resulting in a decrease of (\$126,146);
7. The ENE charges to the regular and short supply update fees to reflect executed service agreement 1/22/18 with Spruce, Canton & LT Seabrook Monthly fees increased by \$3,684;
8. The Adjustments to estimated ISO-NE expense saw a \$0.00 change to the annual fee, a decrease of (\$1,323) to the load base charges to account for reduced expenses for winter reliability. The scheduled charges increase by \$7,617 and the transmission projections by ISO-NE increased YOY by \$83,986. The net increase to Adjustments for estimated ISO-NE Expenses was \$90,290;
9. ISM Solar Credit inclusion -20 years no change \$0.00:
10. National Grid's Network Transmission Charges reduced forecast to \$324K based on historical invoices 7/20-6-21 with an estimated decrease of (\$36,002);
11. ENE adjustments to the DAF Sub-transmission increased projection from \$5,700 To \$14,420/month Jan -May increase by \$43,600;
12. For the Hydro Quebec Transmission Charges, the Use Right Values were increased \$1 and the FCM Credit was increased \$1,905. The net adjustment was \$1,906.

The total adjustments for all categories resulted in increase of \$42,687 to the 2022 budget. The estimated Forecasted Budget from ENE is \$5,698,950.

- **Q7. What are the proposed factors, and what impact will they have on a residential customer using 500 kilowatt-hours of electricity.**

A7. A residential customer using 500 Kilowatt-hours of electricity currently pays \$75.92 under the proposed rates, that customer would see his monthly bill increase to \$78.05, an increase of \$2.13. A detailed summary of current rates and requested rates is included in this filing as **Testimony Exhibit HJY-7.3** The Factors proposed are listed in **Table #7** which also includes a Purchase Power Restricted Fund Credit("PPRFC") which was created to refund \$64,899.87 of the estimated over collection that was mentioned earlier in this testimony.

<b>Table 7: Factor</b>		<b>Current (2021)</b>	<b>Proposed (2022)</b>	<b>Difference</b>
Power Supply Service		\$0.06273	\$0.06476	0.00203
Transmission		\$0.03687	\$0.03902	0.00215
PPRFC		(\$0.00129)	(\$0.00121)	0.00008
<b>Total</b>		<b>\$.09831</b>	<b>\$0.10258</b>	<b>\$0.00427</b>

- **Q8. Is Pascoag using any growth factors in its calculations for 2022?**

A8. No, The District is not using a growth factor this year. Growth is very slow and the energy efficiency measure be implemented are reducing consumption.

- **Q9. Are there any other issues that impact Pascoag' financial position?**

A9. We continue to see high annual write offs. This year the uncollectable accounts is at \$19,844. The District continues to have problems collecting money from its protected class and financial hardship classified customers. These problems are outlined more fully in the District's monthly RIPUC 1725 filing. **Table #8** is a history of the District's uncollectable account.

<b>TABLE #8: History of the District's Write Offs</b>	
<b>Year:</b>	<b>Write Off Amount:</b>
2011	\$31,355
2012	\$36,083
2013	\$31,777
2014	\$28,875
2015	\$39,195
2016	\$53,514
2017	\$33,323
2018	\$32,418
2019	\$38,348
2020	\$36,085
2021	\$19,844 Estimate

- **Q10. Does this conclude your testimony?**



Q10A. Yes, it does.

With Corrected References

**Forecast Rates**

**Transmission Cost Calculations:**

Estimated Sales (MWH) to customers	53,728	See Schedule F-2, Line 126
Forecast Transmission Cost	\$2,212,309	See Schedule F-2, line 83
Historic Transmission Revenue	(\$1,961,227)	See Schedule A-3, Line 157
Historic Transmission Expense	\$ 2,023,201	See Schedule A-2, Line 82
Carry over from prior period (12/31/2020)	(\$177,608)	See Schedule C-4, Line 215
Total	\$2,096,674	

Cost per MWH \$ 39.02 Transmission Charge

**Power Supply Calculation:**

Estimated Sales (MWH) to customers	53,728	See Schedule F-2, Line 126
Forecast Standard Offer	\$3,486,640	See Schedule F-2, line 119
Historic SOS Revenue	(\$3,388,582)	See Schedule A-3, Line 156
Historic SOS Expense	\$ 3,552,530	See Schedule A-2, Line 123
Carry over from prior period (12/31/2020)	(\$170,927)	See Schedule C-2, Line 220
Total	\$3,479,661	

Cost per MWH \$ 64.76 Standard Offer Service  
 (1) This is the net amount including any over/(under) recovery

**Purchase Power Reserve Fund Credit**

Estimated Sale (MWH) to customers	53,728	See Schedule F-2, Line 126
<b>Total Flow back for 2021</b>	<b>\$ (64,899.87)</b>	

Cost Per MWH \$ (1.21) Purchase Power Reserve Fund Credit  
 (2) this is the net amount including the PPRFC

**Total** \$ 102.59

**Revenue/Expense Proof:**

Forecast Transmission Cost	\$ 2,212,309	See Schedule F-2, line 83	
Over/Under Collection at period end	\$ (115,635)	Schedule C-4, Line 233	
	\$ 2,096,674	\$	39.02
Forecast Power Supply Cost	\$ 3,486,640	See Schedule F-2, line 118	
Over/Under Collection at period end	\$ (66,979)	Schedule C-2, Line 238	
	\$ 3,479,661	\$	64.76
Purchase Power Reserve Fund Credit	\$ (64,899.87)	\$	(1.21)
		\$	<u>102.59</u>