

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS  
PUBLIC UTILITIES COMMISSION

IN RE: PASCOAG UTILITY DISTRICT :  
REQUEST TO REALLOCATE FUNDS FROM :  
EXISTING DEMAND SIDE MANAGEMENT : DOCKET NO. 3474  
PROGRAMS FOR 2004 :

REPORT AND ORDER

On May 28, 2004, Pascoag Utility District (“Pascoag”) filed a Request to Reallocate Funds from Existing Demand Side Management Programs under RIPUC Docket No. 3474. On June 10, 2004, Pascoag filed revised budgets. In its filing, Pascoag indicated that it had conducted a mid-year review of its 2004 programs and budget to determine what programs and projects are performing as anticipated and which ones are not. As a result of its review, Pascoag is requesting several modifications to its existing programs, as well as a reallocation of funds from under performing programs to active and new projects. The Commission conducted a Technical Record Conference on June 14, 2004 at the Commission’s offices, 89 Jefferson Boulevard, Warwick, Rhode Island.

Pascoag requested a total of \$10,275 for renovations to its office facility. The funds will be used to install EnergyStar thermostats, energy efficient lighting fixtures, motion detectors, heating systems, energy efficient windows, and insulation. Seventy-five hundred dollars for the project will come from the funds allocated to the Energy Expo. Pascoag noted that due to renovations, it will not be feasible to conduct the event in 2004. The remainder of the funds, \$2,775 will come from funds allocated to “Follow up to Successful Programs.”

Pascoag requested a total of \$5,925 for the installation of energy efficient material in the new six-bay garage being constructed at Pascoag’s facilities. The funds would be

used for EnergyStar thermostats, energy efficient lighting, motion detectors, and insulation. The funding would be reallocated from “Follow up to Successful Programs.”

Pascoag noted that several customers have expressed interest in rebates on the installation of energy efficient windows. A new program, funded at \$6,000 would provide a flat \$25 rebate per qualifying window, allowing rebates on up to 240 windows in 2004. Mr. William Guertin, Pascoag’s Assistant General Manager, indicated that qualifying windows would have Low-E gas and would be triple paned. Twenty-nine hundred two dollars would be reallocated from “Follow up to Successful Programs” and \$3,098 would be reallocated from “Education/Seminars.”

Unfortunately, the Electric Heat Conversion program has proven more expensive for single family homes than initially anticipated and as a result, Pascoag has seen a lack of interest in the program. However, Pascoag has one customer willing to participate in the program if the incentive is increased to “50% of the conversion cost, up to \$5,000.” Therefore, Pascoag is proposing to assist the customer and reduce the line item from \$17,500 to \$12,500, which would cover two conversion rebates plus the site visits and audits performed by Energy New England (“ENE”).

Pascoag proposed that the \$5,000 reduction in the single family Electric Heat Conversion Program be reallocated to the Multi-Family Electric Heat Conversion. The final estimated cost of conversion is \$26,195. Pascoag is proposing to increase the rebate from \$6,000 to \$10,000, with another \$1,000 for ENE’s technical assistance. At the technical session, Ms. Judith Allaire, Pascoag’s Customer Service and Accounting Manager, explained that many of the units that will be converted are Section 8 subsidized housing.

Pascoag noted that there are excess funds in the “Pending Projects” line item due to fewer rebates being issued. Therefore, Pascoag requested that the remainder of the funds, \$6,383 be earmarked for a lighting incentive at the Levy Ice Rink.

Finally, Pascoag requested a reallocation of funds from a T8 Lighting project with the Harrisville Fire District, which is no longer interested in a project and from the St. Joseph School Project, which will be done in phases over three years in order to provide rebates to the William Callahan School in Harrisville for energy efficiency improvements. The total amount to be encumbered for this project in 2004 is \$4,000, with the remainder to be allocated from the 2005 DSM budget.

Pascoag indicated that they believed this mid-year review and reallocation is responsive to the Division of Public Utilities and Carriers’ (“Division”) concern that Pascoag was facing challenges with spending its budget. At the Technical Session, the Division’s counsel, Mr. William Lueker, Special Assistant Attorney General indicated that the Division supports Pascoag’s filing.

Following the Technical Session, the Commission approved Pascoag’s Request to Reallocate Funds. The Commission commends Pascoag on its continued hard work in adapting its programs to the changing needs of its ratepayers and for adopting new programs in response to input from ratepayers and outside resources. It is important to conduct periodic reviews of programs and budgets to ensure the needs of the ratepayers are being met.

The Commission specifically notes that Pascoag has been able to overcome one of the consistent barriers to program success – persuading a building owner to implement

energy savings measures in apartments. This is particularly important where many of the apartments serve low income residents.

Accordingly, it is hereby

(17901) ORDERED

1. Pascoag Utility District's Request to Reallocate Funds from the Existing Demand Side Management Programs is hereby approved.
2. Pascoag shall make its 2005 DSM Filing no later than October 15, 2004.
3. Pascoag shall comply with all other findings and instructions as contained in this Report and Order.

EFFECTIVE AT WARWICK, RHODE ISLAND PURSUANT TO A BENCH  
DECISION ON JUNE 14, 2004. WRITTEN DECISION ISSUED JULY 8, 2004.

PUBLIC UTILITIES COMMISSION

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Elia Germani, Chairman

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\*Kate F. Racine, Commissioner

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Robert B. Holbrook, Commissioner

\*Commissioner Racine did not participate in the decision.