

July 1, 2005

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

Re: RIPUC Docket No. 3657  
Tariff Advice Request

Dear Ms. Massaro:

On behalf of Pascoag Utility District (Pascoag or the District), we herewith submit an original and nine copies of Pascoag's Tariff Advice Request. The amendments to Tariffs Number 960, 962 and 957, if approved, would allow Pascoag to change its filing year from the current filing period of February through January to coincide with the calendar year, and to allow Pascoag to file its rate filings on an annual, instead of semi-annual basis.

If the proposed amendments are approved, Pascoag would make its annual reconciliation filing on or before November 30<sup>th</sup> of each year.

If you have any questions, or require additional information, please do not hesitate to contact me.

Very truly yours,

Judith R. Allaire  
Customer Service and Accounting Manager

Cc: Service list

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS  
PUBLIC UTILITIES COMMISSION

IN RE: PASCOAG UTILITY DISTRICT

DOCKET NO. 3657

TARIFF ADVICE REQUEST  
PURSUANT TO RULE 1.9(c) OF THE  
RULES OF PRACTICE AND PROCEDURE  
OF THE PUBLIC UTILITIES COMMISSION

Now comes the Pascoag Utility District and hereby requests the Public Utilities to approve the amendment of Tariffs Numbered 960, 962 and 957. The amendments, if approved, would allow Pascoag to change its filing year from the current filing period of February through January to coincide with the calendar year, and to allow Pascoag to file its rate filings on an annual, instead of a semi-annual basis.

In support hereof, Pascoag states that with respect to the requested change in the reporting period, it has recently revised its accounting procedures in such a manner so that its fiscal year commences on January 1 and closes on December 31 of each year. Additionally current power contracts run on a calendar basis.

With respect to the proposed change of frequency of rate filings, Pascoag states that its rates have stabilized over the last eighteen months obviating the need for significant rate changes on a semi-annual basis.

WHEREFORE, your petitioner hereby requests that the Commission approve the proposed amendments described and that it accept the revised tariffs as submitted.

Respectfully submitted,  
By Pascoag Utility District  
Through its General Counsel,

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William L. Bernstein, Esquire  
253 Pascoag Main Street  
Pascoag, RI 02859  
Tel: (401)568-6222

Pascoag Utility District – Electric Department  
Transmission Charge

**Transmission Charge**

Transmission Costs are the costs for transmitting energy from Pascoag's supply sources to its distribution substation, and transmission support payments, which the District pays to MMWEC for the Hydro-Quebec transmission line. Transmission Costs are recovered through the Transmission Charge.

**Calculation of Per Unit Rate Charge**

The per-unit rate of the Transmission Charge shall be calculated every twelve (12) months submitted to the Rhode Island Public Utilities Commission (Commission) for approval. The rate approved by the Commission shall remain in effect until the Commission approves a new rate. The calculation of the per-unit rate is as follows:

1. Estimate the total Transmission Costs for the upcoming ~~six-month~~ twelve-month period;
2. Add or deduct any over-collection or under-collection from previously approved rates to ensure the reconciliation of costs; and
3. Divide the costs by the sum of the estimated District sales made to the residential, commercial and industrial classes. The sales are the total retail sales that are estimated to be made to both retail customers and distribution only customers that receive transmission service during the upcoming six-month period.

In the event that conditions affecting the cost of transmission, which are actually experienced or reasonably anticipated during the period when the approved per-unit charge defined herein is in effect, indicate that the recovery of Transmission Costs to be incurred by the District during said period will vary by 10 percent or more above or below the revenues collected and to be collected, the District may apply to the Commission for approval and authorization of an appropriate interim increase or decrease in the approved per-unit charges to be applicable during the remainder of said period.

Filing Date: \_\_\_\_\_

Effective Date: \_\_\_\_\_

Pascoag Utility District - Electric Department  
Standard Offer

**Standard Offer**

The Standard Offer is defined as the total costs of purchased power less Transition and Transmission Costs. The demand and energy cost of the New York Power Authority hydroelectric power is to be recovered in the Standard Offer.

The Standard Offer shall be made available to any customer in the District not otherwise served by a non-regulated power producer. This also applies to customers who have left the system and wish to return to having the District supply their energy needs.

**Calculation of Per Unit Rate Charges**

The per-unit rate of the Standard Offer shall be calculated every twelve (12) months and submitted to the Rhode Island Public Utilities Commission (Commission) for approval. The rate approved by the Commission shall remain in effect until the Commission approves a new rate. The calculation of the per-unit rate is as follows:

1. Estimate the total costs of each component of purchased power expense for the upcoming ~~six-month~~ twelve-month period;
2. Allocate the estimated costs to either the Transition Costs, the Transmission Cost, or Standard Offer in accordance with the definitions of those elements of purchased power;
3. Add or deduct any over-collection or under-collection from previously approved rates to ensure the reconciliation of costs; and
4. Divide the allocated costs by the sum of the estimated District's sales made to the residential, commercial, and industrial classes. The sales to be used are the estimated sales that the District will service at the Standard Offer during the upcoming six-month period.

In the event that conditions affecting the cost of Standard Offer service which are actually experienced or are reasonably anticipated during the period when the approved per-unit charges defined herein are in effect, indicate that the recovery of Standard Offer costs to be incurred by the District during said period will vary by 10 percent or more above or below the revenues collected and to be collected, the District may apply to the Commission for approval and authorization of an appropriate interim increase or decrease in the approved per unit charges to be applicable during the remainder of said period.

Filing Date: \_\_\_\_\_

Effective Date: \_\_\_\_\_

Pascoag Utility District - Electric Department  
Transition Charge

**Transition Costs**

Transition Costs are defined as the cost of purchases from the Massachusetts Municipal Wholesale Electric Company (MMWEC) "Project Six Contract" (the contract for purchases from the Seabrook Nuclear Power Plant) and the Hydro Quebec Contract, less any identified Transmission Costs, net of an re-marketing savings and a market value applied to the energy taken under the contract. The market value of energy is intended to reflect the cost of energy in a fully competitive wholesale energy market. Transition Costs will be recovered through a per-unit transition charge that is added to each customer's bill. This charge is non-bypassable by the customer regardless of the wholesale energy supplier.

**Calculation of Per-Unit Rate Charge**

The per-unit rate of the Transition Charge shall be calculated every twelve months and submitted to the Rhode Island Public Utilities Commission (Commission) for approval. The rate approved by the Commission shall remain in effect until Commission approves a new rate. The calculation of the per-unit rate is as follows:

- 1) Estimate the total Transition Cost for the upcoming ~~six-month~~ twelve-month period;
- 2) Add or deduct any over-collection or under-collection from previously approved rates to ensure the reconciliation of costs; and
- 3) Divide the costs by the sum of the estimated District sales made to the residential, commercial, and industrial classes. The sales are the total retail sales that are estimated to be made to both retail customers and distribution only customers during the upcoming twelve-month period.

In the event that conditions affecting the Transition Costs, which are actually experienced or reasonably anticipated during the period when the approved per-unit charge defined herein is in effect, indicate that the recovery of Transition Costs to be incurred by the District during said period will vary by 10 percent or more above or below revenues collected and to be collected, the District may apply to the Commission for approval and authorization of an appropriate interim increase or decrease in the approved per-unit charges to be applicable during the remainder of said period.

Filling Date: \_\_\_\_\_

Effective Date: \_\_\_\_\_