

**STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION**

**IN RE: PASCOAG UTILITY DISTRICT :
COST OF SERVICE STUDY : DOCKET NO. 5134**

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

PUC 1-1 Regarding Sections 1 and 4 (Letter to the Commission & Notice of Change in Rate) of the filing, both indicate an increase to the street lighting rates, while in Sections 2 and 3 (Notice of Change in Rate) indicate a decrease to some street lighting rates. Please explain the discrepancies between all four documents.

Response:

Sections 1 and 4 (Letter to the Commission & Notice of Change in Rate) were incorrect. The street light rates that are proposed will result in a decrease to the HPS street lights, the 175-watt Mercury Street lights, and the 25-watt LED street lights. All other LED street lights and flood lights will remain at their current rates. The bill inserts have been printed so we will include a message on the electric bills stating that we are proposing a decrease to some of the street lights.

Section 2 and 3 (Notice of Change in Rate) which stated a decrease are correct.

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

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PUC 1-2 Please provide a detailed description and cost breakdown of the work being proposed for the following:

- a. Substation Enhancements.
 - b. IT System Reliability Upgrades
 - c. IMR Meter Study or PILOT
- (See page 4 Pre-filed Testimony of Michael R. Kirkwood)

Response:

- a. Substation Enhancements: Please see the below table for a breakdown of expected substation costs. This estimate was used for our financing as an EBF project approved by Rhode Island Office of Energy Resources and financed through Rhode Island Infrastructure Bank, and does include the results of the competitive bid of the major component of the project, the Powell switchgear.

Substation Project Costs:	
PUD Labor	\$ 73,350.80
PUD Transportation	\$ 12,050.00
LIG Design Engineering	\$ 83,560.00
Construction:	
Switchgear - Powell	\$ 737,044.00
Relays	included
Foundations	\$ 21,180.00
Conduits	\$ 8,911.00
Wire, Cable & Materials - PUD	\$ 128,179.00
Testing	\$ 23,200.00
LIG construction engineering	\$ 74,000.00
As built station prints	\$ 4,250.00
Misc. General Conditions Costs	\$ 101,426.10
Contingency	\$ 96,894.00
General legal	\$ 15,000.00
Bond counsel	\$ 25,000.00
Financing	\$ 15,000.00
Total:	\$ 1,419,044.90

- b. IT System Reliability Upgrades – this estimate is based on experience over the past several years in keeping our various IT system components in good working order. This category includes laptops, desktops, servers, telecom

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equipment, various software upgrades, etc. We have found that budgeting \$20,000 per year during a five-year cycle allows us to provide adequate IT resources.

- c. IMR Meter Study or PILOT – this estimate of \$55,000 in 2025 was intended to be a placeholder for expenses to hire a consultant to help us with scoping and planning an IMR rollout, including the possibility of deploying a pilot project.

Witness responsible: Michael Kirkwood

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PUC 1-3 Please describe how are Pascoag Utility District is disposing of the vehicles and what is being done with proceeds? (See page 5 Prefiled Testimony of Michael R. Kirkwood)

Response:

When a vehicle is sold, the asset is retired from the Asset GL # 302.00 (Transportation Equipment). The proceeds are recorded as either a gain or loss on an asset in GL 421.01 (Gain/loss on and asset) on the District's income statement. If the asset is fully depreciated, it is recorded as a gain. If it is not fully depreciated, it is recorded as a loss. In terms of disposition of the vehicles, the District has sent some to auction to attain the best value, advertised them in the local media for sale, or repurposed the vehicle for alternate company uses (example: rebuilding a plow truck as a dump truck).

Witness responsible: Harle Young and Michael Kirkwood

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PUC 1-4 Please identify the annual kWh sales by customer class and industrial kW demands for 2017, 2018, 2019 and 2020. Separately identify DPI’s kW demands and kWh in each year. Include a copy in Excel format.

Response:

KWH Sales by Class and KW Demand						
YR	Residential KWH		Commercial KWH		Industrial KWH	Industrial KW
2017	31,476,866		3,375,317		19,848,600	66,673.22
2018	33,917,350		3,344,372		18,953,265	68,097.48
2019	32,414,464		3,321,658		18,195,779	66,268.78
2020	34,685,170		3,102,685		15,952,751	61,788.78

Please see the excel spreadsheet labeled “attachment to PUC 1-4 Docket 5134---KWH Sales and number of customers by Class”.

DPI KW Demand & KWH				
Account No.	Year	Actual KW Demand	Billed KW Demand	KWH
<i>10686001</i>	<i>2017</i>	<i>1474.96</i>	<i>1658.40</i>	<i>461,920</i>
	<i>2018</i>	<i>1290.72</i>	<i>1642.40</i>	<i>425,440</i>
	<i>2019</i>	<i>950.64</i>	<i>1376.00</i>	<i>348,880</i>
	<i>2020</i>	<i>985.44</i>	<i>1075.52</i>	<i>351,840</i>
<i>1524003</i>	<i>2017</i>	<i>6137.60</i>	<i>7532.00</i>	<i>3,003,360</i>
	<i>2018</i>	<i>5059.92</i>	<i>6604.80</i>	<i>2,466,080</i>
	<i>2019</i>	<i>4472.24</i>	<i>5425.20</i>	<i>2,035,680</i>
	<i>2020</i>	<i>3333.12</i>	<i>4866.96</i>	<i>1,519,440</i>
<i>10524001</i>	<i>2017</i>	<i>6768.00</i>	<i>8186.40</i>	<i>3,085,200</i>
	<i>2018</i>	<i>6206.40</i>	<i>7516.80</i>	<i>2,753,280</i>
	<i>2019</i>	<i>6188.40</i>	<i>7211.52</i>	<i>2,643,120</i>
	<i>2020</i>	<i>4549.68</i>	<i>6863.76</i>	<i>1,696,320</i>

Please see the excel spreadsheet labeled “attachment to PUC 1-4 docket 5134---DPI KW and KWH”.

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

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PUC 1-5 How many Small Commercial customers will be impacted and to what extent will their bills change by modifying the formula considering usage of lower kWh vs. higher peak kW? (See page 6 Pre-filed Testimony of Michael R. Kirkwood)

Response:

There are 54 small commercial customers which will be impacted. These accounts will be impact depending on their overall kWh usage which a sample is presented on Schedule DGB-RD-4 of Mr. Bebyn's testimony. While the customers who remain using the sole peak kW formula averaged around a 7% increase, the 54 small commercial account varied between a 1% to 7% increase in rates using the modified formula.

Witness responsible: David G. Bebyn, CPA

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PUC 1-6 Regarding the net metering policy:

- a. How long has PUD been recording total usage incorrectly for each of the first seven net metered customers?
- b. If these customers are grandfathered into existing methodology how is it fair for existing customers to subsidize the excess crediting?
(See page 7 Pre-filed Testimony of Michael R. Kirkwood)

Response:

- a. Our first three net metered customers began producing solar power in 2015, and others have been added over the past 6 years.
- b. PUD understands that this is a difficult issue based on our previous lack of understanding of how the net meters were working to record usage and production. Based on advice from the net meter vendor, we were under the assumption that solar production was being recorded in one meter register and full home consumption was being recorded in the other meter register. We now understand that this is not true, and that instead what is showing as house consumption is net of any solar production during the minute by minute accumulation of these values. We believe that the only way to truly record production as separate from home consumption is to deploy the two-meter system as proposed in our revised net metering tariff, and to credit future customers as intended at the Power Supply Service (Last Resort) rate, while charging them for full home consumption at the total retail rate including all rate components. Because the incorrect administration of this service was due solely as an error on the part of the company, we did not want to cause the existing seven customers to bear the expense of having an electrician rewire their configuration including the cost of a second meter. We are amenable to other solutions, though, based on consideration of fairness to all parties involved.

Witness responsible: Michael Kirkwood

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PUC 1-7 Was the three-year contract for auditing services pursuant to a competitive bid, and if not, why not?

Response:

Yes, the three-year contract was pursuant to a competitive bid. We extended their contract by one year due to covid-19 conditions and because we were in need of a Federal Single Audit in a timely manner for Y/E 2020 for the water department. The District has sent out a new request for audit proposals on April 1, 2021 and the sealed bids are due May 21, 2021.

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

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PUC 1-8 Please provide detail of the additional cybersecurity implemented at a cost of \$109,480.

Response:

The cost of 109,480 is the entire amount of the Outside Service-computer/IT expenditure line item. The increase of \$7,153 from the test year to the rate year balance was the result of the additional cybersecurity monthly fees. The additional cybersecurity was \$2,250 per month with 80% being allocated to electrical. The rate year only had a half year implementation.

Witness responsible: David G. Bebyn, CPA

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PUC 1-9 How did Pascoag Utility District arrive at allocation factors of 80% electric and 20% water for property insurance expenses?

Response:

The split of 80% electric and 20% water is based on the number of customers, the electric department has an average of 4896 customers and water department had an average of 1,121 customers. The water transportation bond is specific to the water department so they pay that policy 100% all the other policies are split 80/20.

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

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PUC 1-10 Please provide the number of accounts/bills by customer class at the end of each month for 2018, 2019, 2020 and up until March 2021. Include a copy in Excel format.

Response:

Residential Class - number of customers per month				
Month	2018	2019	2020	2021
Jan	4188	4278	4274	4317
Feb	4191	4259	4287	4304
Mar	4200	4278	4310	4299
Apr	4218	4261	4292	
May	4231	4267	4280	
Jun	4251	4290	4282	
July	4281	4276	4294	
Aug	4267	4280	4312	
Sept	4266	4298	4316	
Oct	4275	4293	4321	
Nov	4279	4299	4311	
Dec	4261	4290	4304	

Commercial Class - number of customers per month				
Month	2018	2019	2020	2021
Jan	537	537	530	538
Feb	527	531	536	528
Mar	536	532	529	534
Apr	540	531	535	
May	530	530	536	
Jun	531	535	534	
July	433	531	534	
Aug	537	534	535	
Sept	536	534	531	
Oct	533	530	531	
Nov	530	532	532	
Dec	534	529	544	

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Industrial Class- number of customers per month				
Month	2018	2019	2020	2021
Jan	57	60	63	63
Feb	59	62	63	63
Mar	59	63	63	63
Apr	60	62	63	
May	60	62	63	
Jun	65	62	63	
July	61	62	64	
Aug	60	64	64	
Sept	60	61	64	
Oct	60	63	65	
Nov	61	63	63	
Dec	60	63	63	

Please see excel spreadsheet attached to the response to PUC 1-4 labeled “attachment to PUC 1-4 Docket 5134---KWH Sales and number of customers by Class”.

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

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PUC 1-11 Was the time allocation presented on DGY-RY-7 based on actual hours tracked?
If not, how were the percentages developed?

Response:

The percentages were developed when preparing annual budget based on a review of actual hours tracked from prior years.

Witness responsible: David G. Bebyn, CPA