

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

IN RE: PASCOAG FIRE DISTRICT STANDARD :
OFFER CHARGE, TRANSITION CHARGE : Docket No. 2861
AND TRANSMISSION CHARGE FILING. :

REPORT AND ORDER

On July 19, 2001, the Pascoag Utility District ("Pascoag") filed with the Rhode Island Public Utilities Commission ("Commission") a request for waiver of the six-month reconciliation of Pascoag's Standard Offer Charge, Transition Charge, and Transmission Charge, which is required to be filed under Pascoag's current tariffs.¹ Pascoag also proposed to maintain in effect through February 1, 2002 the current rates for Standard Offer Charge at \$0.05964 per kilowatt-hour ("kWh"); Transition Charge at \$0.02520 per

kWh; and Transmission Charge at \$0.00451 per kWh. As a result, a typical residential customer using 500 kWh per month will continue to have a monthly electric bill of \$64.79. The rationale for maintaining the current rates was that, as a result of the 26% rate increase implemented in February 2001, Pascoag's current rates are "generating sufficient revenues to allow Pascoag to meet its current obligations, as well as recouping the substantial under-collection incurred by Pascoag for the period ending January 31, 2001."²

On July 26, 2001, Pascoag filed responses to the Commission's data requests along with a semi-annual reconciliation of its Standard Offer, Transition and Transmission Charges for the seven-month period December 2000 through June 2001.

¹ The Commission notes that Pascoag's tariff requires the reconciliation to be filed on or before July 1, 2001.

² Letter from Theodore G. Garille to the Commission, dated 7/17/01.

On July 27, 2001, Pascoag filed its remaining responses to the Commission's data requests.

On August 1, 2001, the Division of Public Utilities and Carriers ("Division") filed a memorandum with the Commission in response to Pascoag's filing. The Division noted that on January 31, 2001, Pascoag's reported revenue under-collection was \$232,495. As of June 30, 2001, the under-collection balance had been reduced to \$118,331. Therefore, the Division agreed that the information supplied by Pascoag suggests that the current rates "are adequately recovering Pascoag's purchased power costs and the under-collection from the prior period."³ The Division further stated that "[a]ssuming continuation of the level of cost recovery experienced from February through June 2001, the rates presently in place will serve to eliminate, or significantly reduce, the remaining under-recovery by the end of the current period, January 31, 2002."⁴

The Division recommended that: (1) Pascoag's current Standard Offer Charge, Transition Charge and Transmission Charge remain in effect until January 31, 2002; (2) Pascoag submit to the Commission and the Division, by mid-September 2001, a status report for the months of July and August, containing purchased power costs, kWh sales, revenue, and monthly and cumulative over/under-collection amounts; (3) Pascoag monitor the status of purchased power cost recovery, and file with the Commission for a revision in the current rates if Pascoag deems such a filing necessary to avoid a significant over or under collection at the end of the current period,⁵ and (4) Pascoag be

³ Memorandum from the Division to the Commission, dated 8/1/01, p. 1.

⁴ Id.

⁵ For clarification, it is the Commission's position that the term "significant" refers to a revenue over- or under-collection of 10% or more.

required to inform the Commission and the Division of any purchased power contracts entered into, for both the remainder of the current period and for the year 2002.⁶

At an open meeting on August 2, 2001, the Commission considered the evidence presented, and approved the continuation of Pascoag's current Standard Offer Charge, Transition Charge and Transmission Charge through January 31, 2002. The Commission also specifically adopted each and every recommendation of the Division in full.

Accordingly, it is

(16689) ORDERED:

1. The continuation of Pascoag's current Standard Offer Charge of \$0.05964 per kWh is approved.
2. The continuation of Pascoag's current Transition Charge of \$0.02520 per kWh is approved.
3. ~~The continuation of Pascoag's current Transmission Charge of \$0.00451 per kWh~~
is approved.
4. Pascoag is directed to submit to the Commission and the Division, by September 15, 2001, a status report for the months of July and August 2001, containing purchased power costs, kWh sales, revenue, and monthly and cumulative over/under-collection amounts.
5. Pascoag is directed to monitor the status of purchased power cost recovery, and to file with the Commission for a revision in the current rates if Pascoag deems such a filing necessary to avoid a significant over- or under-collection of revenues at the end of the current recovery period.

⁶ Memorandum from the Division to the Commission, dated 8/1/01, p. 2.

6. Pascoag is required to inform the Commission and the Division of any purchased power contracts entered into, for both the remainder of the current year and for the year 2002.
7. Pascoag shall comply with all other findings and instructions contained in this Report and Order.

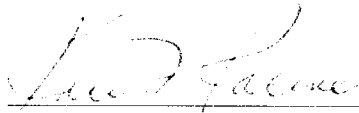
EFFECTIVE AT WARWICK, RHODE ISLAND PURSUANT TO AN OPEN MEETING DECISION ON AUGUST 2, 2001. WRITTEN ORDER ISSUED ON AUGUST 21, 2001.

PUBLIC UTILITIES COMMISSION

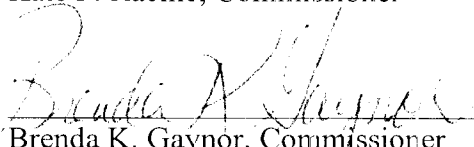




Elia Germani, Chairman



Kate F. Racine, Commissioner



Brenda K. Gaynor, Commissioner