

**PASCOAG UTILITY DISTRICT
BOARD OF UTILITY COMMISSIONERS**

Finance and Electric Subcommittee – August 8, 2008

A meeting of the Pascoag Utility District Board of Utility Commissioners Finance and Electric Subcommittee was held on Friday, August 8, 2008 in the District office, 253 Pascoag Main Street, Pascoag, RI.

Members Present: Thomas Partridge, Al Palmisciano, Ann Polacek

Members Absent: William Mageau (excused due to sick leave)

Mr. Partridge called the meeting to order at 9:40 a.m.

1. Cost of Service

Ms. Allaire presented information on a proposed Cost of Service study. The last Cost of Service that had been done was in 2003 and PUD thinks that doing another Cost of Service should be done in 2009 to update our costs. This will affect the customer charge and the distribution charge of the electric bill. The COS study would take into account all classes of customers, commercial, industrial, residential and street lights and make sure they are being charged appropriately. The budget for this is estimated to be around \$70,000-\$80,000. This budget would pay for a consultant and also pay for the RIPUC's

consultant as well.

2. Rate Stabilization Fund

Mr. Garille said that PUD is trying to be proactive with the fact that some of PUD's electric contracts will be up in 2010. The management staff is trying to keep the rates from spiking when these contracts end. PUD is working towards keeping the rates level. They propose to increase rates slightly in 2009 and 2010 and use that over collection to create a rate stabilization fund that will help to directly offset the increase that will most likely happen when the contracts expired. Mr. Garille has started working towards negotiating the contracts before the 2010 deadline to get more favorable rates. Ms. Allaire is also looking to see if PUD has an over collection in December that she might use that money to put in the restricted fund instead of raising the rates for 2009. She is also looking into the option of putting PUD's MMWEC funds into the restricted fund if approved.

Mr. Partridge made a motion to recommend to the full Board that they approve the Cost of Service Study and Rate Stabilization fund. The motion was seconded by Ms. Polacek. The vote in favor was unanimous.

3. Adjournment

Mr. Partridge made a motion to adjourn, which was seconded by Ms. Polacek. The vote in favor was unanimous. The meeting was adjourned at 10:06 am.

Brian Choiniere, Secretary
Board of Utility Commissioners

Desarae Downs, Recording Secretary