

# **PASCOAG UTILITY DISTRICT – FINANCE SUBCOMMITTEE**

## **MINUTES**

**The Finance Subcommittee meeting of the Pascoag Utility District Board of Utility Commissioners was held on Monday, September 23, 2013 at 5:00 pm in the District office, Pascoag 253 Pascoag Main Street, Pascoag, RI.**

**Members Present: Albert Palmisciano and Wallace Lees**

**Members Absent:**

**Also in Attendance: Michael Kirkwood, General Manager; William Bernstein, General Counsel**

**Chairman Palmisciano opened the meeting at 5:00 pm.**

### **1. Action Item: Approval of 2014 Electric Budget**

**Ms. Allaire reviewed the electric budget. She stated that the electric budget is based on the Cost of Service that had been conducted. In 2013, there was an artificially low standard offer rate. The over collection that PUD went into 2013 with is almost gone and Ms. Allaire predicted that 2013 will end with an under collection. This will result in increased electric rates for 2014. Purchase Power makes up 67% of the budget. Electric rate increases are forecast to be around 15%.**

**Mr. Lees made a motion to recommend to the full Board that they approve the 2014 Electric budget, seconded by Mr. Palmisciano. The vote in favor was unanimous.**

### **2. Action Item: Approval of 2014 Water Department COS Rates**

**Mr. Bebyn presented the 2014 Water Department COS rate structures.**

**The majority of the costs associated with the rates are the cost of buying water. It seems Harrisville Water Department's whole sale**

rates have increased while their retail rate has decreased. Mr. Bebyn forecast an average increase of \$32 per customer per quarter.

Mr. Palmisciano stated that the water exploration funds make up a good portion of the rate increase. He suggested that the water exploration funding should come out of the settlement fund, rather than increasing the rates. Mr. Kirkwood stated that \$175,000 could come from the settlement fund with debt service also coming from the settlement fund, \$75,000 for capital improvement come from rates which would result in a 7% rate increase, meaning roughly a \$10 increase per customer, per quarter. Mr. Lees made a motion to approve the modified cost of service rates, seconded by Mr. Palmisciano. The vote in favor was unanimous.

### **3. Adjournment**

Mr. Lees made a motion to adjourn, seconded by Mr. Palmisciano. The vote in favor was unanimous. The meeting was adjourned at 5:47 PM.

---

**Wallace Lees, Secretary**  
**Board of Utility Commissioners**

---

**Desarae Dolan, Recording Secretary**