

**Prefiled Direct Testimony**

**Of**

**David G. Bebyn CPA**

**For**

**BLOCK ISLAND POWER COMPANY**

**Docket #**

**December 2004**

**INTRODUCTION**

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**Q. Please state your name and business address for the record.**

A. My name is David G. Bebyn CPA and my business address is One Worthington Road, Cranston, Rhode Island 02920.

**Q. By whom are you employed and in what capacity?**

A. I am a Consulting Department Manager with Bacon & Edge p.c. (B&E). B&E is a CPA firm that specializes in utility regulation, expert rate and accounting testimony, municipal auditing, school budget reviews, tax preparation and accounting services.

**Q. Mr. Bebyn, have you testified as an expert accounting witness prior to this docket?**

A. Yes. I have prepared testimony and testified in the Pawtucket Water Supply Board's (PWSB) last two rate filing Dockets #3378 & #3497 in support for the adjusted test year. Furthermore, I prepared testimony, but was not required to testify in Dockets #3164 & #3193 on behalf of the PWSB.

**Q. What is your educational background?**

A. I received my Bachelors of Science Degree in Accounting (BSA) from Rhode Island College. I became a Certified Public Accountant in 2000 after successfully passing the CPA exam.

**Q. What is the purpose of your testimony?**

A. B&E was engaged by BIPCo to provide testimony in support of its rate request. My testimony includes a presentation of the normalized test year (May 31, 2004), calculation of a working capital allowance and rate design along with revenue check and ratepayer impact.

**Q. Does that conclude your introduction?**

A. Yes.

**TEST YEAR (June 30, 2004)**

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**Q. Mr. Bebyn, was the test year audited?**

A. Yes. BIPCo maintains its books and records on a fiscal year basis ending May 31<sup>st</sup> of each year. The fiscal year ending May 31, 2004 was audited by James N. Nadeau & Company, LLP.

**Q. Did you have any involvement in the May 31, 2004 audit?**

A. Yes, I prepared documents, gather information and interacted with the outside auditors. In preparing documents for the auditors I personally reviewed all of the year end general ledger account balances and major transactions (revenues and expenses) to assure that amounts were properly recorded.

**Q. What adjustments did you make to convert the May 31, 2004 Generally Accepted Accounting Principles (GAAP) basis financial statements to arrive at a normalized “rate basis” test year?**

A. I made four adjustments to the audited test year prepared on a GAAP basis in order to present the test year on a normalized “rate making basis” as follows:

- A. Normalized rental revenues to include a full 12 months for current renters.
- B. Normalized pension expense to reflect 12 months for all three pension recipients.
- C. Removed one time expense and reclassify overhead line subcontractors, rate case expense and regulatory fees charged to outside services.
- D. Normalized Management Fee to reflect 12 months of fees (\$16,000 per month). The audit balance included a \$4,000 reconciliation item for prepaid management fee.

1 **Q. Mr. Bebyn, in your professional opinion does your adjusted test year present a**  
2 **proper normalized test year?**

3 A. Yes, I believe that the adjusted, normalized test year that I have prepared for this filing  
4 (DGB-1) fairly presents the operations of BIPCo in a normal year on a ratemaking basis at  
5 currently approved rates.

6  
7 **Q. Did you complete any other reviews to prepare your test year adjustments?**

8 A. Yes, I did. I prepared a five-year analysis of the actual (audited) revenue and expenses  
9 for the years 2000, 2001, 2002, 2003 & 2004 (See DGB-2). Major variances were  
10 investigated to determine if an adjustment was needed. If so, I discussed these items with  
11 Mr. Edge to decide if it required a test year or rate year adjustment.

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13 **Q. Does that conclude your testimony of the test year?**

14 A. Yes.

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16 **Q. What would you like to discuss next?**

17 A. I would like to review my calculations for working capital.

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**Working Capital**

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**Q. How did you calculate working capital?**

A. This was a well contested issue in the last docket. The Company proposed the continuation of the “45 day” rule for working capital. The Division, using a review of the balance sheet, and specifically the account receivable and account payable balances, recommended no working capital. The Commission opined that the Company needed a working capital allowance and continued the use of the “45 day” rule. The Commission approved a working capital allowance of \$100,279.

**Q. Are you recommending the continuation of the “45 day” rule?**

A. No, this method has fallen out of favor with regulators. I have prepared a lead/lag study, see Schedule DGB-6.

**Q. What sources did you use to prepare the lead lag study?**

A. I reviewed the AWWA manual and The Process of Rate Making, Goodman published by Public Utilities Reports, Inc 1998. Both of these sources provided little help in how to calculate a lead lag study. The most helpful item that I found was on the internet which was a standard practice report by the California Public Utilities Commission. This report entitled “Determination of Working Cash Allowance” was published May 16, 2002.

**Q. What step did you take first?**

A. I reviewed the test year expenditure accounts to determine if there were any particularly unusual expense leads or lags due to payment requirements. I found that not all expense accounts followed the standard midpoint of the month and monthly payment lag (15 day lag). The unusual accounts were deducted from the total expenses and the remaining accounts were calculated to have a 15 day expense lag (See DGB-6). Furthermore, I eliminated any fuel related expenses accounts since these accounts are funded monthly by the fuel adjustment clause and the fuel adjustments clause provides for a return on inventory. Also, I eliminated interest expense accounts since these accounts will be covered in the return on rate base calculation.

1 **Q. What expenses have you identified as not meeting the standard 15 day expense**  
2 **lag?**

3 A. Gross receipts tax, payroll, general insurance and depreciation expense will be  
4 calculated separately. The sum of these accounts equals \$873,486 which is about 44% of  
5 the total adjusted test year expenditure (excluding fuel & interest expenses) of \$1,975,442.

6  
7 **Q. Why was the gross receipts tax lead calculated separately?**

8 A. Gross receipts tax is paid twice a year based upon estimated and then adjusted calendar  
9 year revenues. Forty percent of the projected gross receipts tax is paid in March and the  
10 remaining 60% is paid in June. Considering that approximately 60% of BIPCo's revenues  
11 are billed between June and September and not collected until at least a month later there is  
12 a large expense lead.

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14 **Q. How did you calculate the gross receipts tax lead?**

15 A. I prepared an analysis of the 2002 and 2003 calendar year revenues by month and  
16 calculated each month's accrued gross receipts tax (GRT) (See DBG-6b). This monthly  
17 accrued GRT was compared to the GRT payments to determine the monthly payable or  
18 prepaid balance. The monthly balances were averaged and divided by the total annual GRT  
19 to determine the percentage for the GRT expense lead days. The expense lead days from  
20 2002 and 2003 were averaged to obtain a normalized level.

21

22 **Q. Why was payroll expense lag calculated separately?**

23 A. Payroll expense lags are calculated by the midpoint of the pay period to the date of  
24 payment. BIPCo pays payroll weekly on the Monday of the following week. This results in  
25 a 4.5 day payroll expense lag. (See DGB-6c for calculation).

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1 **Q. Why was depreciation and general insurance removed from total expense but not**  
2 **included in the final working capital?**

3 A. Depreciation expense is a non-cash item and therefore neither a lead nor a lag. General  
4 insurance expenses have been synchronized with the revenue cycle. New insurance  
5 contracts begin in July and are payable over 8 months.

6  
7 **Q. What step did you take next?**

8 A. I performed an analysis of revenue lag using the accounts receivable method (See DGB-  
9 6a). The revenue lag contains two components, billing lag days and collection lag days.  
10 The billing lag days is just a straight calculation of the number of days from the midpoint of  
11 service rendered to date of billing. I used 15 days since BIPCo bills on or about the first of  
12 the month. The collections lag days was calculated from the average accounts receivable  
13 month end balance and annual billing. The average revenue lag days for FY 2003 and FY  
14 2004 was applied to the average gross billing per day for FY 2003 and FY 2004. Finally the  
15 revenue lag, gross receipt tax lead, payroll lag and other expense lag were combined to  
16 project the working capital allowance.

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18 **Q. What is your projected working capital?**

19 A. I have projected \$190,197 as shown on Schedule DGB-6.

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21 **Q. Does that conclude your working capital testimony?**

22 A. Yes.

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24 **Q. What would you like to discuss next?**

25 A. I would like to review my treatment for rate design.

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Rate Design

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**Q. Mr. Bebyn what rate design issues are appropriate for this case?**

A. BIPCo believes that the Island has changed during the past thirteen years and that the travel to the Island has expanded so that much of the spring and fall (the so-called shoulder months) are much busier than they had been. For this reason BIPCo is recommending that the peak season rates (currently June to September) be expanded to cover the shoulder months. BIPCo requests that peak rates be applied from May 1<sup>st</sup> to October 30<sup>th</sup>. This change would add one month from the spring and one month from the fall. Importantly, this would create additional revenue without changing rates. This additional revenue could then be used to reduce the rate increase in this filing.

**Q. Does the Division agree with this approach?**

A. We hope so. The Division's witness in the last docket did a great job with rate design (approved by the Commission) and BIPCo sees no reason at this time to change the rate design other than expanding the peak season to include the two shoulder months. Further, there is no value to the ratepayers for BIPCo to hire a rate design witness and then for the Division to hire a rate design witness when BIPCo is willing to review this area in co-operation with the Division's rate design witness should the Division chose to employ one.

**Q. Does that mean that in this filing you will be receiving a substantial portion of the rate increase from the expansion of the summer rates to the two shoulder months and then applying the remaining rate increase on an across-the-board basis to all current charges?**

A. Yes, if the expansion of the peak rates to the two shoulder months is approved by the Commission, BIPCo would request that the remaining increase be implemented on an across the board basis. However, BIPCo is prepared to adjust its position and adopt any reasonable rate design position of the Division should the Division find a need to change the rate design.

1 **Q. How did you calculate the impact of extending the summer rates to the May and**  
2 **October shoulder months?**

3 A. First, I applied the inflator Mr. Edge used in his testimony for sales revenue growth to  
4 the test year billing consumption to arrive at the projected rate year consumption level. This  
5 model assumes that the growth will be even throughout the year. I next added the monthly  
6 consumptions for the months of May through October and assigned the total to the summer  
7 period. The remaining months of the year were assigned to the winter period. Maintaining  
8 the current rate I recalculated the billing revenues using this extended summer period and  
9 then added the remainder of the year. The total revenue that I calculated represented the  
10 estimated revenue at current rates with the expanded shoulder months.

11  
12 **Q. What was the impact of extending the summer rates to the May and October**  
13 **shoulder months?**

14 A. I have calculated that extending the summer period would generate an additional  
15 \$218,467 (See DGB-7). This \$218,467 additional revenue is split \$111,285 generated in  
16 May and \$107,182 generated in October. This change would cover approximately 47% of  
17 Mr. Edge's proposed rate year increase of \$463,171.

18  
19 **Q. What would be the across the board increase for the amount of the rate year**  
20 **increase less this additional revenue by extending the summer period?**

21 A. I have calculated that the remaining revenue requirement would require approximately  
22 an 11.49% across the board increase to electric usage rates and customer (SEE DGB-8).

23  
24 **Q. Have you prepared any other schedules?**

25 A. I have prepared a revenue check schedule incorporating the extended summer period  
26 and an across the board increase of 11.49% (See DGB-9). I have also included a schedule  
27 calculating the impact on each ratepayer class (See DGB-10) and a schedule summarizing  
28 current rate and proposed rates (See DGB-11).

1 **Q. Since the seasonal rate changes are dependent on actual monthly usages how did**  
2 **you allocate annual usage in the ratepayer impact schedules?**

3 A. I first selected standard annual usage averages (i.e. 6,000kWh). I allocated these annual  
4 usages for each customer class based upon the total consumption by month of that customer  
5 class. These monthly usage totals were calculated for each customer class by dividing the  
6 usage of a given month by the total annual usage for that customer class. My calculated  
7 percentages were consistent with the sample of ratepayer accounts taken from actual fiscal  
8 2004 billing usage reports by customer class.

9

10 **Q. Does that conclude your testimony?**

11 A. Yes.

**ADJUSTED TEST YEAR  
BLOCK ISLAND POWER COMPANY**

**Schedule DGB-1**

<b>ACCT. #</b>	<b>BUDGET ACCOUNT DESCRIPTION</b>	<b>TEST YEAR 5/31/04</b>	<b>TEST YEAR ADJUSTMENTS</b>	<b>ADJUSTED TEST YEAR</b>
<b>REVENUE</b>				
<i>Operating Revenue---Electricity Charges</i>				
4440.0001	Residential sales	\$ 517,464		\$ 517,464
4442.0001	Commercial sales	231,167		231,167
4443.0001	Demand Electric	565,676		565,676
4444.0001	Public streets & highway	82,547		82,547
4445.0001	Other public authorities	12,422		12,422
4500.0001	Demand - all rates	153,045		153,045
4600.0000	System Charge	38,728		38,728
<i>Total Operating Revenue---Electricity Charges</i>		1,601,049	0	1,601,049
<i>Operating Revenue---Fuel Surcharge</i>				
4440.0003	Residential Fuel	374,056		374,056
4442.0003	Commercial Fuel	137,847		137,847
4443.0003	Demand Fuel	381,473		381,473
4444.0003	Public Authority Fuel	66,737		66,737
<i>Total Operating Revenue---Fuel Surcharge</i>		960,113	0	960,113
<i>Operating Revenue---Service Charges</i>				
4451.0002	Removal Non Payment	550		550
4500.0000	Customer Charge	206,585		206,585
5431.0201	Conection Charges	0		0
<i>Total Operating Revenue---Service Charges</i>		207,135	0	207,135
<i>Other Revenue</i>				
5421.0201	Interest income	1,489		1,489
5421.0301	Rent - lease	167,661	(A) 8,058	175,719
5421.0502	Environment Surcharge	0		0
7431.0221	Billor Penalty	15,499		15,499
<i>Total Other Revenue</i>		184,650	8,058	192,708
<i>Miscellaneous Revenue</i>				
		3,848		3,848
<b>TOTAL REVENUE</b>		\$ 2,956,795	\$ 8,058	\$ 2,964,853

**ADJUSTED TEST YEAR  
BLOCK ISLAND POWER COMPANY**

**Schedule DGB-1**

ACCT. #	BUDGET ACCOUNT DESCRIPTION	TEST YEAR 5/31/04	TEST YEAR ADJUSTMENTS	ADJUSTED TEST YEAR
<b>EXPENSES</b>				
<i>Operating Expense---Power Production</i>				
5546.0001	Supervision P/R (Payroll) Only	\$ 16,742		\$ 16,742
5547.0001	Fuel	807,262		807,262
4500.0100	Fuel Discounts	(8,497)		(8,497)
5547.0101	Fuel handl.plant P/R Only	3,276		3,276
5547.0102	Fuel Procurement P/R Only	10,108		10,108
5547.0301	Inventory change	8,555		8,555
5547.0401	Fuel procurement	86,104		86,104
5548.0001	Watchman P/R Only	115,866		115,866
5548.1001	Lubrication	17,159		17,159
5549.0001	Freight	1,911		1,911
5549.0201	Inside maint. P/R Only	66,065		66,065
5549.0401	Misc. Costs Power Gen Exp	5,907		5,907
5549.1001	Misc cost	250		250
5550.0101	Auto repair	3,612		3,612
5550.0201	Purchased power	889		889
5570.0001	Maint station equip. P/R	0		0
5905.0001	Miscellaneous	588		588
5920.0101	Contributions	0		0
5933.0001	Accounting	28,303		28,303
5935.0905	UREA EXPENSE	36,034		36,034
<i>Total Operating Expense---Power Production</i>		1,200,135	0	1,200,135
<i>Operating Expense---Distribution</i>				
5581.0001	Supervision - P/R Only	17,356		17,356
5583.0001	Overhead lines - P/R Only	33,260		33,260
5583.0002	Overhead lines	8,950		8,950
5583.0003	Overhead lines Subcontractors	0 (C)	5,150	5,150
5584.0001	Underground line P/R Only	0		0
5585.0001	ST Lights & Sign P/R only	157		157
5586.0001	Meters - P/R Only	78		78
5586.0002	Meters	962		962
5587.0001	Customer install. P/R	196		196
5588.0001	Misc. Distrib. P/R	556		556
5588.0002	Misc. Distrib. Expense	4,428		4,428
5935.0301	Lease - motor vehicle	26,895		26,895
<i>Total Operating Expense---Distribution</i>		92,837	5,150	97,987
<i>Operating Expense---Customer Service</i>				
5902.0001	Meter reading - P/R Only	10,290		10,290
5903.0001	Rec. & collection - P/R	14,732		14,732
5916.0001	Conservation/Education	349		349
<i>Total Operating Expense---Customer Service</i>		25,370	0	25,370
<i>Operating Expense---Administrative</i>				
5903.0002	Bad Debt	14,686		14,686
5920.0201	Office salaries - P/R	15,244		15,244
5920.0211	Management Fee	196,000 (D)	(4,000)	192,000

**ADJUSTED TEST YEAR  
BLOCK ISLAND POWER COMPANY**

**Schedule DGB-1**

<b>ACCT. #</b>	<b>BUDGET ACCOUNT DESCRIPTION</b>	<b>TEST YEAR 5/31/04</b>	<b>TEST YEAR ADJUSTMENTS</b>	<b>ADJUSTED TEST YEAR</b>
<i>Operating Expense---Administrative (Continued)</i>				
5920.0212	Management Fee Bonus	0		0
5920.0205	Accrued Vacation	0		0
5920.0301	Staff training - P/R	0		0
5920.0401	Vacation pay - P/R	29,810		29,810
5920.0501	Employee Bonus - P/R	3,821		3,821
5920.0502	Bonus-Non P/R	5,000		5,000
5920.0601	Holiday pay - P/R	2,365		2,365
5920.0701	Holiday not worked - P/R	5,086		5,086
5920.0801	Sick leave pay - P/R	8,823		8,823
5920.0901	Personal day - P/R	3,047		3,047
5921.0001	Office supplies and expen	37,585		37,585
5921.0201	Trash disposal	7,045		7,045
5923.0001	Outside Services	100,711	(C) (15,125)	85,586
5923.0201	Employee pension	12,000		12,000
5923.0301	Employee pension * New	14,000	(B) 10,000	24,000
5924.0301	General liability ins.	101,609		101,609
5926.0001	Employee benefits	127,693		127,693
5927.0001	Profit sharing expense	14,296		14,296
5928.0001	Reg comm exp	0	(C) 7,215	7,215
5928.0002	Rate case expense	0	(C) 1,835	1,835
5930.0001	Travel and misc. expense	1,002		1,002
5930.0101	Directors Meetings	2,153		2,153
5935.0901	Environmental	31,063		31,063
5935.0902	Clean air compliance	43,126		43,126
<i>Total Operating Expense---Administrative</i>		776,166	(75)	776,091
<i>Maintenance Expense---Distribution System</i>				
5550.0102	Backhoe Repair	0		0
5590.0101	Supervision - P/R Only	17,203		17,203
5592.0001	Station equip	0		0
5593.0001	Overhead lines - P/R Only	21,561		21,561
5593.0501	Tree Trimming	10,466		10,466
5593.2001	Transformer Expense	2,100		2,100
5594.0001	Underground P/R	76		76
5594.0002	Maint Underground Lines	117		117
5596.0001	Street lights&signals P/R	140		140
5596.0002	Maint of Street Lights	279		279
5597.0001	Meters- P/R only	907		907
<i>Total Maintenance Expense---Distribution System</i>		52,849	0	52,849
<i>Maintenance Expense---Generation System</i>				
5553.0201	Supervision - P/R Only	15,980		15,980
5553.0501	Maint. of Gen & Elect Plt	227		227
5554.0001	Transportaion Equip	0		0
5554.0101	Gasoline	0		0
5555.0001	Misc.	0		0
<i>Total Maintenance Expense---Generation System</i>		16,207	0	16,207

**ADJUSTED TEST YEAR  
BLOCK ISLAND POWER COMPANY**

**Schedule DGB-1**

ACCT. #	BUDGET ACCOUNT DESCRIPTION	TEST YEAR 5/31/04	TEST YEAR ADJUSTMENTS	ADJUSTED TEST YEAR
<i>Maintenance Expense---General</i>				
5552.0001	Maintenance of Struct P/R	0		0
5552.0002	Maint. of Structures	10,078		10,078
5591.0001	Structures	0		0
5935.0101	maint general plant	3,089		3,089
5935.0201	Small tools	206		206
5935.0801	Haz. Wast Store/Remov/Hd	7,926		7,926
5935.2003	Generator #19 maint.	0		0
5935.2090	SCR Maint	100,272		100,272
5935.2101	General Maintenance	112		112
5935.2108	Generator #21 Maintenance	496		496
5935.2111	Generator # 22 Install	1,989		1,989
5935.2113	Generator #22 Maintena	31,163		31,163
5935.2117	Engine #23 Maint	1,161		1,161
5935.2122	Engine #24 Maint	62,999		62,999
<i>aintenance Expense---General</i>		219,491	0	219,491
<i>Taxes</i>				
6408.0101	Payroll taxes	36,142		36,142
6408.0201	RI Sales taxes	7,375		7,375
6408.0401	Property taxes	42,330		42,330
6408.0501	Registrations	1,762		1,762
6408.0601	RI gross earnings tax	118,843		118,843
<i>Total Taxes</i>		206,451	0	206,451
<i>Depreciation</i>				
7403.0001	Depreciation expense	230,451	0	230,451
<i>Total Depreciation</i>				
<i>Other Deductions</i>				
5913.0001	Advertising	0		0
5929.0000	Finance Charges	0		0
7431.0003	Interest on loan #39903	41,771		41,771
7431.0004	Interest on loan #42729	414		414
7431.0005	Interest on Digger	484		484
7431.0007	RUS LOAN INTEREST	172,675		172,675
7431.0201	Interest - other	30		30
7431.0601	Amort.of Fed.Income tax prepaid	(13,859)		(13,859)
7431.0701	IRS Penalty	0		0
7431.0901	Federal Income Tax	0		0
7431.0903	Net Change in Deferred Tax	50,137		50,137
7439.0001	Misc Other expense	129		129
7500.0001	EPA Penalty	0		0
7600.0001	Loss (Gain) on Sale of Asset	0		0
8503.0001	Miscellaneous expense	4		4
8505.0001	Condo fees	3,240		3,240
<i>Total Other Deductions</i>		255,024	0	255,024

ADJUSTED TEST YEAR  
BLOCK ISLAND POWER COMPANY

Schedule DGB-1

ACCT. #	BUDGET ACCOUNT DESCRIPTION	TEST YEAR 5/31/04	TEST YEAR ADJUSTMENTS	ADJUSTED TEST YEAR
<i>Dividends</i>				
8506.0001	Dividends	0		0
9999.9997	Dividends	0		0
<i>Total Dividends</i>		0	0	0
<b>TOTAL EXPENSES</b>		3,074,981	5,075	3,080,056
<b>NET INCOME</b>				
		\$ (118,186)	\$ 2,983	\$ (115,203)

- (A) = Normalized Rental Income DGB-3.
- (B) = Normalized Employee Pension DGB-4.
- (C) = Normalized Outside Services DGB-5.
- (D) = Normalized Management Fee DGB Testimony page 5

**FIVE YEAR COMPARISON OF REVENUES & EXPENSES**  
**BLOCK ISLAND POWER COMPANY**

**Schedule DGB-2**

<b>ACCT. #</b>	<b>BUDGET ACCOUNT DESCRIPTION</b>	<b>FY 2000 ACTUAL</b>	<b>FY 2001 ACTUAL</b>	<b>FY 2002 ACTUAL</b>	<b>FY 2003 ACTUAL</b>	<b>FY 2004 ACTUAL</b>
<b>REVENUE</b>						
<i>Operating Revenue---Electricity Charges</i>						
4440.0001	Residential sales	\$ 429,196	\$ 444,219	\$ 446,739	\$ 494,777	\$ 517,464
4442.0001	Commercial sales	204,470	188,812	229,258	227,091	231,167
4443.0001	Demand Electric	521,374	515,573	523,437	567,910	565,676
4444.0001	Public streets & highway	64,143	63,954	72,766	80,145	82,547
4445.0001	Other public authorities	12,051	12,576	12,607	12,422	12,422
4500.0001	Demand - all rates	147,561	147,267	150,133	159,452	153,045
4600	System Charge	40,640	36,558	35,910	37,940	38,728
<i>Total Operating Revenue---Electricity Charges</i>		1,419,435	1,408,959	1,470,850	1,579,738	1,601,049
<i>Operating Revenue---Fuel Surcharge</i>						
4440.0003	Residential Fuel	313,634	354,600	267,595	334,352	374,056
4442.0003	Commercial Fuel	123,285	134,912	115,380	130,689	137,847
4443.0003	Demand Fuel	357,584	376,642	303,194	360,823	381,473
4444.0003	Public Authority Fuel	56,060	59,392	48,181	61,050	66,737
<i>Total Operating Revenue---Fuel Surcharge</i>		850,563	925,546	734,350	886,913	960,113
<i>Operating Revenue---Service Charges</i>						
4451.0002	Removal Non Payment	850	600	1,175	950	550
4500	Customer Charge	188,970	192,095	196,560	204,135	206,585
5431.0201	Conection Charges	479	879	-	-	-
<i>Total Operating Revenue---Service Charges</i>		190,299	193,574	197,735	205,085	207,135
<i>Other Revenue</i>						
5421.0201	Interest income	9,501	4,721	3,399	3,873	1,489
5421.0301	Rent - lease	31,325	42,646	86,932	147,570	167,661
5421.0502	Environment Surcharge	73,316	60,956	(1,572)	-	-
7431.0221	Biller Penalty	15,061	18,933	17,036	18,706	15,499
<i>Total Other Revenue</i>		129,202	127,257	105,795	170,150	184,650
<i>Miscellaneous Revenue</i>						
		11,772	7,010	11,392	3,913	3,848
<b>TOTAL REVENUE</b>		<b>\$ 2,601,270</b>	<b>\$ 2,662,345</b>	<b>\$ 2,520,122</b>	<b>\$ 2,845,799</b>	<b>\$ 2,956,795</b>

**FIVE YEAR COMPARISON OF REVENUES & EXPENSES**  
**BLOCK ISLAND POWER COMPANY**

**Schedule DGB-2**

<b>ACCT. #</b>	<b>BUDGET ACCOUNT DESCRIPTION</b>	<b>FY 2000 ACTUAL</b>	<b>FY 2001 ACTUAL</b>	<b>FY 2002 ACTUAL</b>	<b>FY 2003 ACTUAL</b>	<b>FY 2004 ACTUAL</b>
<b>EXPENSES</b>						
<i>Operating Expense---Power Production</i>						
5546.0001	Supervision P/R (Payroll) Only	13,463	16,230	15,251	16,317	16,742
5547.0001	Fuel	535,281	722,470	578,266	751,739	807,262
4500.0100	Fuel Discounts	-	-	(168)	(6,903)	(8,497)
5547.0101	Fuel handl.plant P/R Only	2,004	2,691	2,894	2,522	3,276
5547.0102	Fuel Procurement P/R Only	7,404	6,335	7,475	9,655	10,108
5547.0202	A/R Island Service P/R	69	-	-	-	-
5547.0301	Inventory change	10,502	5,086	11,569	2,659	8,555
5547.0401	Fuel procurement	70,604	67,979	81,591	72,973	86,104
5548.0001	Watchman P/R Only	93,362	105,410	106,176	108,486	115,866
5548.1001	Lubrication	16,967	14,524	17,931	21,209	17,159
5549.0001	Freight	1,269	1,895	902	1,957	1,911
5549.0201	Inside maint. P/R Only	64,965	41,129	50,173	58,851	66,065
5549.0401	Misc. Costs Power Gen Exp	2,321	2,398	9,949	3,004	5,907
5549.1001	Misc cost	1,774	3,024	204	201	250
5550.0101	Auto repair	10,675	3,643	6,378	3,877	3,612
5550.0201	Purchased power	880	668	1,482	1,821	889
5570.0001	Maint station equip. P/R	-	-	-	-	-
5905.0001	Miscellaneous	-	38	490	-	588
5920.0101	Contributions	350	375	3,625	-	-
5933.0001	Accounting	-	1,882	2,361	12,675	28,303
5935.0905	UREA EXPENSE	-	20,954	29,722	18,748	36,034
5935.2002	Generator #19 Rental	60,000	15,000	-	-	-
5935.2107	Generator #21 Rental	138,000	63,000	-	-	-
5935.2114	Generator #22 Rental	42,314	3,183	-	-	-
<i>Total Operating Expense---Power Production</i>		1,072,204	1,097,914	926,273	1,079,792	1,200,135
<i>Operating Expense---Distribution</i>						
5581.0001	Supervision - P/R Only	13,572	16,799	16,416	17,357	17,356
5583.0001	Overhead lines - P/R Only	29,432	33,774	29,700	44,674	33,260
5583.0002	Overhead lines	-	-	21,208	7,855	8,950
5584.0001	Underground line P/R Only	529	275	145	301	-
5585.0001	ST Lights & Sign P/R only	169	79	36	-	157
5586.0001	Meters - P/R Only	343	51	434	156	78
5586.0002	Meters	-	-	510	305	962
5587.0001	Customer install. P/R	18	69	189	129	196
5588.0001	Misc. Distrib. P/R	4,136	785	156	227	556
5588.0002	Misc. Distrib. Expense	3,157	2,595	12,277	4,435	4,428
5935.0301	Lease - motor vehicle	21,664	20,130	23,988	27,262	26,895
<i>Total Operating Expense---Distribution</i>		73,020	74,557	105,060	102,701	92,837
<i>Operating Expense---Customer Service</i>						
5902.0001	Meter reading - P/R Only	7,925	7,938	9,986	8,669	10,290
5903.0001	Rec. & collection - P/R	19,292	20,719	15,862	15,258	14,732
5916.0001	Conservation/Education	-	267	953	1,285	349
5916.0002	RISE	-	-	-	-	-
<i>Total Operating Expense---Customer Service</i>		27,217	28,924	26,800	25,211	25,370

**FIVE YEAR COMPARISON OF REVENUES & EXPENSES**  
**BLOCK ISLAND POWER COMPANY**

**Schedule DGB-2**

ACCT. #	BUDGET ACCOUNT DESCRIPTION	FY 2000 ACTUAL	FY 2001 ACTUAL	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL
<i>Operating Expense---Administrative</i>						
5903.0002	Bad Debt	2,517	-	-	14,450	14,686
5920.0201	Office salaries - P/R	18,940	20,324	15,987	15,417	15,244
5920.0211	Management Fee	138,000	162,000	192,000	192,000	196,000
5920.0212	Management Fee Bonus	13,800	20,000	20,000	28,000	-
5920.0205	Accrued Vacation	-	-	448	2,405	-
5920.0301	Staff training - P/R	-	-	-	-	-
5920.0401	Vacation pay - P/R	18,813	22,591	30,510	32,195	29,810
5920.0501	Employee Bonus - P/R	25,529	11,046	12,602	8,212	3,821
5920.0502	Bonus-Non P/R	-	-	2,000	-	5,000
5920.0601	Holiday pay - P/R	3,147	6,317	1,835	2,592	2,365
5920.0701	Holiday not worked - P/R	2,488	3,363	3,516	5,610	5,086
5920.0801	Sick leave pay - P/R	3,524	3,623	3,737	4,410	8,823
5920.0901	Personal day - P/R	657	1,324	58	1,773	3,047
5921.0001	Office supplies and expen	34,353	37,643	37,233	45,661	37,585
5921.0201	Trash disposal	3,243	2,499	3,391	6,289	7,045
5923.0001	Outside Services	141,236	195,833	142,844	118,277	100,711
5923.0201	Employee pension	13,533	13,599	13,666	12,416	12,000
5923.0301	Employee pension * New	7,000	12,000	12,000	12,000	14,000
5924.0301	General liability ins.	45,600	61,370	70,038	89,488	101,609
5926.0001	Employee benefits	99,075	112,329	105,108	110,713	127,693
5927.0001	Profit sharing expense	11,031	9,712	11,310	15,826	14,296
5928.0001	Reg comm exp	-	462	6,879	5,883	-
5930.0001	Travel and misc. expense	3,036	3,871	737	189	1,002
5930.0101	Directors Meetings	6,500	5,800	2,535	6,874	2,153
5935.0901	Environmental	70,967	60,064	62,041	44,009	31,063
5935.0902	Clean air compliance	36,616	14,433	50,768	55,515	43,126
5935.0903	Underwater cable project	-	(26,349)	-	3,638	-
5935.0904	RUS Financing	12,517	2,721	-	-	-
<i>Total Operating Expense---Administrative</i>		712,121	756,577	801,244	833,841	776,166
<i>Maintenance Expense---Distribution System</i>						
5550.0102	Backhoe Repair	285	2,049	709	(279)	-
5590.0101	Supervision - P/R Only	13,463	15,975	15,251	16,427	17,203
5592.0001	Station equip	753	3,021	6,978	-	-
5593.0001	Overhead lines - P/R Only	19,581	21,896	27,832	22,730	21,561
5593.0501	Tree Trimming	5,735	1,647	1,493	4,273	10,466
5593.2001	Transformer Expense	-	-	-	-	2,100
5594.0001	Underground P/R	69	69	438	-	76
5594.0002	Maint Underground Lines	685	-	-	1,183	117
5596.0001	Street lights&signals P/R	165	103	-	-	140
5596.0002	Maint of Street Lights	-	-	36	428	279
5597.0001	Meters- P/R only	596	871	1,240	1,231	907
<i>Total Maintenance Expense---Distribution System</i>		41,331	45,632	53,978	45,993	52,849

**FIVE YEAR COMPARISON OF REVENUES & EXPENSES**  
**BLOCK ISLAND POWER COMPANY**

**Schedule DGB-2**

<b>ACCT. #</b>	<b>BUDGET ACCOUNT DESCRIPTION</b>	<b>FY 2000 ACTUAL</b>	<b>FY 2001 ACTUAL</b>	<b>FY 2002 ACTUAL</b>	<b>FY 2003 ACTUAL</b>	<b>FY 2004 ACTUAL</b>
<i>Maintenance Expense---Generation System</i>						
5553.0201	Supervision - P/R Only	13,463	15,975	15,251	16,464	15,980
5553.0501	Maint. of Gen & Elect Plt	1,034	-	2,014	994	227
5554.0001	Transportaion Equip	-	3,114	1,750	-	-
5554.0101	Gasoline	5,201	4,967	347	-	-
5555.0001	Misc.	-	-	-	963	-
<i>Total Maintenance Expense---Generation System</i>		<b>19,698</b>	<b>24,056</b>	<b>19,363</b>	<b>18,421</b>	<b>16,207</b>
<i>Maintenance Expense---General</i>						
5552.0001	Maintenance of Struct P/R	609	3,050	-	3,602	-
5552.0002	Maint. of Structures	13,283	5,865	8,566	32,427	10,078
5591.0001	Structures	-	419	-	-	-
5935.0101	maint general plant	962	2,981	1,737	1,298	3,089
5935.0201	Small tools	719	2,059	1,547	367	206
5935.0401	Tank Replacement Project	8,587	-	-	-	-
5935.0801	Haz. Wast Store/Remov/Hd	4,396	8,459	5,291	1,888	7,926
5935.1104	Gen maint #13	719	-	-	-	-
5935.2003	Generator #19 maint.	3,402	-	1,030	8,605	-
5935.2008	Generator #21 maint	10,926	18,529	1,569	125	-
5935.2090	SCR Maint	-	-	5,343	10,450	100,272
5935.2101	General Maintenance	-	-	406	534	112
5935.2108	Generator #21 Maintenance	11,151	1,743	7,706	5,636	496
5935.2111	Generator # 22 Install	770	-	1,289	145	1,989
5935.2113	Generator #22 Maintena	1,611	10,104	19,195	32,909	31,163
5935.2115	GENERATOR #23 INSTALL	-	9,114	-	-	-
5935.2116	GENERATOR #23 PURCHASE	-	2,000	-	-	-
5935.2117	Engine #23 Maint	-	-	4,190	28,237	1,161
5935.2120	Engine #24 install	-	-	2,569	-	-
5935.2122	Engine #24 Maint	-	-	105	37,301	62,999
<i>Total Maintenance Expense---General</i>		<b>57,135</b>	<b>64,323</b>	<b>60,543</b>	<b>163,524</b>	<b>219,491</b>
<i>Taxes</i>						
6408.0101	Payroll taxes	33,899	40,333	28,621	35,088	36,142
6408.0201	RI Sales taxes	7,570	13,287	5,895	14,570	7,375
6408.0401	Property taxes	28,669	29,857	32,345	37,185	42,330
6408.0501	Registrations	1,896	1,885	1,714	2,854	1,762
6408.0601	RI gross earnings tax	107,920	102,830	103,316	106,970	118,843
<i>Total Taxes</i>		<b>179,955</b>	<b>188,191</b>	<b>171,891</b>	<b>196,666</b>	<b>206,451</b>
<i>Depreciation</i>						
7403.0001	Depreciation expense	116,100	141,767	169,664	201,992	230,451
<i>Total Depreciation</i>						
<i>Other Deductions</i>						
5913.0001	Advertising	-	-	372	-	-
5929.0000	Finance Charges	-	-	221	3	-
7404.0001	Amortization of Cable Project	104,426	-	-	-	-
7431.0003	Interest on loan #39903	70,691	62,636	57,196	49,128	41,771

**FIVE YEAR COMPARISON OF REVENUES & EXPENSES**  
**BLOCK ISLAND POWER COMPANY**

**Schedule DGB-2**

<b>ACCT. #</b>	<b>BUDGET ACCOUNT DESCRIPTION</b>	<b>FY 2000 ACTUAL</b>	<b>FY 2001 ACTUAL</b>	<b>FY 2002 ACTUAL</b>	<b>FY 2003 ACTUAL</b>	<b>FY 2004 ACTUAL</b>
<i>Other Deductions (continued)</i>						
7431.0004	Interest on loan #42729	1,183	2,416	-	413	414
7431.0005	Interest on Digger	5,622	4,688	2,794	1,930	484
7431.0006	Interest on Tank Replacement	21,442	4,264	-	-	-
7431.0007	RUS LOAN INTEREST	-	46,607	95,810	128,189	172,675
7431.0201	Interest - other	3,892	4,146	1,925	-	30
7431.0601	Amort.of Fed.Income tax prepaid	(23,265)	(23,825)	(24,245)	(24,129)	(13,859)
7431.0701	IRS Penalty	7,044	804	-	-	-
7431.0801	EARLY EXTINGUISHMENT OF DEBIT	-	5,500	-	-	-
7431.0901	Federal Income Tax	19,979	25,717	1,941	-	-
7431.0903	Net Change in Deferred Tax	(4,266)	10,884	15,711	3,906	50,137
7439.0001	Misc Other expense	(53)	89	342	90	129
7500.0001	EPA Penalty	-	-	-	895	-
7600.0001	Loss (Gain) on Sale of Asset	-	-	15,740	(5,000)	-
8503.0001	Miscellaneous expense	1,532	-	1,032	201	4
8505.0001	Condo fees	1,900	1,900	2,720	-	3,240
<i>Total Other Deductions</i>		210,126	145,826	171,559	155,627	255,024
<i>Dividends</i>						
8506.0001	Dividends	8,625	20,000	-	-	-
9999.9997	Dividends	45,031	-	90,000	-	-
<i>Total Dividends</i>		53,656	20,000	90,000	0	0
<b>TOTAL EXPENSES</b>		2,562,563	2,587,766	2,596,375	2,823,769	3,074,981
<b>NET INCOME</b>		\$ 38,708	\$ 74,579	\$ (76,252)	\$ 22,030	\$ (118,186)

**NORMALIZED RENTAL REVENUE  
BLOCK ISLAND POWER COMPANY**

**Schedule DGB-3**

<b>Customer</b>	<b>Monthly Rent</b>	<b>Months</b>	<b>TEST YEAR</b>	<b>NORMALIZED MONTHS</b>	<b>NORMALIZED TEST YEAR</b>
<b><u>PROPERTIES</u></b>					
Mazzola	\$ 100.00	2	\$ 200.00	12	\$ 1,200.00
Footc	100.00	10	1,000.00	0	-
A. Transue Corp.	375.00	12	4,500.00	12	4,500.00
Oldfield Auto/R. MAZZUR III	500.00	12	6,000.00	12	6,000.00
BALLARD OIL CORP.	600.00	12	7,200.00	12	7,200.00
Hull Suburban Propane	100.00	12	1,200.00	12	1,200.00
<b><u>POLES</u></b>					
Block Island Cable TV	141.95	12	1,703.40	12	1,703.40
<b><u>TOWER</u></b>					
AT&T	2,000.00	12	24,000.00	12	24,000.00
cingular	2,600.00	12	31,200.00	12	31,200.00
CINGULAR CORRECTION OF PRIOR YEAR			9,600.00		-
Nextel	2,000.00	0	-	12	24,000.00
sprint	2,000.00	12	24,000.00	12	24,000.00
verizon	2,200.00	12	26,400.00	12	26,400.00
Contributed Capital-Astro&Charles River	1,388.92	12	16,667.04	12	16,667.04
<b><u>FUEL TANK</u></b>					
BALLARDS OIL *	637.39	22	13,990.71	12	7,648.68
	<u>\$ 14,743.26</u>		<u>\$ 167,661.15</u>		<u>\$ 175,719.12</u>
				Less Test Year	<u>167,661.15</u>
				Adjsutment A	<u>\$ 8,057.97</u>

\* Fuel tank rental is billed December of each year based on the total gallons held during the calander year.  
In addition FY 2003 along with FY 2004 was billed during the test year.

**NORMALIZED EMPLOYEE PENSION**  
**BLOCK ISLAND POWER COMPANY**

**Schedule DGB-4**

	Monthly Rent	Months	TEST YEAR	NORMALIZED MONTHS	NORMALIZED TEST YEAR
<b><u>5923.0201 Employee pension</u></b>					
Merrill Slate	\$ 1,000.00	12	\$ 12,000.00	12	\$ 12,000.00
<b><u>5923.0301 Employee pension * New</u></b>					
Everett Brown	\$ 1,000.00	12	\$ 12,000.00	12	\$ 12,000.00
William Milliken	1,000.00	2	2,000.00	12	12,000.00
	<u>\$ 2,000.00</u>		<u>\$ 14,000.00</u>		<u>\$ 24,000.00</u>
				Less Test Year	<u>14,000.00</u>
				Adjstment B	<u>\$ 10,000.00</u>

NORMALIZED OUTSIDE SERVICES  
BLOCK ISLAND POWER COMPANY

Schedule DGB-5

Summary of Reclassified Items	Test Year Adjustments
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Adjustment C:

From	<i>Operating Expense---Administrative</i> <b><u>5923.0301</u> Outside Services</b>	
	B&E PUC Rate File	\$ 1,835
	PUC Annual Fee	7,215
	Halpin Line Subcontractor Overhead Line	5,150
	H&J Service Tax return	925 one time expense (eliminated)
	Reduction to Outside Services	<u>\$ 15,125</u> (Credit)

Increase to:

	<i>Operating Expense---Distribution</i> <b><u>5583.0003</u> Overhead lines Subcontractors</b>	
	Halpin Line Subcontractor Overhead Line	\$ 5,150 Debit
	<i>Operating Expense---Administrative</i> <b><u>5928.0001</u> Reg comm exp</b>	
	PUC Annual Fee	\$ 7,215 Debit
	<i>Operating Expense---Administrative</i> <b><u>5928.0002</u> Rate case expense</b>	
	B&E PUC Rate File	\$ 1,835 Debit

**CALCULATION OF WORKING CAPITAL  
BLOCK ISLAND POWER COMPANY**

**Schedule DGB-6**

ACCT. #	ADJUSTED TEST YEAR	
<b>EXPENSES</b>		
Total Operating Expense---Power Production	\$ 1,200,135	DGB-1 page 2
Total Operating Expense---Distribution	97,987	DGB-1 page 2
Total Operating Expense---Customer Service	25,370	DGB-1 page 2
Total Operating Expense---Administrative	776,091	DGB-1 page 3
Total Maintenance Expense---Distribution System	52,849	DGB-1 page 3
Total Maintenance Expense---Generation System	16,207	DGB-1 page 3
Total Maintenance Expense---General	219,491	DGB-1 page 4
Total Taxes	206,451	DGB-1 page 4
Total Depreciation	230,451	DGB-1 page 4
Total Other Deductions	255,024	DGB-1 page 4
Total Dividends	-	DGB-1 page 5
Fuel Expenses (covered by Fuel Adjustment)	(931,011)	DGB-6d
Interest Expenses (covered by RoR)	(173,603)	DGB-6d
Gross Receipts Tax Handled Separately	(118,483)	DGB-1 page 4
Payroll Handled Separately	(422,943)	DGB-6c
General Insurance Separately	(101,609)	DGB-1 page 3
Depreciation Separately	(230,451)	DGB-1 page 4
<b>TOTAL EXPENSES</b>	<b>\$ 1,101,956</b>	

Calculation of Other Expenses Lag

TOTAL EXPENSES	\$ 1,101,956
	/365
Daily expense	3,019
# of Days Expense Lag	x 15
Other Expenses Lag	\$ 45,286 (A)

**CALCULATION OF WORKING CAPITAL**

Revenue Lag	(DGB-6a)	\$ 220,656
GRT Lead	(DGB-6b)	20,162
Payroll Lag	(DGB-6c)	(5,334)
Other Expenses Lag		<u>(45,286) (A)</u>
Working Capital		<u>\$ 190,197</u>

**WORKING CAPITAL -- REVENUE LAG  
BLOCK ISLAND POWER COMPANY**

Schedule DGB-6a

Month End	AR Balance	Billing (which occurs in the first couple of days in the following month)	Month End AR Balance Excluding Billing
6/30/2002	424,523.99	349,212.20	75,311.79
7/31/2002	571,164.93	448,494.67	122,670.26
8/31/2002	548,674.26	449,957.06	98,717.20
9/30/2002	519,930.57	370,411.77	149,518.80
10/31/2002	318,177.72	156,415.72	161,762.00
11/30/2002	237,271.65	140,493.58	96,778.07
12/31/2002	248,606.12	133,215.99	115,390.13
1/31/2003	235,073.35	132,734.26	102,339.09
2/28/2003	245,426.90	146,388.14	99,038.76
3/31/2003	244,878.44	135,516.79	109,361.65
4/30/2003	261,671.18	154,633.08	107,038.10
5/31/2003	254,500.15	161,657.82	92,842.33
		2,779,131.08	1,330,768.18
		Average Monthly AR	<u>110,897.35</u>
		Percentage of Average Monthly AR to Revenue	<u>3.99%</u>
FY 2003 Accounts Receivable Lag (Days)		365	3.99% <u>15</u>

Month End	AR Balance	Billing (which occurs in the first couple of days in the following month)	Month End AR Balance Excluding Billing
6/30/2003	439,018.21	350,597.79	88,420.42
7/31/2003	579,571.21	473,591.14	105,980.07
8/31/2003	738,912.48	545,976.90	192,935.58
9/30/2003	472,481.76	307,730.88	164,750.88
10/31/2003	281,569.31	156,317.09	125,252.22
11/30/2003	239,764.53	141,837.44	97,927.09
12/31/2003	183,307.63	132,473.38	50,834.25
1/31/2004	250,086.90	173,198.25	76,888.65
2/29/2004	226,473.66	129,922.79	96,550.87
3/30/2004	194,762.07	132,146.00	62,616.07
4/29/2004	185,837.91	139,016.22	46,821.69
5/30/2004	237,003.29	189,938.95	47,064.34
		2,872,746.83	1,156,042.13
		Average Monthly AR	<u>96,336.84</u>
		Percentage of Average Monthly AR to Revenue	<u>3.35%</u>
FY 2003 Accounts Receivable Lag (Days)		365	3.35% <u>12</u>

FY 2003 Accounts Receivable Lag (Days)	12
FY 2004 Accounts Receivable Lag (Days)	<u>15</u>
Average Accounts Receivable Lag (Days)	<u>27</u>
	<u>13.5</u>

Average Accounts Receivable Lag (Days)	13.5
Billing Lag (Days)	15
Revenue Lag (Days)	<u>28.5</u>

FY 2003 Gross Billing	\$ 2,779,131
FY 2004 Gross Billing	<u>2,872,747</u>
Average Gross Billing	\$ 2,825,939

Average Gross Billing per Day \$ 7,742

Revenue Lag (Days) 28.5

Revenue Lag \$ 220,656

WORKING CAPITAL -- GROSS RECEIPTS TAX LEAD  
BLOCK ISLAND POWER COMPANY

Schedule DGB-6b

	Revenue	GRT Accrued	GRT Paid	(Payable)/ Prepaid GRT
Jan-02	125,433.16	5,017.33		(5,017.33)
Feb-02	102,574.09	4,102.96		(9,120.29)
Mar-02	116,268.69	4,650.75	42,560.35	28,789.31
Apr-02	118,651.44	4,746.06		24,043.25
May-02	139,464.67	5,578.59		18,464.67
Jun-02	347,661.07	13,906.44	63,840.52	68,398.75
Jul-02	443,306.05	17,732.24		50,666.50
Aug-02	444,793.37	17,791.73		32,874.77
Sep-02	368,174.30	14,726.97		18,147.80
Oct-02	162,679.39	6,507.18		11,640.62
Nov-02	149,528.10	5,981.12		5,659.50
Dec-02	141,487.43	5,659.50		(0.00)
	<u>2,660,021.76</u>	<u>106,400.87</u>		<u>244,547.55</u>

Average monthly Prepaid GRT 20,378.96  
 Total Annual GRT 106,400.87  
 Percentage prepaid to total 19% (A)  
 365 (B)  
 CY 2002 GRT Lead (Days) 70 (A x B)

	Revenue	GRT Accrued	GRT Paid	(Payable)/ Prepaid GRT
Jan-03	143,975.46	5,759.02		(5,759.02)
Feb-03	154,452.25	6,178.09		(11,937.11)
Mar-03	132,935.79	5,317.43	46,639.81	29,385.27
Apr-03	150,597.14	6,023.89		23,361.38
May-03	209,200.04	8,368.00		14,993.38
Jun-03	349,729.63	13,989.19	69,959.71	70,963.91
Jul-03	473,124.56	18,924.98		52,038.93
Aug-03	539,037.93	21,561.52		30,477.41
Sep-03	308,949.11	12,357.96		18,119.44
Oct-03	162,994.84	6,519.79		11,599.65
Nov-03	149,550.45	5,982.02		5,617.63
Dec-03	140,440.87	5,617.63		(0.00)
	<u>2,914,988.07</u>	<u>116,599.52</u>		<u>238,860.87</u>

Average monthly Prepaid GRT 19,905.07  
 Total Annual GRT 116,599.52  
 Percentage prepaid to total 17% (A)  
 365 (B)  
 CY 2003 GRT Lead (Days) 62 (A x B)

CY 2002 GRT Lead	70
CY 2003 GRT Lead	62
	<u>132</u>
Average GRT Lead (Days)	66

CY 2002 GRT	106,400.87
CY 2003 GRT	116,599.52
Average GRT	<u>111,500.20</u>

Average GRT per Day	305.48
Average GRT Lead (Days)	66
GRT Lead	<u>20,161.68</u>

WORKING CAPITAL -- PAYROLL LAG  
BLOCK ISLAND POWER COMPANY

Schedule DGB-6c

<b>Employee</b>	<b>Test Year Payroll</b>	
Alpers	\$ 38,874	WEE-4a
Foote	33,214	WEE-4a
Fowler	39,620	WEE-4a
Hiccox		WEE-4a
Martin	58,423	WEE-4a
Mazzola	38,458	WEE-4a
Millkin	45,581	WEE-4a
Milner	62,322	WEE-4a
Savoie	35,361	WEE-4a
Wagner	80,803	WEE-4a
	<u>\$ 432,657</u>	

\$ 1,185.36 Average Payroll per Day

4.5 days Payroll Lag

\$ 5,334.12 Payroll Lag

**ANALYSIS OF FUEL & INTEREST EXPENSES**  
**BLOCK ISLAND POWER COMPANY**

Schedule DGB-6d

ACCT. #	BUDGET ACCOUNT DESCRIPTION	ADJUSTED TEST YEAR
<i>Operating Expense---Power Production</i>		
5547.0001	Fuel	807,262
4500.0100	Fuel Discounts	(8,497)
5547.0102	Fuel Procurement P/R Only	10,108
5547.0401	Fuel procurement	86,104
5935.0905	UREA EXPENSE	36,034
<i>Fuel related expenses</i>		931,011
<i>Other Deductions</i>		
7431.0003	Interest on loan #39903	41,771
7431.0004	Interest on loan #42729	414
7431.0005	Interest on Digger	484
7431.0006	Interest on Tank Replacement	0
7431.0007	RUS LOAN INTEREST	172,675
7431.0201	Interest - other	30
<i>Interest expenses</i>		173,603

**RATE DESIGN EXTENSION OF SUMMER PERIOD  
BLOCK ISLAND POWER COMPANY**

**Schedule DGB-7**

ACCT. #	BUDGET ACCOUNT DESCRIPTION	FY 2004 ACTUAL	Rate Year	Rate Year New Summer Period	
<b>REVENUE</b>					
<i>Operating Revenue---Electricity Charges</i>					
4440.0001	Residential sales	\$ 517,464	\$ 548,476	\$ 621,521	DGB-7a
4442.0001	Commercial sales	231,167	245,020	270,879	DGB-7a
4443.0001	Demand Electric	565,676	599,577	656,931	DGB-7a
4444.0001	Public streets & highway	82,547	87,494	98,379	DGB-7a
4445.0001	Other public authorities	12,422	13,163	13,163	DGB-7b
4500.0001	Demand - all rates	153,045	162,225	193,025	DGB-7b
4600	System Charge	38,728	41,045	61,568	DGB-7b
<i>Total Operating Revenue---Electricity Charges</i>		<u>1,601,049</u>	<u>1,697,000</u>	<u>1,915,466</u>	
<i>Operating Revenue---Service Charges</i>					
4500	Customer Charge	206,585	215,000	215,000	DGB-7c
<i>Total Operating Revenue---Service Charges</i>		<u>206,585</u>	<u>215,000</u>	<u>215,001</u>	
REVENUE FROM RATES		<u>1,807,634</u>	<u>1,912,000</u>	<u>2,130,467</u>	
ADDITIONAL REVENUE EXTENDED SUMMER				<u>218,467</u>	*

\* This revenue is generated at current rates

**CALCULATION OF EXTENDED SUMMER REVENUES-KWH SALES  
BLOCK ISLAND POWER COMPANY**

Energy Charges	Test Year			Rate Year			New Summer		
	Service Units	Current Rates	Revenue	Service Units	Current Rates	Revenue	Service Units	Current Rates	Revenue
<b>Residential (Rate "F")</b>									
Summer	1,822,037	0.1945	\$ 354,386	1,931,232	0.1945	\$ 375,625	2,536,413	0.1945	\$ 493,332
Winter	2,209,728	0.0738	163,078	2,342,158	0.0738	172,851	1,736,977	0.0738	128,189
	<u>4,031,765</u>			<u>4,273,390</u>			<u>4,273,390</u>		
Total			\$ 517,464	Total		\$ 548,476	Total		\$ 621,521
<b>Commercial General Svc. (Rate "G")</b>									
Summer	709,246	0.2200	\$ 156,034	751,752	0.2200	\$ 165,385	967,243	0.2200	\$ 212,793
Winter	751,324	0.1000	75,132	796,341	0.1000	79,634	580,860	0.1000	58,086
	<u>1,460,570</u>			<u>1,548,093</u>			<u>1,548,103</u>		
Total			\$ 231,167	Total		\$ 245,020	Total		\$ 270,879
<b>Commercial Demand Svc. (Rate "D")</b>									
Summer	2,435,396	0.1684	\$ 410,121	2,581,350	0.1684	\$ 434,699	3,260,893	0.1684	\$ 549,134
Winter	1,851,849	0.0840	155,555	1,952,831	0.0840	164,878	1,283,288	0.0840	107,796
	<u>4,287,245</u>			<u>4,544,181</u>			<u>4,544,181</u>		
Total			\$ 565,676	Total		\$ 599,577	Total		\$ 656,931
<b>Public Demand Svc. (Rate "P")</b>									
Summer	227,676	0.1636	\$ 37,248	241,320	0.1636	\$ 39,480	359,854	0.1636	\$ 58,872
Winter	433,606	0.0818	35,469	459,592	0.0818	37,595	341,058	0.0818	27,899
<b>Public Non-demand Svc. (Rate "P")</b>									
Summer	24,480	0.2000	4,896	25,947	0.2000	5,189	37,835	0.2000	7,567
Winter	49,341	0.1000	4,934	52,298	0.1000	5,230	40,411	0.1000	4,041
	<u>735,103</u>			<u>779,157</u>			<u>779,158</u>		
Total			\$ 82,547	Total		\$ 87,494	Total		\$ 98,379

**CALCULATION OF EXTENDED SUMMER REVENUES-  
SYSTEM CHARGES, DEMAND CHARGES & STREET LIGHT SALES  
BLOCK ISLAND POWER COMPANY**

	Test Year			Rate Year			New Summer		
	Service Units	Current Rates	Revenue	Service Units	Current Rates	Revenue	Service Units	Current Rates	Revenue
<b>Street lighting</b>	804	15,450	\$ 12,422	852	15,450	\$ 13,163	852	15,450	\$ 13,163
	<u>804</u>			<u>852</u>			<u>852</u>		
<b>Total</b>			<u>\$ 12,422</u>	<b>Total</b>		<u>\$ 13,163</u>	<b>Total</b>		<u>\$ 13,163</u>

	Test Year			Rate Year			New Summer		
	Service Units	Current Rates	Revenue	Service Units	Current Rates	Revenue	Service Units	Current Rates	Revenue
<b>Demand Charges</b>									
<b>Commercial Demand Svc. (Rate "D")</b>									
Summer	6,181	15,000	\$ 92,715	6,551	15,000	\$ 98,265	8,980	15,000	\$ 134,700
Winter	5,946	5,000	29,730	6,303	5,000	31,515	3,872	5,000	19,360
<b>Public Demand Svc. (Rate "P")</b>									
Summer	1,273	15,000	19,095	1,350	15,000	20,250	2,002	15,000	30,030
Winter	2,301	5,000	11,505	2,439	5,000	12,195	1,787	5,000	8,935
	<u>15,701</u>			<u>16,643</u>			<u>16,641</u>		
<b>Total</b>			<u>\$ 153,045</u>	<b>Total</b>		<u>\$ 162,225</u>	<b>Total</b>		<u>\$ 193,025</u>

	Test Year			Rate Year			New Summer		
	Service Units	Current Rates	Revenue	Service Units	Current Rates	Revenue	Service Units	Current Rates	Revenue
<b>System Charges</b>									
<b>Residential (Rate "R")</b>									
Summer Only	1,447	17,500	\$ 25,323	1,536	17,500	\$ 26,880	2,304	17,500	\$ 40,320
<b>Commercial General Svc. (Rate "G")</b>									
Summer Only	358	35,000	12,530	379	35,000	13,265	569	35,000	19,898
<b>Public Non-demand Svc. (Rate "P")</b>									
Summer Only	23	37,500	863	24	37,500	900	36	37,500	1,350
	<u>1,828</u>			<u>1,939</u>			<u>2,909</u>		
<b>Total</b>			<u>\$ 38,715</u>	<b>Total</b>		<u>\$ 41,045</u>	<b>Total</b>		<u>\$ 61,568</u>

CALCULATION OF EXTENDED SUMMER REVENUES-CUSTOMER CHARGES  
BLOCK ISLAND POWER COMPANY

Schedule DGB-7c

Customer Charge	Test Year			Rate Year			New Summer		
	Service Units	Current Rates	Test Year Revenue	Service Units	Proposed Rates	Rate Year Revenue	Service Units	Proposed Rates	Rate Year Revenue
<i>Residential (Rate "R")</i>									
Summer	5,001	10.0000	\$ 50,010	5,200	10.0000	\$ 52,000	7,814	10.0000	\$ 78,140
Winter	10,065	10.0000	100,650	10,471	10.0000	104,710	7,857	10.0000	78,570
<i>Commercial General Svc. (Rate "G")</i>									
Summer	1,153	10.0000	11,530	1,201	10.0000	12,010	1,803	10.0000	18,030
Winter	2,311	10.0000	23,110	2,405	10.0000	24,050	1,803	10.0000	18,030
<i>Commercial Demand Svc. (Rate "D")</i>									
Summer	372	15.0000	5,580	388	15.0000	5,820	582	15.0000	8,730
Winter	742	15.0000	11,130	774	15.0000	11,610	580	15.0000	8,700
<i>Public Demand Svc. (Rate "P")</i>									
Summer	60	15.0000	900	72	15.0000	1,080	108	15.0000	1,620
Winter	141	15.0000	2,115	144	15.0000	2,160	108	15.0000	1,620
<i>Public Non-demand Svc. (Rate "P")</i>									
Summer	52	10.0000	520	52	10.0000	520	78	10.0000	780
Winter	104	10.0000	1,040	104	10.0000	1,040	78	10.0000	780
	<u>20,001</u>		<u>206,585</u>	<u>20,811</u>		<u>215,000</u>	<u>20,811</u>		<u>215,000</u>
Total			\$ 206,585			\$ 215,000			\$ 215,000

CALCULATION OF REVENUE REQUIREMENT  
AT PERCENTAGE INCREASE  
BLOCK ISLAND POWER COMPANY

Schedule DGB-8

**Calculation of Percentage Increase in Revenue Requirement**

Revenue Increase (WEE-1)	\$ 463,171	
Rate Year Revenue at Old Rates (WEE-1)	<u>\$ 2,109,257</u>	<u>21.96%</u>

**Calculation of Across the Board Increase Percentage**

Revenue Increase (WEE-1)	\$ 463,171
Increase covered by Extended Summer Period (DGB-7)	<u>218,467</u>
<b><i>Revenue Increase to be covered by an across the board % Increase</i></b>	<u><u>\$ 244,704</u></u>

Revenue Items which could be increased by an across  
the board % Increase

Electricity Charges	\$ 1,915,466
Customer Charge	<u>215,000</u>
Total Revenue Available for Increase	<u><u>\$ 2,130,466</u></u>
Across the Board Percentage Increase	<u><u>11.49%</u></u>

**CALCULATION OF RATES  
BLOCK ISLAND POWER COMPANY**

Schedule DGB-8A

**Energy Charges**

	Current Rates	Increase	Proposed Rates
<i>Residential (Rate "R")</i>			
Summer	0.1945	1.1149	0.2169
Winter	<u>0.0738</u>	1.1149	<u>0.0823</u>
<i>Commercial General Srvc. (Rate "G")</i>			
Summer	0.2200	1.1149	0.2453
Winter	<u>0.1000</u>	1.1149	<u>0.1115</u>
<i>Commercial Demand Srvc. (Rate "D")</i>			
Summer	0.1684	1.1149	0.1877
Winter	<u>0.0840</u>	1.1149	<u>0.0936</u>
<i>Public Demand Srvc. (Rate "P")</i>			
Summer	0.1636	1.1149	0.1824
Winter	<u>0.0818</u>	1.1149	<u>0.0912</u>
<i>Public Non-demand Srvc. (Rate "P")</i>			
Summer	0.2000	1.1149	0.2230
Winter	<u>0.1000</u>	1.1149	<u>0.1115</u>

**System Charges**

	Current Rates	Increase	Proposed Rates
<i>Residential (Rate "R")</i>			
Summer Only	<u>17.5000</u>	1.1149	<u>19.5100</u>
<i>Commercial General Srvc. (Rate "G")</i>			
Summer Only	<u>35.0000</u>	1.1149	<u>39.0201</u>
<i>Public Non-demand Srvc. (Rate "P")</i>			
Summer Only	<u>37.5000</u>	1.1149	<u>41.8072</u>

**Demand Charges**

	Current Rates	Increase	Proposed Rates
<i>Commercial Demand Srvc. (Rate "D")</i>			
Summer	15.0000	1.1149	16.7229
Winter	<u>5.0000</u>	1.1149	<u>5.5743</u>
<i>Public Demand Srvc. (Rate "P")</i>			
Summer	15.0000	1.1149	16.7229
Winter	<u>5.0000</u>	1.1149	<u>5.5743</u>

Summer Period covers June-Sept for Current Rates and May-Oct for Proposed Rates  
Winter Period covers Oct-May for Current Rates and Nov-Apr for Proposed Rates

**CALCULATION OF RATES  
BLOCK ISLAND POWER COMPANY**

Schedule DGB-8B

**Street lightning**

	Test Year Rates	Increase	Proposed Rates
Other public authorities	15.4500	1.1149	17.2246

**Customer Charge**

	Test Year Rates	Increase	Proposed Rates
<i>Residential (Rate "R")</i>			
Summer & Winter	10.0000	1.1149	11.1486
<i>Commercial General Svc. (Rate "G")</i>			
Summer & Winter	10.0000	1.1149	11.1486
<i>Commercial Demand Svc. (Rate "D")</i>			
Summer & Winter	15.0000	1.1149	16.7229
<i>Public Demand Svc. (Rate "P")</i>			
Summer & Winter	15.0000	1.1149	16.7229
<i>Public Non-demand Svc. (Rate "P")</i>			
Summer & Winter	10.0000	1.1149	11.1486

Summer Period covers June-Sept for Current Rates and May-Oct for Proposed Rates  
 Winter Period covers Oct-May for Current Rates and Nov-Apr for Proposed Rates

**REVENUE CHECK  
BLOCK ISLAND POWER COMPANY**

Schedule DGB-9

**Across the Board  
Revenue Summary:**

	<u>Rate Year at Current Rates</u>	<u>Rate Year</u>	<u>Reference</u>
Electricity Charges	\$ 1,696,991	\$ 2,135,532	<b>See Below WEE-2 See Below WEE-2 WEE-2</b>
Fuel Surcharges	-	-	
Service Charges	215,550	240,245	
Other Revenue	192,707	192,707	
Miscellaneous Revenue	4,000	4,000	
<b>Total Revenue</b>	<b><u>\$ 2,109,248</u></b>	<b><u>\$ 2,572,484</u></b>	
Total Revenue (Per Schedule WEE-1)		<b><u>\$ 2,572,428</u></b>	
Variance		<b><u>\$ 56</u></b>	

**Summary of Detail Calculations:**

<b>Electricity Charges</b>			
Residential sales	548,476	693,101	DGB - 9A
Commercial sales	245,021	302,031	DGB - 9A
Demand Electric	599,577	732,185	DGB - 9A
Public streets & highway	87,494	109,685	DGB - 9A
Other public authorities	13,163	14,675	DGB - 9B
Demand - all rates	162,215	215,196	DGB - 9B
System Charge	41,045	68,659	DGB - 9B
	<b><u>\$ 1,696,991</u></b>	<b><u>\$ 2,135,532</u></b>	
<b>Service Charges</b>			
Removal Non Payment	\$ 550	\$ 550	WEE-2
Customer Charges	215,000	239,695	DGB - 9BC
Connection Charges	-	-	WEE-2
	<b><u>\$ 215,550</u></b>	<b><u>\$ 240,245</u></b>	

**CALCULATION OF REVENUES-  
ACROSS THE BOARD  
BLOCK ISLAND POWER COMPANY**

<u>Energy Charges</u>	<u>Service Units</u>	<u>Current Rates</u>	<u>Revenue</u>	<u>Extended Summer Service Units</u>	<u>Proposed Rates</u>	<u>Revenue</u>
<i>Residential (Rate "R")</i>						
Summer	1,931,232	0.1945	\$ 375,625	2,536,413	0.2169	\$ 550,148
Winter	2,342,158	0.0738	172,851	1,736,977	0.0823	142,953
	<u>4,273,390</u>			<u>4,273,390</u>		
Total			<u>\$ 548,476</u>	Total		<u>\$ 693,101</u>
 <i>Commercial General Svc. (Rate "G")</i>						
Summer	751,752	0.2200	\$ 165,385	967,243	0.2453	\$ 237,265
Winter	796,351	0.1000	79,635	580,860	0.1115	64,766
	<u>1,548,103</u>			<u>1,548,103</u>		
Total			<u>\$ 245,021</u>	Total		<u>\$ 302,031</u>
 <i>Commercial Demand Svc. (Rate "D")</i>						
Summer	2,581,350	0.1684	\$ 434,699	3,260,893	0.1877	\$ 612,070
Winter	1,962,831	0.0840	164,878	1,283,288	0.0936	120,116
	<u>4,544,181</u>			<u>4,544,181</u>		
Total			<u>\$ 599,577</u>	Total		<u>\$ 732,185</u>
 <i>Public Demand Svc. (Rate "P")</i>						
Summer	241,320	0.1636	\$ 39,480	359,854	0.1824	\$ 65,637
Winter	459,592	0.0818	37,595	341,058	0.0912	31,104
<i>Public Non-demand Svc. (Rate "P")</i>						
Summer	25,947	0.2000	5,189	37,835	0.2230	8,437
Winter	52,298	0.1000	5,230	40,411	0.1115	4,506
	<u>779,157</u>			<u>779,158</u>		
Total			<u>\$ 87,494</u>	Total		<u>\$ 109,685</u>

Summer Period covers June-Sept for Current Rates and May-Oct for Proposed Rates  
 Winter Period covers Oct-May for Current Rates and Nov-Apr for Proposed Rates

**CALCULATION OF REVENUES-  
ACROSS THE BOARD  
BLOCK ISLAND POWER COMPANY**

<u>System Charges</u>	Service Units	Current Rates	Revenue	Extended Summer Service Units	Proposed Rates	Revenue
Residential (Rate "R") Summer Only	1,536	17.5000	\$ 26,880	2,304	19.5100	\$ 44,951
Commercial General Svc. (Rate "G") Summer Only	379	35.0000	13,265	569	39.0201	22,202
Public Non-demand Svc. (Rate "P") Summer Only	24	37.5000	900	36	41.8072	1,505
	<u>1,939</u>			<u>2,909</u>		
Total			\$ 41,045	Total		\$ 68,659

<u>Demand Charges</u>	Service Units	Current Rates	Revenue	Extended Summer Service Units	Proposed Rates	Revenue
Commercial Demand Svc. (Rate "D") Summer	6,551	15.0000	\$ 98,265	8,980	16.7229	\$ 150,172
Winter	6,301	5.0000	31,505	3,872	5.5743	21,584
Public Demand Svc. (Rate "P") Summer	1,350	15.0000	20,250	2,002	16.7229	33,479
Winter	2,439	5.0000	12,195	1,787	5.5743	9,961
	<u>16,641</u>			<u>16,641</u>		
Total			\$ 162,215	Total		\$ 215,196

<u>Street lighting</u>	Service Units	Current Rates	Revenue	Extended Summer Service Units	Proposed Rates	Revenue
	852	15.4500	\$ 13,163	852	17.2246	\$ 14,675
	<u>852</u>			<u>852</u>		
Total			\$ 13,163	Total		\$ 14,675

Summer Period covers June-Sept for Current Rates and May-Oct for Proposed Rates  
 Winter Period covers Oct-May for Current Rates and Nov-Apr for Proposed Rates

**CALCULATION OF REVENUES-  
ACROSS THE BOARD  
BLOCK ISLAND POWER COMPANY**

<u>Customer Charge</u>	Service Units	Current Rates	Revenue	Extended Summer		Rate Year Revenue
				Service Units	Proposed Rates	
<i>Residential (Rate "R")</i>						
Summer	5,200	10.0000	\$ 52,000	5,200	11.1486	\$ 57,973
Winter	10,471	10.0000	104,710	10,471	11.1486	116,737
<i>Commercial General Svc. (Rate "G")</i>						
Summer	1,201	10.0000	12,010	1,201	11.1486	13,389
Winter	2,405	10.0000	24,050	2,405	11.1486	26,812
<i>Commercial Demand Svc. (Rate "D")</i>						
Summer	388	15.0000	5,820	388	16.7229	6,488
Winter	774	15.0000	11,610	774	16.7229	12,944
<i>Public Demand Svc. (Rate "P")</i>						
Summer	72	15.0000	1,080	72	16.7229	1,204
Winter	144	15.0000	2,160	144	16.7229	2,408
<i>Public Non-demand Svc. (Rate "P")</i>						
Summer	52	10.0000	520	52	11.1486	580
Winter	104	10.0000	1,040	104	11.1486	1,159
	<u>20,811</u>			<u>20,811</u>		
Total			<u>\$ 215,000</u>			<u>\$ 239,695</u>

Summer Period covers June-Sept for Current Rates and May-Oct for Proposed Rates  
 Winter Period covers Oct-May for Current Rates and Nov-Apr for Proposed Rates

Ratepayer Impact on  
 Rate "R" Residential Rate, Rate "G" Commercial Rate & Rate "D" Demand Rate Customers  
**BLOCK ISLAND POWER COMPANY**

**Residential Rate "R"**

Typical Monthly Average kWh	Yearly Total kWh	Present Rates (Jun-Sept Summer)			Proposed Rates (May-Oct Summer)			Annual Increase/(Decrease)		Monthly Average Amount
		Total	Usage	Cust Chg	Total	Usage	Cust Chg	Amount	% of Total	
500	6,000	\$ 890	\$ 770	\$ 120	\$ 1,107	\$ 973	\$ 134	\$ 217	24%	\$ 18.08
1,000	12,000	\$ 1,660	\$ 1,540	\$ 120	\$ 2,080	\$ 1,946	\$ 134	\$ 420	25%	\$ 35.00
2,000	24,000	\$ 3,200	\$ 3,080	\$ 120	\$ 4,027	\$ 3,893	\$ 134	\$ 827	26%	\$ 68.92

**Commercial Rate "G"**

Typical Monthly Average kWh	Yearly Total kWh	Present Rates (Jun-Sept Summer)			Proposed Rates (May-Oct Summer)			Annual Increase/(Decrease)		Monthly Average Amount
		Total	Usage	Cust Chg	Total	Usage	Cust Chg	Amount	% of Total	
500	6,000	\$ 1,070	\$ 950	\$ 120	\$ 1,305	\$ 1,171	\$ 134	\$ 235	22%	\$ 19.58
1,000	12,000	\$ 2,019	\$ 1,899	\$ 120	\$ 2,475	\$ 2,341	\$ 134	\$ 456	23%	\$ 38.00
2,000	24,000	\$ 3,918	\$ 3,798	\$ 120	\$ 4,816	\$ 4,682	\$ 134	\$ 898	23%	\$ 74.83

**Demand-Metered General Services Rate "D"**

Typical Monthly Average kWh/kW	Yearly Total kWh	Present Rates (Jun-Sept Summer)				Proposed Rates (May-Oct Summer)				Annual Increase/(Decrease)		Monthly Average Amount
		Total	Usage	Demand	Cust Chg	Total	Usage	Demand	Cust Chg	Amount	% of Total	
2000/10	24,000	\$ 4,347	\$ 3,167	\$ 1,000	\$ 180	\$ 5,406	\$ 3,867	\$ 1,338	\$ 201	\$ 1,059	24%	\$ 88.25
4000/15	48,000	\$ 8,013	\$ 6,333	\$ 1,500	\$ 180	\$ 9,942	\$ 7,734	\$ 2,007	\$ 201	\$ 1,929	24%	\$ 160.75
6000/20	72,000	\$ 11,680	\$ 9,500	\$ 2,000	\$ 180	\$ 14,478	\$ 11,601	\$ 2,676	\$ 201	\$ 2,798	24%	\$ 233.17

Ratepayer Impact on  
Rate "P" Public Rate Customers  
**BLOCK ISLAND POWER COMPANY**

**Public Demand Rate "P"**

Typical Monthly Average kWh/kW	Yearly Total kWh	Present Rates (Jun-Sept Summer)			Proposed Rates (May-Oct Summer)			Annual Increase/(Decrease) Amount	Annual Increase/(Decrease) % of Total	Monthly Average Amount
		Total	Useage kWh	Demand kW	Total	Useage kWh	Demand kW			
2000/10	24,000	\$ 4,258	\$ 3,078	\$ 1,000	\$ 5,298	\$ 3,759	\$ 1,338	\$ 201	\$ 1,040	\$ 86.67
4000/15	48,000	\$ 7,837	\$ 6,157	\$ 1,500	\$ 9,727	\$ 7,519	\$ 2,007	\$ 201	\$ 1,890	\$ 157.50
6000/20	72,000	\$ 11,415	\$ 9,235	\$ 2,000	\$ 14,155	\$ 11,278	\$ 2,676	\$ 201	\$ 2,740	\$ 228.33

**Public Rate "P"**

Typical Monthly Average kWh	Yearly Total kWh	Present Rates (Jun-Sept Summer)			Proposed Rates (May-Oct Summer)			Annual Increase/(Decrease) Amount	Annual Increase/(Decrease) % of Total	Monthly Average Amount
		Total	Useage	Cust Chg	Total	Useage	Cust Chg			
500	6,000	\$ 920	\$ 800	\$ 120	\$ 1,138	\$ 1,004	\$ 134	\$ 218	\$ 18.17	
1,000	12,000	\$ 1,720	\$ 1,600	\$ 120	\$ 2,141	\$ 2,007	\$ 134	\$ 421	\$ 35.08	

Summary of Current & Proposed Rates  
**BLOCK ISLAND POWER COMPANY**

Schedule DGB-11

Current Rates			
<b>Residential Rate "R"</b>			
<i>Electric Charge</i>			
Summer	kWh x	0.1945	June-Sept
Winter	kWh x	0.0738	Oct-May
<i>Customer Charge</i>			
Summer	per month	10.0000	June-Sept
Winter	per month	10.0000	Oct-May
<i>System Charge</i>			
Summer Only	per month	17.5000	June-Sept

Proposed Rates			
<i>Electric Charge</i>			
Summer	kWh x	0.2169	May-Oct
Winter	kWh x	0.0823	Nov-Apr
<i>Customer Charge</i>			
Summer	per month	11.1486	May-Oct
Winter	per month	11.1486	Nov-Apr
<i>System Charge</i>			
Summer Only	per month	19.5100	May-Oct

<b>Commercial Rate "G"</b>			
<i>Electric Charge</i>			
Summer	kWh x	0.2200	June-Sept
Winter	kWh x	0.1000	Oct-May
<i>Customer Charge</i>			
Summer	per month	10.0000	June-Sept
Winter	per month	10.0000	Oct-May
<i>System Charge</i>			
Summer Only	per month	35.0000	June-Sept

<i>Electric Charge</i>			
Summer	kWh x	0.2453	May-Oct
Winter	kWh x	0.1115	Nov-Apr
<i>Customer Charge</i>			
Summer	per month	11.1486	May-Oct
Winter	per month	11.1486	Nov-Apr
<i>System Charge</i>			
Summer Only	per month	39.0201	May-Oct

<b>Demand-Metered General Services Rate "D"</b>			
<i>Electric Charge</i>			
Summer	kWh x	0.1684	June-Sept
Winter	kWh x	0.0840	Oct-May
<i>Demand Charge</i>			
Summer	kW x	15.0000	June-Sept
Winter	kW x	5.0000	Oct-May
<i>Customer Charge</i>			
Summer	per month	15.0000	June-Sept
Winter	per month	15.0000	Oct-May

<i>Electric Charge</i>			
Summer	kWh x	0.1877	May-Oct
Winter	kWh x	0.0936	Nov-Apr
<i>Demand Charge</i>			
Summer	kW x	16.7229	May-Oct
Winter	kW x	5.5743	Nov-Apr
<i>Customer Charge</i>			
Summer	per month	16.7229	May-Oct
Winter	per month	16.7229	Nov-Apr

<b>Public Demand Rate "P"</b>			
<i>Electric Charge</i>			
Summer	kWh x	0.1636	June-Sept
Winter	kWh x	0.0818	Oct-May
<i>Demand Charge</i>			
Summer	kW x	15.0000	June-Sept
Winter	kW x	5.0000	Oct-May
<i>Customer Charge</i>			
Summer	per month	15.0000	June-Sept
Winter	per month	15.0000	Oct-May

<i>Electric Charge</i>			
Summer	kWh x	0.1824	May-Oct
Winter	kWh x	0.0912	Nov-Apr
<i>Demand Charge</i>			
Summer	kW x	16.7229	May-Oct
Winter	kW x	5.5743	Nov-Apr
<i>Customer Charge</i>			
Summer	per month	16.7229	May-Oct
Winter	per month	16.7229	Nov-Apr

<b>Public Rate "P"</b>			
<i>Electric Charge</i>			
Summer	kWh x	0.2000	June-Sept
Winter	kWh x	0.1000	Oct-May
<i>Customer Charge</i>			
Summer	per month	10.0000	June-Sept
Winter	per month	10.0000	Oct-May
<i>System Charge</i>			
Summer Only	per month	37.5000	June-Sept

<i>Electric Charge</i>			
Summer	kWh x	0.2230	May-Oct
Winter	kWh x	0.1115	Nov-Apr
<i>Customer Charge</i>			
Summer	per month	11.1486	May-Oct
Winter	per month	11.1486	Nov-Apr
<i>System Charge</i>			
Summer Only	per month	41.8072	May-Oct

<b>Street Lighting Rate "S"</b>			
<i>Electric Charge</i>			
Year round	6000 mean lumen	15.4500	

<i>Electric Charge</i>			
Year round	6000 mean lumen	17.2246	