

# Schacht & McElroy

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January 12, 2007

Luly Massaro  
Clerk  
**Public Utilities Commission**  
89 Jefferson Boulevard  
Warwick, RI 02888

Re: Block Island Power Company – Affordable Energy Plan

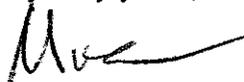
Dear Luly:

Enclosed please find ten (10) copies of Block Island Power Company's affordable energy plan filed in compliance with R.I.G.L. § 39-1-27.10(a) of the Comprehensive Energy Conservation, Efficiency and Affordability Act of 2006.

We apologize for the delay in getting this plan filed.

If you have any questions, please feel free to call.

Very truly yours,



Michael R. McElroy

MRMc:tmg

BIPCo8:Energy-Massaro

cc: BIPCo owners  
Walter Edge, Jr.  
Steven Scialabba  
Paul Roberti, Esq.  
Block Island Town Clerk (certified mail)

**Block Island Power Company**

**AFFORDABLE ENERGY PLAN FOR**  
**ELECTRIC SERVICE**

**JANUARY 2, 2007**

Submitted to:  
Rhode Island Public Utilities Commission

During 2006, the Rhode Island General Assembly passed "The Comprehensive Energy Conservation, Efficiency and Affordability Act of 2006" that was signed into law by the Governor. This Act establishes a fund from which monies will be used to assist low income customers of utilities. BIPCO is required and is filing with the Commission an Affordable Energy Plan.

This Affordable Energy Fund money will be used to compensate Utility Companies for revenues lost due to the reductions in customer charges in accordance with a plan approved by the Commission. These reductions in charges will be given to very low income households and if feasible to low income households to provide up to a 50% reduction in customer charges for households that do not exceed the average use of comparable dwelling units. The Office of energy Resources must develop a strategic plan to provide money to increase energy efficiency and weatherization in dwelling units occupied by very low and low income households.

#### The Proposed Affordable Electric Energy Plan:

BIPCO proposes a discounted rate for electricity for low income and very low income households that includes:

1. 50% reduction in charges for electricity at a monthly use not to exceed 500kWh/ mo.
2. 50% reduction in the unpaid balance of past due charges as long as monthly payments are made in accordance with the Company's plan to which the household had agreed. This reduction will take the form of a 50% reduction in the monthly charge to which both of the above parties had agreed.
3. BIPCO will apply to the fund for money to assist in weatherization for dwellings occupied by low income or very low income households that have electricity as the main supply of heat for the colder weather.

#### Estimated Impact of Plan:

BIPCO estimates that there are 15 very low or low income families that use about \$100 of electricity per month. A 50% reduction in charges would result in a \$9,000 loss to the Company that would then seek relief from the established fund.

BIPCO is unaware of any dwelling occupied by a low income or very low income household that has electricity as the main supply of heat for the colder weather.