

Schacht & McElroy

Robert M. Schacht
Michael R. McElroy

Attorneys at Law

(401) 351-4100
fax (401) 421-5696

Members of Rhode Island
and Massachusetts Bars

21 Dryden Lane
Post Office Box 6721
Providence, Rhode Island 02940-6721

email: RMSchacht@aol.com
McElroyMik@aol.com

June 10, 2008

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

Re: BIPCo Rate Case – Docket No. 3900

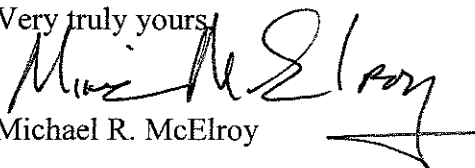
Dear Luly:

As you know, this office represents Block Island Power Company (BIPCo).

Enclosed for filing in this matter are an original and nine copies of BIPCo's Compliance filing.

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

Very truly yours,


Michael R. McElroy

MRMc:tmg
07 Rate-Massaro18
cc: Service list

**COST OF SERVICE SUMMARY
BLOCK ISLAND POWER COMPANY**

**Schedule WEE-1
Compliance Schedules**

	RATE YEAR Rebuttal Filled	Commission Adjustments	CURRENT RATES RATE YEAR	REVENUE REQUIREMENT	Compliance NEW RATES RATE YEAR
TOTAL REVENUE -- WEERY-2	\$ 2,291,692	\$ 52,000	\$ 2,343,692	\$ 263,856	2,607,549
TOTAL EXPENSES -- WEERY-3	2,370,220	(4,897)	2,365,323	11,068	2,376,391
NET OPERATING INCOME	<u>\$ (78,528)</u>	<u>\$ 56,897</u>	<u>\$ (21,631)</u>	<u>\$ 252,788</u>	<u>\$ 231,158</u>

Percentage increase over RY Revenue (Including Fuel Revenue) \$ 263,856 / \$ 4,485,250 5.88%

Percentage increase over RY Revenue at Current Rates 263,856 / 2,343,692 11.26%

et See WEE-12 for calculation

GRT on Revenue at Current Rates	RI gross earnings tax
GRT on Revenue Requirement	WEE-3
	WEE-1
	Total
	\$ 93,234
	11,068
	\$ 104,302

adj I & K (See footnote on WEE-3)

Schedule WEE-2
Compliance Schedules

COMPARATIVE REVENUE ANALYSIS
BLOCK ISLAND POWER COMPANY

ACCT. #	BUDGET ACCOUNT DESCRIPTION	RATE YEAR Rebuttal	Commission Adjustments	ADJUSTED RATE YEAR
REVENUE				
<i>Operating Revenue---Electricity Charges</i>				
4440.0001	Residential sales			
4442.0001	Commercial sales	\$ -	\$ -	\$ -
4443.0001	Demand Electric			
4444.0001	Public streets & highway			
4445.0001	Other public authorities			
4500.0001	Demand - all rates			
4600	System Charge			
	<i>Total Operating Revenue---Electricity Charges</i>	1,867,755	-	1,867,755
<i>Operating Revenue---Fuel Surcharge</i>				
4440.0003	Residential Fuel			
4442.0003	Commercial Fuel			
4443.0003	Demand Fuel			
4444.0003	Public Authority Fuel			
	<i>Total Operating Revenue---Fuel Surcharge</i>		1 52,000	52,000
<i>Operating Revenue---Service Charges</i>				
4451.0002	Removal Non Payment			
4500	Customer Charge	238,497		238,497
5431.0201	Connection Charges			
	<i>Total Operating Revenue---Service Charges</i>	238,497		238,497
<i>Other Revenue</i>				
5421.0201	Interest income	2,679		2,679
5421.0301	Rent - lease	150,648		150,648
5421.0401	Pole Rental Income	9,837		9,837
7431.0221	Billor Penalty	21,148		21,148
	<i>Total Other Revenue</i>	184,311		184,311
	Miscellaneous Revenue	1,128		1,128
	TOTAL REVENUE	\$ 2,291,692	\$ 52,000	\$ 2,343,692

(1) = Penny Fuel Surcharge maintained [approx \$50,000] (Rev. adj. covers Surcharge plus GRT (\$52,000) (WEE-2) and Exp adj covers IRP Fund Exp \$50,000 (WEE-3) and GRT of \$2,000 (WEE-1)

EXPENSE ANALYSIS
BLOCK ISLAND POWER COMPANY

Schedule WEE-3
Compliance Schedules

ACCT. #	BUDGET ACCOUNT DESCRIPTION	RATE YEAR Rebuttal	Commission Adjustments	ADJUSTED RATE YEAR
EXPENSES				
Operating Expense--Power Production				
5546.0001	Supervision P/R (Payroll) Only	\$ 18,222		\$ 18,222
5547.0001	Fuel	-		-
4500.0100	Fuel Discounts	-		-
5440.0001	IRP & DSM Surcharge Funding	-	I 50,000	50,000
5547.0101	Fuel Handling Plant P/R Only	-		-
5547.0102	Fuel Procurement P/R Only	-		-
5547.0301	Inventory Charge	394		394
5547.0401	Fuel Procurement	-		-
5548.0001	Watchman P/R Only	114,531		114,531
5548.1001	Lubrication	24,747		24,747
5549.0001	Freight	-		-
5549.0201	Inside Maint. P/R Only	77,797		77,797
5549.0401	Misc. Costs Power Gen Exp	-		-
5549.1001	Misc Cost	-		-
5550.0101	Auto Repair	4,939		4,939
5550.0201	Purchased Power	3,740		3,740
5905.0001	Miscellaneous	1,544		1,544
5935.0905	UREA EXPENSE	-		-
Total Operating Expense--Power Production		245,915	50,000	295,915
Operating Expense--Distribution				
5581.0001	Supervision - P/R Only	19,043		19,043
5583.0001	Overhead lines - P/R Only	48,351		48,351
5583.0002	Overhead lines	-		-
5584.0001	Underground line P/R Only	40		40
5585.0001	ST Lights & Sign P/R only	398		398
5586.0001	Meters - P/R Only	2,044		2,044
5586.0002	Meters	-		-
5587.0001	Customer install. P/R	267		267
5588.0001	Misc. Distrib. P/R	6,371		6,371
5588.0002	Misc. Distrib. Expense	51,074		51,074
5935.0301	Lease - motor vehicle	24,407		24,407
Total Operating Expense--Distribution		151,995	-	151,995
Operating Expense--Customer Service				
5902.0001	Meter reading - P/R Only	9,798		9,798
5903.0001	Rec. & collection - P/R	18,682		18,682
5916.0001	Conservation/Education	-		-
Total Operating Expense--Customer Service		28,481	-	28,481
Operating Expense--Administrative				
5903.0002	Bad Debt	3,183		3,183
5920.0201	Office salaries - P/R	17,961		17,961
5920.0211	Management Fee	-		-
5920.0212	MANAGEMENT FEE BONUS	-		-
5920.0205	Accrued Vacation	913		913
5920.0401	Vacation Pay - P/R Only	23,935		23,935

**EXPENSE ANALYSIS
BLOCK ISLAND POWER COMPANY**

**Schedule WEE-3
Compliance Schedules**

ACCT. #	BUDGET ACCOUNT DESCRIPTION	RATE YEAR Rebuttal		Commission Adjustments	ADJUSTED RATE YEAR
Operating Expense---Administrative (Continued)					
5920.0501	Bonus - P/R Only	9,938			9,938
5920.0502	Bonus-Non P/R	122			122
5920.0601	Holiday Pay - P/R only	6,116			6,116
5920.0701	Holiday Not Worked - P/R Only	11,343			11,343
5920.0801	Sick Leave Pay - P/R Only	6,412			6,412
5920.0901	Personal Pay - P/R Only	3,424			3,424
5920.0902	President's Compensation	72,000	B	-	72,000
5920.0903	CFO Compensation	48,000	B	-	48,000
5920.0904	COO Compensation	48,000	B	-	48,000
5921.0001	Office supplies and Expense	37,083			37,083
5921.0201	Trash Removal	10,307			10,307
5923.0001	O/S-Outside Services	-			-
5923.0002	O/S-Miscellaneous	5,861	F	(3,825)	2,036
5923.0004	O/S-Accountant-General	12,993			12,993
5923.0005	O/S-Accountant-Regulatory	22,995			22,995
5923.0006	O/S-Accountant-Financing	-			-
5923.0015	O/S-Accountant and Legal-RUS	25,000			25,000
5923.0016	O/S-Legal-General	4,850			4,850
5923.0017	O/S-Legal-Regulatory	24,626			24,626
5923.0018	O/S-Legal-Financing	-			-
5923.0019	O/S-Legal-Sale of Property	-			-
5923.0020	O/S-Legal-Zoning	-			-
5923.0201	Employee Pension	72,000	G	(12,000)	60,000
5924.0301	General Liability Ins	126,796			126,796
5926.0001	Employee Benefits	160,205	H	(15,122)	145,084
5927.0001	Pension Expense	14,012			14,012
5927.1000	Rate Case Expense	70,169	C	(15,169)	55,000
5928.0001	Reg Comm Exp	9,507			9,507
5930.0001	Travel And Misc. Expense	5,719			5,719
5930.0002	Rental Expense-Apartment	5,000			5,000
5930.0101	Directors Meetings	7,950			7,950
5933.0001	Accounting	0			0
5933.0002	Accounting-Audit	24,888			24,888
5933.0003	Accounting-Board/Annual Mtgs	6,437			6,437
5933.0004	Accounting-Bookkeeping	27,485			27,485
5933.0005	Accounting-Finance Comm & Budg	6,169			6,169
5933.0006	Accounting-Taxes	4,789			4,789
5935.0901	Environmental	70,000			70,000
5935.0902	Clean air compliance	66,000			66,000
5935.0904	Meter Replacement Survey	3,333			3,333
Total Operating Expense---Administrative		1,075,521		(46,116)	1,029,405
Maintenance Expense---Distribution System					
5418.0101	Subcontractor Expense	-			-
5550.0102	Backhoe Repair	524			524
5590.0101	Supervision - P/R Only	18,029			18,029
5592.0001	Station equip	(110)			(110)

EXPENSE ANALYSIS
BLOCK ISLAND POWER COMPANY

Schedule WEE-3
Compliance Schedules

ACCT. #	BUDGET ACCOUNT DESCRIPTION	RATE YEAR Rebuttal	Commission Adjustments	ADJUSTED RATE YEAR
Maintenance Expense---Distribution System (Continued)				
5593.0001	Overhead lines - P/R Only	2,975		2,975
5593.0501	Tree Trimming	6,591		6,591
5593.2001	Transformer Expense	-		-
5594.0001	Underground P/R	-		-
5594.0002	Maint Underground Lines	-		-
5596.0001	Street lights&signals P/R	147		147
5596.0002	Maint of Street Lights	(1)		(1)
5597.0001	Meters- P/R only	455		455
5598.0001	Misc	(178)		(178)
Total Maintenance Expense---Distribution System		28,432	-	28,432
Maintenance Expense---Generation System				
5553.0201	Supervision - P/R Only	17,660		17,660
5553.0501	Maint. of Gen & Elect Plt	324		324
5554.0101	Gasoline	17,747		17,747
5555.0001	Misc.	174		174
Total Maintenance Expense---Generation System		35,905	-	35,905
Maintenance Expense---General				
5552.0001	Maintenance of Struct P/R	472		472
5552.0002	Maint. of Structures	5,369		5,369
5935.0101	maint general plant	2,023		2,023
5935.0201	Small tools	-		-
5935.0501	Tank Testing	-		-
5935.0801	Haz. Waste Store/Remov/Hd	13,399		13,399
5935.2003	Generator #19 maint.	-		-
5935.2030	Uniforms	-		-
5935.2090	SCR Maint	(0)		(0)
5935.2100	SCR & Engine Maint Res.Exp.	238,917	D	238,917
5935.2101	General Maintenance	(0)		(0)
5935.2108	Generator #21 Maint	-		-
5935.2111	GENERATOR #22 INSTALL	-		-
5935.2113	GENERATOR # 22 MAINTENANCE	0		0
5935.2117	Engine #23 Maint	0		0
5935.2122	Engine #24 Maint	0		0
5935.2124	ENGINE #25 MAINTENANCE	-		-
5935.2125	Cellular Tower Maint & Expense	15,532		15,532
Total Maintenance Expense---General		275,710	-	275,710
Taxes				
6408.0101	Payroll taxes	38,126		38,126
6408.0201	RI Sales taxes	3,730		3,730
6408.0401	Property taxes	15,125		15,125
6408.0501	Registrations	1,792		1,792
6408.0601	RI gross earnings tax	93,234		93,234
	RI gross earnings tax-Fuel Portion	-		-
Total Taxes		152,006	-	152,006

EXPENSE ANALYSIS
BLOCK ISLAND POWER COMPANY

Schedule WEE-3
Compliance Schedules

ACCT. #	BUDGET ACCOUNT DESCRIPTION	RATE YEAR Rebuttal	Commission Adjustments	ADJUSTED RATE YEAR
Depreciation				
7403.0001	Depreciation expense	344,493	E	-
				344,493
Other Deductions				
5929.0000	Finance Charges	1,080		1,080
7431.0003	Interest On Loan #39903	-		-
7431.0004	Interest On Loan #39904	-		-
7431.0005	DIGGER LOAN INTEREST 48141	-		-
7431.0006	Interest on Loan 91125530	-		-
7431.0007	RUS LOAN INTEREST	-		-
7431.0201	Interest - Other	-		-
7439.0001	MISC-Bank Fees	249		249
7600.0001	Loss(Gain) on Sale of Asset	-		-
7600.0002	(Gain) on sale of asset-Land	-		-
7600.0003	Land sale expenses	-		-
8503.0001	Misc other expenses	304		304
8505.0001	Condo Fees	-		-
9800.0000	Misc.-Sewer Exp on Rental Prop	-		-
Total Other Deductions		1,633		-
				1,633
Income Tax				
7431.0601	LOC Interest	-		-
7431.0901	Federal Income Tax	30,129	J	(8,781)
7431.0903	Net Change In Deferred Tx	-		-
Total Income Tax		30,129		(8,781)
				21,348
Dividends				
9999.9997	Dividends	-		-
Total Dividends		-		-
TOTAL EXPENSES		\$ 2,370,220		\$ (4,897)
				\$ 2,365,323

- (A) = Land Sale Split 50/50 with zero based equity (See WEE-12 & WEE-14)
 (B) = Management Compensation \$168,000 (No adjustment Rebuttal already at that level)
 (C) = Prior year rate case denied \$15,169 + Increase in rate case to 195,00 from 167,000 denied
 (\$0 adj since increase would have been part of the compliance filing and has not been included in rebuttal position)
 (D) = Engine Maintenance of \$238,917 accepted (No adjustment Rebuttal already at that level)
 (E) = Depreciation of Engine of \$43,103 accepted (No adjustment Rebuttal already at that level)
 (F) = Lobby Expense \$3,825 denied
 (G) = Pension Expense for Edwards \$24,000 denied, however Pension Expense for Edwards \$12,000 granted.
 (H) = Healthcare Expense for Edwards \$15,122 denied
 (I) = Penny Fuel Surcharge maintained [approx \$50,000] (Rev. adj. covers Surcharge plus GRT (\$52,000) (WEE-2)
 and Exp adj covers IRP Fund Exp \$50,000 (WEE-3) and GRT of \$2,000 (WEE-1)
Pass through Calculations (bases on previous adjustments)
 (J) = Federal Income Tax Based on Division Approach (See WEE-15 for calculation)
 (K) = Gross Receipts Tax (See WEE-1)

RETURN ON RATE BASE
BLOCK ISLAND POWER COMPANY

Schedule WEE-12
Compliance Schedules

Total Rate Year Rate Base (WEE-13)	\$	3,967,137
Weighted Return on Rate Base (WEE-14)		<u>5.83%</u>
Net Utility Profit	\$	<u>231,158</u>

Allocation of Net Utility Profit

	(a)			
Interest	0.0391	67%	x a	\$ 155,159
Equity	<u>0.0192</u>	<u>33%</u>	<u>x a</u>	<u>75,999</u>
	<u>0.0583</u>	<u>100%</u>		<u>\$ 231,158</u>

(a) (WEE-14)

**RATE YEAR RATE BASE
BLOCK ISLAND POWER COMPANY**

**Schedule WEE-13
Compliance Schedules**

Description	RATE YEAR Rebuttal	Comm. Adjustments	AVERAGE
Net Utility Plant	\$ 4,344,550	\$ -	\$ 4,344,550
Additions:			
Working Capital	165,382	-	165,382
Inventory	116,517	-	116,517
Inventory--Fuel	-	-	-
Prepaid Expenses	27,284	-	27,284
Deductions:			
Contributions in Aid & Zero Capital	-	-	-
Accrued Maint Reserve	(146,878)	(111,039)	(257,917)
Deferred Credits	(268,201)	-	(268,201)
Deferred Taxes	(160,478)	-	(160,478)
Net average Rate Year base	\$ 4,078,176	\$ (111,039)	\$ 3,967,137

CAPITAL STRUCTURE
BLOCK ISLAND POWER COMPANY

Schedule WEE-14
Compliance Schedules

	5/31/2008	5/31/2009	Average	Weighted Percentage	Rate	Weighted Factor
Debt:						
WTC LOAN	\$ 242,373	\$ 223,827	\$ 233,100	0.0456	7.090%	0.0032
1st RUS Draw Down	844,289	815,470	829,880	0.1623	5.915%	0.0096
2nd RUS Draw Down	356,815	344,337	350,576	0.0686	5.622%	0.0039
3rd RUS Draw Down	157,229	151,519	154,374	0.0302	5.649%	0.0017
4th RUS Draw Down	287,926	277,713	282,820	0.0553	5.449%	0.0030
5th RUS Draw Down	537,077	516,062	526,570	0.1030	4.412%	0.0045
6th RUS Draw Down	204,473	196,574	200,524	0.0392	4.392%	0.0017
7th RUS Draw Down	626,255	602,162	614,209	0.1201	4.444%	0.0053
Engine	600,000	590,018	595,009	0.1164	5.240%	0.0061
Distribution	-	0	0	-	6.000%	0.0000
Debt			<u>\$ 3,787,060</u>	<u>0.7407</u>		<u>0.0391</u>
Equity:						
COMMON STOCK	\$ 191,515	\$ 191,515	\$ 191,515	0.0375	10.500%	0.0039
Zero Cost Capital	\$ 392,944	\$ 392,944	392,944	0.0769	0.000%	0.0000
R/E - 12month ave. *	684,733	797,889	741,311	0.1450	10.500%	0.0152
Equity			<u>\$ 1,325,770</u>	<u>0.2593</u>		<u>0.0192</u>
Total Debt & Equity			<u>\$ 5,112,830</u>	<u>1.00</u>		<u>0.0583</u>

*** R/E - 12month roll forward:**

FY 2007	<u>\$ 1,077,677</u>	See Schedule 14a	\$392,943.82	\$684,733.23
FY2008	<u>\$ 1,077,677</u>	BIPCo hopes to break even in the FYE 2008	\$392,943.82	\$684,733.23
FY2009	<u>\$ 1,190,833</u>	2008 retained earnings plus 10.5%	\$392,943.82	\$797,889.32

Calculation of Average Capital
BLOCK ISLAND POWER COMPANY

Schedule WEE-14a
Compliance Schedules

Retained Earnings--12 Months Average

	<u>Total Capital</u>	<u>Retained Earnings</u>	<u>Zero Based Equity</u>	<u>Remaining Equity</u>
June 30, 2006	\$ 1,026,827	\$ 835,312		
July 31, 2006	1,304,803	1,113,288		
August 31, 2006	1,566,262	1,374,747		
September 30, 2006	1,694,234	1,502,719		
October 31, 2006	1,531,650	1,340,135		
November 30, 2006	1,380,758	1,189,243		
December 31, 2006	1,293,489	1,101,974		
January 31, 2007	1,195,071	1,003,556		
February 28, 2007	1,145,133	953,618		
March 31, 2007	1,078,962	887,447		
April 30, 2007	1,078,710	887,195		
May 31, 2007	<u>934,404</u>	<u>742,889</u>		
	15,230,305	\$ 12,932,125		
	/12	/12		
FY 2000 12 Month Average	<u>\$ 1,269,192</u>	1,077,677	\$ 392,944	\$ 684,733
Capital stock		200,000		
Premium		13,000		
Treasury Stock		<u>(21,485)</u>		
		<u>191,515</u>		
Check		<u>\$ 1,269,192</u>		

Calculation of Additional Land Sale Expenses
BLOCK ISLAND POWER COMPANY

Schedule WEE-14b
Compliance Schedules

Record sale of Land (FY 2006)	\$ 912,812.68
Direct and Immediate expenses from sale	<u>(99,017.00)</u>
Gain from Land Sale	<u><u>\$ 813,795.68</u></u>

5923.0019	O/S-Legal-Sale of Property	FY 2007 Expenses	\$ 31,268.32
5923.0020	O/S-Legal-Zoning	FY 2007 Expenses	1,202.04
5923.0019	O/S-Legal-Sale of Property	FY 2008 Expenses	23,345.71
5923.0020	O/S-Legal-Zoning	FY 2008 Expenses	-
	other gain from condo		
		Reimbursement due from Buyer	<u>(27,908.04)</u>
		Additional Costs due to zoning	<u>\$ 27,908.04</u>
		Current Gain	<u>\$ 785,887.65</u>
			50%
		Ratepayer Share (Zero Based Equity)	<u><u>\$ 392,943.82</u></u>

Note: The Current Gain (\$785,887.65) calculated on the schedule is the same as BIPCo rebuttal schedule WEE-14b.

FEDERAL TAX CALCULATION
BLOCK ISLAND POWER COMPANY

Schedule WEE-15
Compliance Schedules

Net Utility Profit	\$ 231,158	WEE-12
Less: Interest Expense	<u>155,159</u>	
Net Income after Interest	<u><u>\$ 75,999</u></u>	
Taxable Income	97,347	
Federal Income Tax Rate	<u>34%</u>	
Income Tax Expense at Rate in Bracket	33,098	
Lower Tax Bracket Credit	(11,750)	
Net Income Tax Expense	<u><u>21,348</u></u>	

Taxable Income Base	\$ 75,999
Lower Bracket Credit	(11,750)
Adjusted Taxable income Base	64,249
(1 - Tax Rate)	66%
(Base / (1 - Tax Rate))	\$ 97,347

Taxable Income	\$ 97,347
Less Federal Income Tax	<u>21,348</u>
Net Income after Interest	<u><u>\$ 75,999</u></u>

Marginal Tax Rate	<u>34%</u>	39%
Bottom of the Bracket	75,000	100,000
Tax at Full Rate	25,500	39,000
Actual Tax at Bracket Bottom	13,750	22,250
Lower Bracket Credit	11,750	16,750

**CALCULATION OF REVENUE REQUIREMENT
PERCENTAGE INCREASE
BLOCK ISLAND POWER COMPANY**

**Schedule WEE-16
Compliance Schedules**

Calculation of Percentage Increase in Revenue Requirement

Revenue Requirement (WEE-1)	\$ 263,856	
Rate Year Revenue at Old Rates (WEE-1)	\$ 2,343,692	11.26%

Calculation of Across the Board Increase Percentage

Revenue Increase (WEE-1)	\$ 263,856	
<i>Revenue Items which could be increased by an across the board % Increase</i>		
Electricity Charges	\$ 1,867,755	
Customer Charge	238,497	
	\$ 2,106,252	
Total Revenue Available for Increase		
Across the Board Percentage Increase		12.53%

Note: To reflect the continuation of one cent surcharge the total increase would be as follows

Total Revenue Increase (2,615,430 - 2,291,692) (WEE-1)	\$ 315,856	
Less Increase Penny Fuel Surcharge	52,000	
	\$ 263,856	
Revenue Increase (WEE-1)		

**CALCULATION OF RATES
BLOCK ISLAND POWER COMPANY**

**Schedule WEE-16A
Compliance Schedules**

Energy Charges

	Current Rates	Increase	Proposed Rates
<i>Residential (Rate "R")</i>			
Summer	0.2132	0.1253	0.2399
Winter	<u>0.0809</u>	0.1253	<u>0.0910</u>
<i>Commercial General Srvc. (Rate "G")</i>			
Summer	0.2357	0.1253	0.2652
Winter	<u>0.1071</u>	0.1253	<u>0.1205</u>
<i>Commercial Demand Srvc. (Rate "D")</i>			
Summer	0.1942	0.1253	0.2185
Winter	<u>0.0969</u>	0.1253	<u>0.1090</u>
<i>Public Demand Srvc. (Rate "P")</i>			
Summer	0.1739	0.1253	0.1957
Winter	<u>0.0869</u>	0.1253	<u>0.0978</u>
<i>Public Non-demand Srvc. (Rate "P")</i>			
Summer	0.2155	0.1253	0.2425
Winter	<u>0.1078</u>	0.1253	<u>0.1213</u>

System Charges

	Current Rates	Increase	Proposed Rates
<i>Residential (Rate "R")</i>			
Summer Only	<u>20.0000</u>	0.1253	<u>22.5100</u>
<i>Commercial General Srvc. (Rate "G")</i>			
Summer Only	<u>37.5000</u>	0.1253	<u>42.2000</u>
<i>Public Non-demand Srvc. (Rate "P")</i>			
Summer Only	<u>37.5000</u>	0.1253	<u>42.2000</u>

Demand Charges

	Current Rates	Increase	Proposed Rates
<i>Commercial Demand Srvc. (Rate "D")</i>			
Summer	17.4000	0.1253	19.5800
Winter	<u>5.8000</u>	0.1253	<u>6.5300</u>
<i>Public Demand Srvc. (Rate "P")</i>			
Summer	16.5000	0.1253	18.5700
Winter	<u>5.5000</u>	0.1253	<u>6.1900</u>

**CALCULATION OF RATES
BLOCK ISLAND POWER COMPANY**

**Schedule WEE-16B
Compliance Schedules**

Street lightning

	Test Year Rates	Increase	Proposed Rates
Other public authorities	15.4500	0.1253	17.3900

Customer Charge

	Test Year Rates	Increase	Proposed Rates
<i>Residential (Rate "R")</i> Summer & Winter	11.0000	0.1253	12.3800
<i>Commercial General Srv. (Rate "G")</i> Summer & Winter	11.0000	0.1253	12.3800
<i>Commercial Demand Srv. (Rate "D")</i> Summer & Winter	16.5000	0.1253	18.5700
<i>Public Demand Srv. (Rate "P")</i> Summer & Winter	16.5000	0.1253	18.5700
<i>Public Non-demand Srv. (Rate "P")</i> Summer & Winter	11.0000	0.1253	12.3800

**REVENUE CHECK
BLOCK ISLAND POWER COMPANY**

**Schedule WEE-17
Compliance Schedules**

Revenue Summary:

	<u>Rate Year at Current Rates</u>	<u>Rate Year</u>	<u>Reference</u>
Electricity Charges	\$ 1,867,755	\$ 2,101,775	See Below
Service Charges	238,497	268,417	See Below
Total Revenue Available for Increase	<u>2,106,252</u>	<u>2,370,192</u>	
Fuel Surcharges	-	-	WEE-2
IRP Fuel Surcharge	52,000	52,000	WEE-2
Other Revenue	184,311	184,311	WEE-2
Miscellaneous Revenue	1,128	1,128	WEE-2
Total Revenue	<u>\$ 2,343,692</u>	<u>\$ 2,607,631</u>	
Total Revenue (Per Schedule WEE-1)		<u>\$ 2,607,549</u>	
Variance		<u>\$ 83</u>	

Summary of Detail Calculations:

Electricity Charges

Residential sales	607,759	683,895	WEE - 17A
Commercial sales	251,453	282,954	WEE - 17A
Demand Electric	651,848	733,507	WEE - 17A
Public streets & highway	112,860	126,998	WEE - 17A
Other public authorities	12,684	14,277	WEE - 17B
Demand - all rates	187,993	211,572	WEE - 17B
System Charge	43,158	48,571	WEE - 17B
	<u>\$ 1,867,755</u>	<u>\$ 2,101,775</u>	

Service Charges

Removal Non Payment	\$ -	\$ -	WEE-2
Customer Charges	238,497	268,417	WEE - 17C
Connection Charges	-	-	WEE-2
	<u>\$ 238,497</u>	<u>\$ 268,417</u>	

CALCULATION OF REVENUES-
ACROSS THE BOARD
BLOCK ISLAND POWER COMPANY

Schedule WEE-17A
Compliance Schedules

Energy Charges

	<u>Service Units</u>	<u>Current Rates</u>	<u>Revenue</u>	<u>Service Units</u>	<u>Proposed Rates</u>	<u>Revenue</u>
<i>Residential (Rate "R")</i>						
Summer	2,039,311	0.2132 \$	434,781	2,039,311	0.2399 \$	489,247
Winter	2,138,171	0.0809	172,978	2,138,171	0.0910	194,648
	<u>4,177,482</u>			<u>4,177,482</u>		
Total			<u>\$ 607,759</u>	Total		<u>\$ 683,895</u>
 <i>Commercial General Svc. (Rate "G")</i>						
Summer	726,550	0.2357 \$	171,248	726,550	0.2652 \$	192,701
Winter	748,884	0.1071	80,205	748,884	0.1205	90,253
	<u>1,475,434</u>			<u>1,475,434</u>		
Total			<u>\$ 251,453</u>	Total		<u>\$ 282,954</u>
 <i>Commercial Demand Svc. (Rate "D")</i>						
Summer	2,470,301	0.1942 \$	479,732	2,470,301	0.2185 \$	539,830
Winter	1,776,218	0.0969	172,116	1,776,218	0.1090	193,677
	<u>4,246,519</u>			<u>4,246,519</u>		
Total			<u>\$ 651,848</u>	Total		<u>\$ 733,507</u>
 <i>Public Demand Svc. (Rate "P")</i>						
Summer	270,470	0.1739 \$	47,035	270,470	0.1957 \$	52,927
Winter	549,184	0.0869	47,724	549,184	0.0978	53,703
 <i>Public Non-demand Svc. (Rate "P")</i>						
Summer	50,583	0.2155	10,901	50,583	0.2425	12,266
Winter	66,796	0.1078	7,201	66,796	0.1213	8,103
	<u>937,033</u>			<u>937,033</u>		
Total			<u>\$ 112,860</u>	Total		<u>\$ 126,998</u>

CALCULATION OF REVENUES-
ACROSS THE BOARD
BLOCK ISLAND POWER COMPANY

<u>System Charges</u>	Service Units	Current Rates	Revenue	Service Units	Proposed Rates	Revenue
<i>Residential (Rate "R")</i>						
Summer Only	1,421	20.0000	\$ 28,420	1,421	22.5100	\$ 31,987
<i>Commercial General Svc. (Rate "G")</i>						
Summer Only	363	37.5000	13,613	363	42.2000	15,319
<i>Public Non-demand Svc. (Rate "P")</i>						
Summer Only	30	37.5000	1,125	30	42.2000	1,266
	<u>1,814</u>			<u>1,814</u>		
Total			\$ 43,158	Total		\$ 48,571

<u>Demand Charges</u>	Service Units	Current Rates	Revenue	Service Units	Proposed Rates	Revenue
<i>Commercial Demand Svc. (Rate "D")</i>						
Summer	6,346	17.4000	\$ 110,420	6,346	19.5800	\$ 124,255
Winter	5,557	5.8000	32,231	5,557	6.5300	36,287
<i>Public Demand Svc. (Rate "P")</i>						
Summer	1,797	16.5000	29,651	1,797	18.5700	33,370
Winter	2,853	5.5000	15,692	2,853	6.1900	17,660
	<u>16,553</u>			<u>16,553</u>		
Total			\$ 187,993	Total		\$ 211,572

<u>Street Lighting</u>	Service Units	Current Rates	Revenue	Service Units	Proposed Rates	Revenue
	821	15.4500	\$ 12,684	821	17.3900	\$ 14,277
	<u>821</u>			<u>821</u>		
Total			\$ 12,684	Total		\$ 14,277

CALCULATION OF REVENUES-
ACROSS THE BOARD
BLOCK ISLAND POWER COMPANY

<u>Customer Charge</u>	<u>Service Units</u>	<u>Current Rates</u>	<u>Revenue</u>	<u>Service Units</u>	<u>Proposed Rates</u>	<u>Rate Year Revenue</u>
<i>Residential (Rate "R")</i>						
Summer	5,266	11.0000	\$ 57,926	5,266	12.3800	\$ 65,193
Winter	10,454	11.0000	114,994	10,454	12.3800	129,421
<i>Commercial General Svc. (Rate "G")</i>						
Summer	1,263	11.0000	13,893	1,263	12.3800	15,636
Winter	2,527	11.0000	27,797	2,527	12.3800	31,284
<i>Commercial Demand Svc. (Rate "D")</i>						
Summer	380	16.5000	6,270	380	18.5700	7,057
Winter	763	16.5000	12,590	763	18.5700	14,169
<i>Public Demand Svc. (Rate "P")</i>						
Summer	45	16.5000	743	45	18.5700	836
Winter	93	16.5000	1,535	93	18.5700	1,727
<i>Public Non-demand Svc. (Rate "P")</i>						
Summer	84	11.0000	924	84	12.3800	1,040
Winter	166	11.0000	1,826	166	12.3800	2,055
	<u>21,041</u>		<u>1,826</u>	<u>21,041</u>		<u>2,055</u>
Total			<u>\$ 238,497</u>			<u>\$ 268,417</u>

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

**RATEPAYER IMPACT BY CUSTOMER CLASS
BLOCK ISLAND POWER COMPANY**

Schedule WEE-18
Compliance Schedules

	Annual KWH	Base Revenue			Total Revenue		
		Current Rates	Proposed Rates	Increase \$	Current Rates	Proposed Rates	Increase \$
Residential (Rate "R")	4,177,482	\$ 809,099	\$ 910,495	\$ 101,396	\$ 1,657,546	\$ 1,758,942	\$ 101,396
Commercial General Svc. (Rate "G")	1,475,434	\$ 306,756	\$ 345,192	\$ 38,437	\$ 619,990	\$ 658,427	\$ 38,437
Commercial Demand Svc. (Rate "D")	4,246,519	\$ 813,358	\$ 915,274	\$ 101,916	\$ 1,665,210	\$ 1,767,126	\$ 101,916
Public Demand Svc. (Rate "P")	819,654	\$ 142,378	\$ 160,223	\$ 17,845	\$ 299,833	\$ 317,678	\$ 17,845
Public Non-demand Svc. (Rate "P")	117,379	\$ 21,976	\$ 24,730	\$ 2,754	\$ 44,525	\$ 47,278	\$ 2,754
Street lighting Service (Rate "S")	-	\$ 12,684	\$ 14,277	\$ 1,593	\$ 12,684	\$ 14,277	\$ 1,593
Total Revenue from Sales	10,836,468	\$ 2,106,252	\$ 2,370,192	\$ 263,940	\$ 4,299,789	\$ 4,563,729	\$ 263,940
Other Revenue & Misc. Revenue	-	\$ 185,440	\$ 185,440	\$ -	\$ 185,440	\$ 185,440	\$ -
TOTAL REVENUE		\$ 2,291,692	\$ 2,555,631	\$ 263,940	\$ 4,485,229	\$ 4,749,168	\$ 263,940
REVENUE REQUIREMENT				\$ 263,856			
VARIANCE				\$ 83			

* The continuation of the "penny" fuel surcharges is included in the Total Revenue Columns for both current & proposed rates (See WEE-18A - WEE-18E).

**RATEPAYER IMPACT BY CUSTOMER CLASS
BLOCK ISLAND POWER COMPANY**

Schedule WEE-18A
Compliance Schedules

Residential (Rate "R")

	Service Units	Current Rates	Revenue	Service Units	Proposed Rates	Revenue	Increase \$	Increase %
<u>Energy Charges</u>								
Summer	2,039,311	0.2132 \$	434,781	2,039,311	0.2399	\$ 489,247	\$ 54,466	12.5%
Winter	2,138,171	0.0809	172,978	2,138,171	0.0910	\$ 194,648	\$ 21,669	12.5%
Total	<u>4,177,482</u>		<u>\$ 607,759</u>	<u>4,177,482</u>		<u>\$ 683,895</u>	<u>\$ 76,136</u>	<u>12.5%</u>
<u>Customer Charge</u>								
Summer	5,266	11.0000	\$ 57,926	5,266	12.3800	\$ 65,193	\$ 7,267	12.5%
Winter	10,454	11.0000	114,994	10,454	12.3800	129,421	\$ 14,427	12.5%
Total	<u>15,720</u>		<u>\$ 172,920</u>	<u>15,720</u>		<u>\$ 194,614</u>	<u>\$ 21,694</u>	<u>12.5%</u>
<u>System Charges</u>								
Summer Only	1,421	20.0000	\$ 28,420	1,421	22.5100	\$ 31,987	\$ 3,567	12.6%
Subtotal Base Revenue			<u>\$ 809,099</u>			<u>\$ 910,495</u>	<u>\$ 101,396</u>	<u>12.5%</u>
<u>Fuel Surcharge *</u>	4,177,482	0.2031	\$ 848,447	4,177,482	0.2031	\$ 848,447	\$ -	0.0%
Subtotal Base Revenue			<u>\$ 1,657,546</u>			<u>\$ 1,758,942</u>	<u>\$ 101,396</u>	<u>6.1%</u>

* The Average Fuel Surcharge presented in current & proposed rates already includes the continuation of the "penny" fuel surcharges.

RATEPAYER IMPACT BY CUSTOMER CLASS
BLOCK ISLAND POWER COMPANY

Schedule WEE-18B
 Compliance Schedules

Commercial General Svcs. (Rate "G")

	Service Units	Current Rates	Revenue	Service Units	Proposed Rates	Revenue	Increase \$	Increase %
Energy Charges								
Summer	726,550	0.2357	\$ 171,248	726,550	0.2652	\$ 192,701	\$ 21,453	12.5%
Winter	748,884	0.1071	80,205	748,884	0.1205	90,253	10,048	12.5%
Total	<u>1,475,434</u>		<u>\$ 251,453</u>	<u>1,475,434</u>		<u>\$ 282,954</u>	<u>\$ 31,500</u>	<u>12.5%</u>
Customer Charge								
Summer	1,263	11.0000	\$ 13,893	1,263	12.3800	\$ 15,636	\$ 1,743	12.5%
Winter	2,527	11.0000	27,797	2,527	12.3800	31,284	3,487	12.5%
Total	<u>3,790</u>		<u>\$ 41,690</u>	<u>3,790</u>		<u>\$ 46,920</u>	<u>\$ 5,230</u>	<u>12.5%</u>
System Charges								
Summer Only	363	37.5000	\$ 13,613	363	42.2000	\$ 15,319	\$ 1,706	12.5%
Subtotal Base Revenue			<u>\$ 306,756</u>			<u>\$ 345,192</u>	<u>\$ 38,437</u>	<u>12.5%</u>
Fuel Surcharge *	1,475,434	0.2123	\$ 313,235	1,475,434	0.2123	\$ 313,235	\$ -	0.0%
Subtotal Base Revenue			<u>\$ 619,990</u>			<u>\$ 658,427</u>	<u>\$ 38,437</u>	<u>6.2%</u>

* The Average Fuel Surcharge presented in current & proposed rates already includes the continuation of the "penny" fuel surcharges.

RATEPAYER IMPACT BY CUSTOMER CLASS
BLOCK ISLAND POWER COMPANY

Schedule WEE-18C
Compliance Schedules

Commercial Demand Svc. (Rate "D")

	Service Units	Current Rates	Revenue	Service Units	Proposed Rates	Revenue	Increase \$	Increase %
<u>Energy Charges</u>								
Summer	2,470,301	0.1942	\$ 479,732	2,470,301	0.2185	\$ 539,830	\$ 60,098	12.5%
Winter	1,776,218	0.0969	172,116	1,776,218	0.1090	193,677	21,561	12.5%
Total	4,246,519		\$ 651,848	4,246,519		\$ 733,507	\$ 81,659	12.5%
<u>Customer Charge</u>								
Summer	380	16.5000	\$ 6,270	380	18.5700	\$ 7,057	\$ 787	12.5%
Winter	763	16.5000	12,590	763	18.5700	14,169	1,579	12.5%
Total	1,143		\$ 18,860	1,143		\$ 21,226	\$ 2,366	12.5%
<u>Demand Charges</u>								
Summer	6,346	17.4000	\$ 110,420	6,346	19.5800	\$ 124,255	\$ 13,834	12.5%
Winter	5,557	5.8000	32,231	5,557	6.5300	36,287	4,057	12.6%
	11,903		\$ 142,651	11,903		\$ 160,542	\$ 17,891	12.5%
Subtotal Base Revenue			\$ 813,358			\$ 915,274	\$ 101,916	12.5%
Fuel Surcharge *	4,246,519	0.2006	\$ 851,852	4,246,519	0.2006	\$ 851,852	\$ -	0.0%
Subtotal Base Revenue			\$ 1,665,210			\$ 1,767,126	\$ 101,916	6.1%

* The Average Fuel Surcharge presented in current & proposed rates already includes the continuation of the "penny" fuel surcharges.

RATEPAYER IMPACT BY CUSTOMER CLASS
BLOCK ISLAND POWER COMPANY

Schedule WEE-18D
 Compliance Schedules

Public Demand Svc. (Rate "P")

	Service Units	Current Rates	Revenue	Service Units	Proposed Rates	Revenue	Increase \$	Increase %
Energy Charges								
Summer	270,470	0.1739	\$ 47,035	270,470	0.1957	\$ 52,927	\$ 5,892	12.5%
Winter	549,184	0.0869	47,724	549,184	0.0978	53,703	5,979	12.5%
Total	819,654		\$ 94,759	819,654		\$ 106,630	\$ 11,871	12.5%
Customer Charge								
Summer	45	16.5000	\$ 743	45	18.5700	\$ 836	\$ 93	12.5%
Winter	93	16.5000	1,535	93	18.5700	1,727	193	12.5%
Total	138		\$ 2,277	138		\$ 2,563	\$ 286	12.5%
Demand Charges								
Summer	1,797	16.5000	\$ 29,651	1,797	18.5700	\$ 33,370	\$ 3,720	12.5%
Winter	2,853	5.5000	15,692	2,853	6.1900	17,660	1,969	12.5%
	4,650		\$ 45,342	4,650		\$ 51,030	\$ 5,688	12.5%
Subtotal Base Revenue			\$ 142,378			\$ 160,223	\$ 17,845	12.5%
Fuel Surcharge *	819,654	0.1921	\$ 157,456	819,654	0.1921	\$ 157,456	\$ -	0.0%
Subtotal Base Revenue			\$ 299,833			\$ 317,678	\$ 17,845	6.0%

* The Average Fuel Surcharge presented in current & proposed rates already includes the continuation of the "penny" fuel surcharges.

RATEPAYER IMPACT BY CUSTOMER CLASS
BLOCK ISLAND POWER COMPANY

Schedule WEE-18E
Compliance Schedules

Public Non-demand Svc. (Rate "P")

	Service Units	Current Rates	Revenue	Service Units	Proposed Rates	Revenue	Increase \$	Increase %
<u>Energy Charges</u>								
Summer	50,583	0.2155	10,901	50,583	0.2425	12,266	\$ 1,366	12.5%
Winter	66,796	0.1078	7,201	66,796	0.1213	8,103	\$ 902	12.5%
Total	<u>117,379</u>		<u>\$ 18,101</u>	<u>117,379</u>		<u>\$ 20,369</u>	<u>\$ 2,268</u>	<u>12.5%</u>
<u>Customer Charge</u>								
Summer	84	11.0000	924	84	12.3800	1,040	\$ 116	12.5%
Winter	166	11.0000	1,826	166	12.3800	2,055	\$ 229	12.5%
Total	<u>250</u>		<u>\$ 2,750</u>	<u>250</u>		<u>\$ 3,095</u>	<u>\$ 345</u>	<u>12.5%</u>
<u>System Charges</u>								
Summer Only	30	37.5000	1,125	30	42.2000	1,266	\$ 141	12.5%
Subtotal Base Revenue			<u>\$ 21,976</u>			<u>\$ 24,730</u>	<u>\$ 2,754</u>	<u>12.5%</u>
<u>Fuel Surcharge *</u>	117,379	0.1921	22,549	117,379	0.1921	22,549	\$ -	0.0%
Subtotal Base Revenue			<u>\$ 44,525</u>			<u>\$ 47,278</u>	<u>\$ 2,754</u>	<u>6.2%</u>

* The Average Fuel Surcharge presented in current & proposed rates already includes the continuation of the "penny" fuel surcharges.

RATEPAYER IMPACT BY CUSTOMER CLASS
BLOCK ISLAND POWER COMPANY

Schedule WEE-18F
 Compliance Schedules

Street lighting Service (Rate "S")

	Service Units	Current Rates	Revenue	Service Units	Proposed Rates	Revenue	Increase \$	Increase %
<u>Street lighting</u>	821	15.4500	\$ 12,684	821	17.3900	\$ 14,277	\$ 1,593	12.6%
Total	821		\$ 12,684	821		\$ 14,277	\$ 1,593	12.6%

RESIDENTIAL SERVICE

RATE "R"

AVAILABILITY

Available only for low voltage service where the use is predominately for residential purposes.

Available in individual residences and in individually metered dwelling units in multifamily dwellings.

Available in churches and adjacent buildings operated in connection therewith.

Available only if Customer takes his entire electric energy requirements from the Company.

Not available if customer makes use of auxiliary generating equipment in lieu of service available from the Company.

Not available for residential premises in which three (3) or more rooms are available for hire.

Not available to any customer whose 15-minute interval metered demand is found to exceed eight (8) kilowatts at any time during the period June 1 through September 30 of any year.

Not available for temporary, auxiliary or emergency service.

Not available to Residential Customers using more than 2,500 kilowatt-hours in any calendar month or more than 20,000 kilowatt-hours in any year. Customers for whom usage in excess of these limits is recorded will be served under the Company's Demand Metered General Service rate schedule, Rate "D".

MONTHLY RATE

The Monthly rate for service will be the sum of the following four charges for each month:

		For Service During the months of <u>June – September</u>	For Service During the months of <u>October – May</u>
1.	Customer Charge	\$12.38 per month	\$12.38 per month
2.	System Charge	\$22.51 per month	None
3.	Energy Charge	23.99¢ per kWh	9.10¢ per kWh
4.	Fuel Adjustment Charge	As determined in accordance with Rider "FAC"	

BLOCK ISLAND POWER COMPANY

Block Island, Rhode Island

R.I. PUC No. 3900

Sheet No. 2

Canceling R.I. PUC No. 3655

Effective: June 1, 2008

APPLICATION OF SYSTEM CHARGE

The System Charge will be applied in each summer billing month (June through September) to each customer whose kilowatt-hour (kWh) use in the billing month exceeds two (2) times the customer's Average Kilowatt-Hour Use in the preceding eight (8) winter billing months (October through May). Average Kilowatt-Hour Use for the preceding winter billing months is computed by dividing the aggregate use for each customer during the most recent October - May billing months by eight (8). The denominator of eight (8) is used irrespective of the number of months in which the customer received electric service or for which the customer was billed during that period.

RIDER "FAC" - FUEL ADJUSTMENT CHARGE

Charges for fuel costs computed in accordance with the provisions of the Fuel Adjustment Charge Rider "FAC", combined with the other charges under the provisions of this schedule constitute the total charge for service.

GENERAL TERMS AND CONDITIONS

This schedule is subject in all respects to the Company's "Terms and Conditions" for furnishing electric service.

BLOCK ISLAND POWER COMPANY
Block Island, Rhode Island

R.I. PUC No. 3900
Sheet No. 1
Canceling R.I. PUC No. 3655
Effective: June 1, 2008

GENERAL SERVICE

RATE "G"

AVAILABILITY

Available for all uses of electric service at secondary voltage levels except where Customer electric devices (or groups of electric devices which start together) have a starting load in excess of 15 KVA.

Available only if Customer takes his entire electric energy requirements from the Company.

Not available if customer makes use of auxiliary generating equipment in lieu of service available from the Company.

Not available for temporary, auxiliary or emergency service.

Not available to customers having metered demands in excess of eight (8.0) kW or energy use for a twelve-month period in excess of 20,000 kWh. Customers for whom usage in excess of these limits is recorded will be served under the Company's Demand Metered General Service rate schedule, Rate "D".

MONTHLY RATE

The Monthly rate for service will be the sum of the following four (4) charges for each month:

		For Service During the months of <u>June – September</u>	For Service During the months of <u>October – May</u>
1.	Customer Charge	\$12.38 per month	\$12.38 per month
2.	System Charge	\$42.20 per month	None
3.	Energy Charge	26.52¢ per kWh	12.05¢ per kWh
4.	Fuel Adjustment Charge	As determined in accordance with Rider "FAC"	

APPLICATION OF SYSTEM CHARGE

The System Charge will be applied in each summer billing month (June through September) to each customer whose kilowatt-hour (kWh) use in the billing month exceeds two (2) times the customer's Average Kilowatt-Hour Use in the preceding eight (8) winter billing months (October through May). Average Kilowatt-Hour Use for the preceding winter billing months is computed by dividing the aggregate use for each customer during the most recent October – May billing months by eight (8). The denominator

BLOCK ISLAND POWER COMPANY

Block Island, Rhode Island

R.I. PUC No. 3900

Sheet No. 2

Canceling R.I. PUC No. 3655

Effective: June 1, 2008

of eight (8) is used irrespective of the number of months in which the customer received electric service or for which the customer was billed during that period.

RIDER "FAC" – FUEL ADJUSTMENT CHARGE

Charges for fuel costs computed in accordance with the provision of the Fuel Adjustment Charge – Rider "FAC", combined with the other charges under the provisions of this schedule constitute the total charge for service.

GENERAL TERMS AND CONDITIONS

This schedule is subject in all respects to the Company's "Terms and Conditions" for furnishing electric service.

BLOCK ISLAND POWER COMPANY
Block Island, Rhode Island

R.I. PUC No. 3900
Sheet No. 1
Canceling R.I. PUC No. 3655
Effective: June 1, 2008

DEMAND-METERED GENERAL SERVICE

RATE "D"

AVAILABILITY

Available for all uses of electric service at secondary voltage levels except where Customer electric devices (or groups of electric devices which start together) have a starting load in excess of 15 KVA.

Available for auxiliary or emergency service.

Not available to any customer whose monthly metered demands fail to exceed 4.0 kW for any month within a twenty-four (24) month period.

MONTHLY RATE

The Monthly rate for service will be the sum of the following four (4) charges for each month:

		For Service During the months of <u>June – September</u>	For Service During the months of <u>October – May</u>
1.	Customer Charge	\$18.57 per month	\$18.57 per month
2.	Demand Charge	\$19.58 per kW	\$6.53 per kW
3.	Energy Charge	21.85¢ per kWh	10.90¢ per kWh
4.	Fuel Adjustment Charge	As determined in accordance with Rider "FAC"	

RIDER "FAC" - FUEL ADJUSTMENT CHARGE

Charges for fuel costs computed in accordance with the provisions of the Fuel Adjustment Charge – Rider "FAC", combined with the other charges under the provisions of this schedule constitute the total charge for service.

GENERAL TERMS AND CONDITIONS

This schedule is subject in all respects to the Company's "Terms and Conditions" for furnishing electric service.

BLOCK ISLAND POWER COMPANY

Block Island, Rhode Island

R.I. PUC No. 3900

Sheet No. 1

Canceling R.I. PUC No. 3655

Effective: June 1, 2008

PUBLIC AUTHORITY SERVICE

RATE "P"

AVAILABILITY

Available for uses of electric service by a Public Authority Customer at secondary voltage levels except where Customer electric devices (or groups of electric devices which start together) have a starting load in excess of 15 KVA.

Available only if Customer takes his entire electric energy requirements from the Company.

Available only for metered service.

Not available if customer makes use of auxiliary generating equipment in lieu of service available from the Company.

Not available for temporary, auxiliary or emergency service.

MONTHLY RATE

The Monthly rate for service will be the sum of the following five (5) charges for each month:

	For Service During the months of <u>June – September</u>	For Service During the months of <u>October – May</u>
1. Customer Charge		
a. Non-Demand	\$12.38 per month	\$12.38 per month
b. Demand Metered	\$18.57 per month	\$18.57 per month
2. Demand Charges	\$18.57 per kW	\$6.19 per kW
3. Energy Charge		
a. Non-Demand	24.25¢ per kWh	12.13¢ per kWh
b. Demand-Metered	19.57¢ per kWh	9.78¢ per kWh
4. System Charge	\$42.20 per month	None
5. Fuel Adjustment Charge	As determined in accordance with Rider "FAC"	

BLOCK ISLAND POWER COMPANY

Block Island, Rhode Island

R.I. PUC No. 3900

Sheet No. 2

Canceling R.I. PUC No. 3655

Effective: June 1, 2008

APPLICATION OF SYSTEM CHARGE

The System Charge will be applied in each summer billing month (June through September) to each Non-Demand customer whose kilowatt-hour (kWh) use in the billing month exceeds two (2) times the customer's Average Kilowatt-Hour Use in the preceding eight (8) winter billing months (October through May). Average Kilowatt-Hour Use for the preceding winter billing months is computed by dividing the aggregate use for each customer during the most recent October - May billing months by eight (8). The denominator of eight (8) is used irrespective of the number of months in which the customer received electric service or for which the customer was billed during that period. The System Charge is not applicable to Demand-Metered customers.

APPLICATION OF DEMAND CHARGE

The Demand Charge will be applied to each customer having demand metering installed by, or for, the Company, for whom at least one metered demand in excess of eight (8.0) kW has been recorded within the most recent 24 months. Demand metering equipment will be installed for any customer whose energy use for a consecutive twelve-month period in excess of 20,000 kWh. Customers for whom usage in excess of (8.0) kW during any 15-minute interval exceeds eight kW (8.0) or for whom metered annual kWh use exceeds 20,000 kWh will be transferred to demand billing status.

RIDER "FAC" - FUEL ADJUSTMENT CHARGE

Charges for fuel costs computed in accordance with the provisions of the Fuel Adjustment Charge-Rider "FAC", combined with the other charges under the provisions of this schedule constitute the total charge for service.

GENERAL TERMS AND CONDITIONS

This schedule is subject in all respects to the Company's "Terms and Conditions" for furnishing electric service.

BLOCK ISLAND POWER COMPANY

Block Island, Rhode Island

R.I. PUC No. 3900

Sheet No. 1

Canceling R.I. PUC No. 3655

Effective: June 1, 2008

STREET LIGHTING SERVICE

RATE "S"

AVAILABILITY

Available for all street lighting and pole-mounted flood lighting purposes on the Company's existing distribution lines suitable for supplying the service requested. The Company will furnish, maintain, and operate mercury vapor lamps of 6000 mean lumens.

Available for the supply of lighting from dusk to dawn using suitable control apparatus furnished, maintained, and operated by the Company.

Available only for installations which use transformers and circuits energized for Residential, Commercial, Public Authority, or other non-lighting purposes.

Not available for a newly installed street lighting fixture on an existing Company-owned pole supplied from an existing secondary circuit where no street lighting fixture(s) is currently installed.

MONTHLY RATE

Where street lighting fixtures are mounted on wood poles and supplied by overhead type construction of circuits:

Mercury Vapor Lamps

Monthly Charge

6000 mean lumen

\$17.39

BILLING

Charges for use will be billed monthly based on the number of lamps installed.

TERMS OF CONTRACT

Two years and thereafter until canceled by one year's written notice.

GENERAL TERMS AND CONDITIONS

This schedule is subject in all respects to the Company's "Terms and Conditions" for furnishing electric service.

FUEL ADJUSTMENT CLAUSE RIDER

RATE "FAC"

FUEL ADJUSTMENT CHARGE

The fuel adjustment charge will be calculated each month to cover the cost of financing fuel and urea inventories, transportation costs, as well as to cover the cost of fuel and urea usage in the following manner.

FUEL AND UREA FINANCING COST:

The beginning inventory value (fuel and urea) of the month being calculated will be multiplied times the prime rate (beginning of the month) plus 0.5% then divided by 12 (months) to arrive at the appropriate financing cost. This financing cost will then be divided by .96 to reflect the cost of gross receipt tax (GRT).

FUEL AND UREA USAGE EXPENSE:

The total number of gallons used of fuel for the month being calculated will be multiplied times the "weighted" cost of the fuel used and the related transportation cost (i.e. ferry, truck, driver, etc.) required for delivering the fuel to the Island. This calculated fuel cost will then be divided by .96 to provide for GRT.

The same calculation will be completed for the urea usage costs. The total number of gallons used of urea for the month being calculated will be multiplied times the "weighted" cost of the urea used and the related transportation cost required for delivering the urea to the Island. This calculated urea cost will then be divided by .96 to provide for GRT.

DSI FUND:

There is a surcharge of 1.00¢ per kWh for Distribution System Improvements (DSI), which shall be placed in a restricted account. These funds shall be used for professional fees specifically related to distribution system improvements. In addition, funds not needed for such fees shall be used to make improvements to the distribution system. The funds shall be collected on kWh consumption in June, July, August and September of each year through the fuel surcharge (FAC). This calculated DSI fund will then be divided by .96 to provide for GRT.

FAC FACTOR:

The combined financing cost and usage costs for fuel and urea along with the IRP and DSM funding will then be divided by the kWh sales for the same month to arrive at a FAC factor to be applied to all kWh sales for that month.

BLOCK ISLAND POWER COMPANY

Block Island, Rhode Island

R.I. PUC No. 3900

Sheet No. 2

Effective: June 1, 2008

APPROVAL:

The FAC factor will be submitted to the Division of Public Utilities and Carriers for review and approval before billing to the customers.

GENERAL TERMS AND CONDITIONS

This schedule is subject in all respects to the Company's "Terms and Conditions" for furnishing electric service.

BLOCK ISLAND POWER COMPANY

FUEL/UREA ADJUSTMENT WORKSHEET

	FUEL	DSI Funding	UREA
Calculation for the month of			
Financing Cost:			
Inventory quantity, beginning			
Value of beginning inventory (a)			
Prime rate ___ plus .5% (b)			
Financing Cost (a) x (b) / 12			
Fuel Expense and Sales:			
Number of gallons used (c)			
Weighted cost per gallon (d)			
Fuel/Urea Expense (c) x (d) / .96 (e1)			
DSI Funding 1.00¢ x (h) / .96 (e2)			
Financing cost from above / .96 (f)			
Total Fuel and Urea cost (e) + (f) (g)			
Sales for the month (kWh) (h)			
Fuel, Urea & IRP/DSM adj. factor (i)			

TOTAL FAC

BLOCK ISLAND POWER COMPANY

TERMS AND CONDITIONS

The Block Island Power Company shall furnish electric service under its rate schedules and these Terms and Conditions as approved from time to time by the Public Utilities Commission of the State of Rhode Island. These Terms and Conditions shall govern all electric service provided by the Block Island Power Company, except as specifically modified in rate schedules or written contracts. Copies of these Terms and Conditions and the Company's rate schedules are available at the Company's offices during normal business hours.

A. Definitions

When used in the Company's rate schedules and/or these Terms and Conditions, the following terms shall have the meanings as set forth below:

"Company" shall mean the Block Island Power Company.

"Commission" shall mean the Public Utilities Commission of the State of Rhode Island.

"Applicant" shall mean any person, partnership, association, corporation or other entity applying, on a prospective basis, for electric service from the Company or an electric service connection and to any present Customer who applies for a modification of existing electric service or facilities.

"Application for Service" shall mean the written form, provided by the Company and complete by a Customer or prospective Customer, requesting information relating to the Applicant's requirements for electric service, an electric service connection, and/or any modification in the electric service or facilities that the Company provides.

"Billing Month" shall mean the period between any two (2) regular readings of the Company's meters, at intervals of approximately thirty (30) days.

"Customer" shall mean any person, partnership, association, corporation or other entity lawfully receiving electric service from the Company or having a lawful electric service connection to the Company's electric distribution system. This definition shall apply separately to each metered facility and service connection.

"Customer Equipment" shall mean such wiring, equipment, apparatus, appurtenances, and electric energy consuming devices used or available for use on the Customer's premises.

"Delivery Point" shall mean the meter socket provided by the Company, which shall be installed by the Customer, or at the Customer's expense, at the location designated by the Company and shall be deemed to be the point at which electric service is provided to the Customer.

“Demand” shall mean the rate of use of electric energy as determined in accordance with the Customer's service classification or separate written contract and, as appropriate, measured by a fifteen-minute interval demand meter provided by the Company.

“General Service Customer” shall mean any Customer subject to billing under the terms of the Company's General Service Rate Schedules, either Rate “G” or Rate “D”, as applicable.

“kWh” or **“kilowatt-hour”** shall mean the unit of measurement of electric energy use equal to the use of one thousand (1,000) watts for one hour.

“KVA” or **“kilovolt-ampere”** shall mean a unit of measurement of the rate of use of electric energy which determines the electric system capacity required.

“Non-Residential Customer” shall mean any Customer subject to billing under the terms of any of the Company's electric service rate schedules, other than the Company's Residential Service Rate Schedule, Rate “R”.

“Public Authority Customer” shall mean a Customer subject to billing under the terms of the Company's Public Authority Service Rate Schedule, Rate “P”.

“Residential Customer” shall mean a Customer subject to billing under the terms of the Company's Residential Service Rate Schedule, Rate “R”.

“Streetlighting Service Customer” shall mean a Customer subject to billing under the terms of the Company's Streetlighting Service Rate Schedule, Rate “S”.

“Temporary Service Connection” shall include electric service connections used for construction purposes, regardless of duration, and any service connection the duration of which, in the judgment of the Company, is not of a permanent nature. Electric Service through a Temporary Service Connection will be billed under the Company's General Service Rate Schedules, either Rate “G” or Rate “D” as applicable.

Throughout these Terms and Conditions references to the male gender shall be equally applicable to the female gender, as appropriate.

B. Application for Service

1. Application for Service must:

- a) be made in writing on the form provided by the Company for such Applications;
- b) be made for all new electric services, new electric service connections, and modifications in existing electric service requirements or facilities;
- c) be made by the owner of the premises or his duly authorized agent; and

- d) contain the information necessary to determine the type of electric service desired and the conditions under which the service will be provided.
- e) be delivered to the Company's business office, or mailed to:

Block Island Power Company
P. O. Box 518
Block Island, Rhode Island 02807

- 2. If the Applicant is not the owner of the premises, the Company may, in its discretion, require the Applicant to:

- a) provide satisfactory written evidence that he has authority to occupy and/or use the premises, and
- b) establish credit-worthiness satisfactory to the Company. Credit-worthiness may be established through the making and maintaining of an appropriate Customer Deposit as set forth in these Terms and Conditions.

C. Availability of Service

The Block Island Power Company provides alternating current at 60 cycles through a radial system throughout the Company's service territory. Voltage, phase characteristics, and method of serving depend upon load and location. Applicants, Customers, and their agents or contractors should consult with the Company prior to purchasing equipment, making power installations or making changes to existing power installations.

- 1. Within a reasonable period of time after receipt of an Application for Service, the Company will furnish the Applicant such information with respect to the electric service as to the Delivery Point and the characteristics of the service which is or will be available at the Delivery Point. Thereafter, the Company shall require reasonable time to determine the Applicant's compliance with these Terms and Conditions and to assemble and install the required service facilities.
- 2. Special terms and rates for furnishing electric service may be established, subject to Commission approval, when the conditions of use or other circumstances render it inequitable to the Company and/or its other Customers for the Company to provide such service under an established rate schedule. Such conditions include, but are not limited to, abnormal load factor, power factor, size and fluctuations in demands. In such circumstances, the Company will require a written contract with special guarantees from Applicants whose unusual load or service characteristics would require excessive investment in facilities or whose requirements for service are of a special nature.

D. Company's Right to Modify or Reject Applications for Service

- 1. The Company reserves the right to reject any Application for Service made by, or for the benefit of, a former Customer who is indebted to the Company for electric service previously furnished to him, or for his benefit.

2. The Company may (a) refuse electric service to any Applicant, b) modify the terms of any Application for Service, or (c) terminate service to any Customer, whose customer-owned equipment or electric load, or service characteristics will, in the sole judgment of the Company, injuriously affect the operation of the Company's electric system or its service to other Customers.

E. Service Connections

The Company will furnish a meter or meters for each Customer and will, subject to compliance with these Terms and Conditions and applicable codes and regulations, connect its distribution lines with the Customer's service connection equipment. All Customer service connection equipment, including all wiring, equipment, meter board, fuse box or disconnect panel, service switch, and appurtenances shall be furnished by the Customer, at his expense, and shall be installed in accordance with the most recent edition of the National Electrical Code and maintained in an approved location, readily accessible at all times to employees of the Company.

Where high voltage service is provided, the Customer, at his expense and in a manner satisfactory to the Company, shall furnish, install, and maintain on his premises such switches, transformers, regulators, and other Customer Equipment as the Company may deem necessary to complete the service connection.

An Applicant, or Customer, may obtain an underground service connection from overhead wires only by installing, maintaining, and relocating, as required, the underground service connections at his own expense. All underground systems installed henceforth shall be a direct burial system with conduit, messenger, pad mount vaults, and hand holds every two hundred (200) feet. All underground wires will be laid on a base of no less than three (3) inches of sand and covered by no less than three (3) inches of sand. All work must be completed in compliance with applicable sections of the Rhode Island general laws.

In the event that the Company is required by any public authority to replace existing overhead distribution wires, equipment and/or services underground or to relocate any poles or feeders by which a Customer is served, the Customer shall change, at his own expense, the Point of Delivery to a new point, as designated by the Company.

F. Temporary Service Connection

The Company will not install a Temporary Service Connection attached directly to any mobile equipment. If Temporary Service is provided, the Customer shall pay the Company a Contribution-In-Aid-of-Construction, in an amount equal to the estimated cost of furnishing and installing the Company-supplied temporary connection facilities and the cost of removing and/or abandoning those temporary facilities, less the estimated salvage value of the materials returned to the Company at the end of the temporary service. The Contribution-in-Aid-of-Construction and any Customer deposit shall be paid, in full, prior to the commencement of activities to make the Temporary Service Connection.

G. Condition of Customer Equipment

All Customer Equipment, including all wiring, equipment, apparatus and appurtenances supplied, installed, or furnished by a Customer shall conform to the Company's requirements under these Terms and Conditions and shall at all times conform to the requirements and regulations of applicable national, state, and

local codes. The Company may refuse to commence service or may terminate service if the condition of any Customer Equipment, on the premises to be served, or being served, are not installed and maintained in accordance with the standards required by any federal, state, or local governmental authority and these Terms and Conditions.

H. Company's Right to Inspect Customer Equipment

The Company reserves the right to inspect and approve the installation of all Customer Equipment on Customer premises served, or to be served, which uses or may use the Company's electric service. If wiring permits and/or inspection certificates are issued by local authorities, the Company will not supply service until such permits or certificates have been received by the Customer. The Company shall be under no obligation, however, to perform any inspection to ascertain compliance of any Customer Equipment with the national, state and local codes or these Terms and Conditions.

I. Company's Right to Enter Customer Premises

The Company, through its duly authorized and properly identified employees, has the right to enter the premises of a Customer at all reasonable hours for the following purposes:

1. Making such inspections of Customer Equipment as may be necessary for proper application of the Company's rates and these Terms and Conditions;
2. Installing, removing, testing, or replacing the Company's property, including meters, equipment, apparatus, and appurtenances as may be reasonably required to maintain the Company's property and the Customer's service;
3. Reading meter(s); and
4. In the event of a termination of service, removal of any and/or all Company property, including meters, equipment, apparatus and appurtenances.

J. Customer Deposits

1. **Residential Customers** - Customer Deposits from Residential Customers shall be assessed in accordance with the rules prescribing standards for electric utilities promulgated by the Rhode Island Division of Public Utilities and Carriers. Therefore, the Company hereby incorporates, by reference, the terms of the rules prescribing standards for electric utilities promulgated by the Rhode Island Division of Public Utilities and Carriers as part of these Terms and Conditions with respect to its Residential Customers.
2. **Non-Residential Customers** - The Company reserves the right to require a Customer to make cash Customer Deposit with the Company of an amount not to exceed an amount equivalent to the aggregate of the Customer's two greatest bills for electric service during the prior calendar year. In the case of an Applicant, the Company shall use its best estimate of an amount equivalent to the two greatest bills which the Applicant may incur as a Customer over the next

succeeding twelve calendar months, using the load and service characteristics anticipated in that period. Thereafter, the Company may increase the required amount of any Customer Deposit once each calendar year to an amount not to exceed the aggregate of the Customer's two greatest monthly bills rendered within the most recent twelve month period.

3. Customer Deposits are obtained by the Company to assure payment of bills for service provided by the Company. Customer deposits only represent security for amounts due to the Company for electric service and other claims against the Customer and do not represent payment for services or of claims by the Company. The Company, in its sole discretion, may return to the Customer any amount held by it as a part of a Customer Deposit where the Customer has established satisfactory credit.
4. All Non-Residential Customer Deposits shall be deposited in an interest bearing account and interest earned from the date of deposit until return to the Customer or, upon the Termination of Service, the date credited against any amounts due and payable to the Company.

K. Rates for Electric Service

On the Application for Service, the Applicant shall identify the rate schedule under which the Applicant seeks to receive the requested service. The Company will review the Applicant's request, and render an initial determination regarding whether the Applicant qualifies for service under the rate requested. If the Company determines that the Applicant does not qualify for service under the rate schedule designated by the Applicant, the Applicant must request service under another rate schedule. The Company does not guarantee that any Customer will be served under the most favorable rate schedule available to the Customer. Furthermore, the Company does not assume responsibility, either at the time of the initial service application or at any subsequent point in time, for identification of the most favorable rate schedule for the Customer. The Company will not refund any difference between the charges assessed to a Customer under the rate schedule under which the Customer is billed and the charges the Customer would have been assessed under another rate schedule for which the Customer qualifies.

Copies of the Company's currently applicable rate schedules are available for inspection upon request at the Company's office.

L. Billing

Each Customer's meter will be read at regular intervals and bills will be rendered on a monthly basis or periodically in accordance with the terms of the applicable rate schedule. Bills will be rendered as soon as practical after determination of their amount and shall be due when presented or at such later date as may be indicated on the bill. Bills are payable at the Company's office or to any authorized collector or agency. Bills shall be deemed presented when 1) delivered to the Customer personally, 2) mailed to him at the premises where service is provided or the last known address of the customer, or 3) left at either of such places.

Bills, in general, will be based upon meter readings, but bills will be adjusted to compensate for errors in meter registration and meter reading and the application of rate schedules to intervals of greater or less than a month. In the event of a stoppage or failure of a meter to register, the Customer will be billed for such period on

estimated consumption and demand, where applicable, based upon his use of electric energy and demand, where applicable, in a similar period of like use or on the basis of check meter readings, if available and accurate. Adjustments shall be limited to the Customer last served at that particular delivery point.

M. Late Payment Charge

Bills are due and payable on the date presented, or if a later due date is indicated on the bill, the date indicated on the bill. All payments received are applied first to the payment of late charges and then to payments for electric service. The date of payment is the date payment is received at the Company's offices or by any authorized collector or agency. If a bill is not paid within twenty (20) days after the billing date or the due date, as indicated on the bill, whichever is later, a late payment charge will be added to the bill. When the twenty (20) days for payment expire on a holiday, or on a Saturday or Sunday, the payment period is extended through the next business day.

The late charge is equal to one and one-half (1½) percent of the amount of the bill after the first non-payment period. If the amount due, including the late charge, is not paid within twenty days of the next billing date, an additional late charge equal to one and one-half (1½) percent of the original amount is charged after the second non-payment period. If the original amount remains unpaid twenty (20) days after the second billing date for the second succeeding month, an additional late charge of two (2) percent of the original bill will be assessed. This will result in imposition of the maximum aggregate late charges equal to five (5) percent of the original amount of the bill. Payments for electric service are applied first to the oldest outstanding charges.

N. Averaged Payment Plan

An Averaged Payment Plan is offered by the Company to assist residential customers in budgeting for, and payment of their monthly charges for electric utility service.

1. Upon the written request of a Residential Customer during the calendar months of October, November, or December of each year, an Averaged Payment Plan is available for budget billing of service provided under the Residential Rate Schedule, Rate "R". The Averaged Payment Plan is available only if all bills for past service have been paid at the time of the request.
2. The amount billed each month under the provisions of this optional payment plan, will be equal one-twelfth (1/12) of the total charges for service, as computed under the then applicable Residential Rate Schedule, for the twelve month period ended with the current billing month, rounded to the nearest dollar amount. The minimum monthly bill under this plan is fifty dollars (\$50.00).
3. In the case of a new Customer, a Customer who has taken service for less than twelve (12) months, or where a significant change in the Customer's consumption is indicated, the Company will estimate the Customer's annual usage.
4. At the end of each twelve (12) month period (ended October, November or December), the twelfth monthly bill will be adjusted to reflect actual use during the twelve month period then ended. During each twelve (12) month period of the Averaged Payment Plan year, the Company will provide, with each monthly billing, a statement showing the actual charges incurred during

the current Averaged Payment Plan year and the aggregate of the amounts billed through that month. In no instance shall any deviation from the amounts billed on the Average Payment Plan absolve the Customer from paying the actual charges incurred during the twelve month period then ended.

5. During the period in which the Customer is participating in the Averaged Payment Plan, late payment charges apply to the late payment of amounts billed and due under the Plan, and not to the cumulative difference between the amounts and due under the Plan and amounts which would have been due but for participation in the Plan.
6. Upon the failure of a Customer to make any payment in a timely manner or, at any time, upon the written request of the Customer, the Customer will be removed from the Average Payment Plan and the excess of any actual charges incurred over amounts paid under the Averaged Payment Plan are immediately due and payable. If the amounts paid to date during the Averaged Payment Plan year exceed the actual charges incurred, the excess payments will be credited:
 - a) First, against charges billed in the next month based upon actual amounts incurred during that month, and
 - b) Second, against any other amounts due and payable to the Company. Any remaining excess will be remitted to the Customer with that next monthly bill.

O. Demand Metering

The Company may require the installation of a demand meter for any customer that qualifies for service under the Demand Metered General Service Rate Schedule, Rate "D", or the Public Authority Service Rate Schedule, Rate "P". The Company shall have the right to test a customer's use of service, and if any 15-minute interval metered demand for such customer is found to exceed eight (8.0) kilowatts such customer shall be transferred to an applicable demand metered service schedule. A residential customer for whom a metered 15-minute interval demand in excess of eight (8.0) kilowatts is recorded will be transferred to the Demand Metered General Service Rate Schedule, Rate "D".

Any demand metered customer whose monthly metered demands fail to exceed four (4.0) kilowatts for any month within a twenty-four (24) month period may, at the sole discretion of the Company, be transferred to another applicable service schedule.

P. Termination of Service

The Company reserves the right to terminate service to any Customer for any, or all of the following causes:

1. A dangerous condition exists, or is reasonably thought to exist, on the Customer's premises in any Company property and/or any Customer Equipment, including all wiring and energy-consuming devices;

2. Unauthorized or Fraudulent use of electric energy obtained from the Company;
3. Tampering with any Company equipment, including distribution lines, service lines, transformers, switches, protective devices, and meters;
4. The request of the Customer, upon not less than three (3) business days notice, except in the case of an emergency which includes a substantial threat to human life and/or of property damage, and subject to the terms of any existing agreement;
5. When Customer has previously been disconnected for non-payment and fails to pursue settlement of past service liabilities or fails to make payment of amounts due under a settlement of any past electric service liabilities;
6. Failure of an Applicant to make a Customer Deposit, or of a Customer to increase the amount of any Customer Deposit, to assure payment of bills for electric service, when properly requested by the Company;
7. Any violation of these Terms and Conditions, which the Customer refuses or fails to correct;
8. Non-payment of any bill from the Company for electric service; and/or
9. Failure of the Customer to permit Company personal access the Customer's premises for meter reading or for inspection of Company or Customer equipment or wiring as provided in Section H of these Terms and Conditions.

Q. Reconnection of Service

1. When electric service is terminated for any reason set forth in Section 9, there shall be a Reconnection Charge equal to the sum of:
 - a) \$25.00, if the Customer requests service be restored during the Company's normal working hours, or \$50.00, if the Customer requests that service be restored at a time other than the Company's normal working hours; and
 - b) the sum of the monthly Customer Charges for each month that service has been disconnected and no Customer Charge has been paid.
2. Further, the Company shall not be required to restore service terminated for any of the reasons set forth in Section O of these Terms and Conditions until:
 - a) Dangerous conditions are removed, or reasonably demonstrated not to exist, within Company property and/or Customer Equipment, including all wiring and electric energy-consuming devices on the Customer's premises;
 - b) All violations of these Terms and Conditions are corrected;

- c) An arrangement, satisfactory to the Company, is made for the payment of all bills for service;
- d) A Customer Deposit, in an amount satisfactory to the Company, is made to assure payment of bills for service; and
- e) The Reconnection Charge is paid.

R. Line Extensions and Other Facilities

1. Whenever a line extension along a public highway or other facilities are required to supply electric service to an Applicant and the estimated expenditures of such line extension and/or other facility shall be of such amount that the revenue to be derived from that service at the applicable rates will, in the reasonable judgment of the Company, be insufficient to warrant such cost, the Company will require that the Applicant make an advance payment of a Contribution-In-Aid-of-Construction to cover the cost of such expenditures. The Contribution-In-Aid-of-Construction will include any and all costs associated with the completion of the line extension and other facilities required to serve the Applicant.
2. Whenever it is necessary, in order to provide electric service to an Applicant, to locate a pole or poles on private property or to pass over, under or through private property in order to complete a service connection on the Applicant's premises, any and all costs incident to the completion of such a service connection shall be paid to the Company by the Applicant as a Contribution-In-Aid-of-Construction. The Contribution-In-Aid-of-Construction required by the Company shall include any and all costs for:
 - a) furnishing, erection, location, and/or modification of poles;
 - b) equipment installed or used to effect the installation;
 - c) the acquisition of right-of-way or easements; and
 - d) any and all other costs associated with the installation of facilities to serve the Customer or Applicant.
3. A customer whose meter is to be more than one hundred fifty (150) feet from a public road will be charged a minimum charge of sixty cents (\$.60) per foot for the distance from the meter location to the public road. The charge shall include the Customer's share of Contribution-in-Aid-of Construction for all customers served by the line. The distance of the line extension shall be measured under or over the line used.
4. All easements and right-of-ways must be satisfactory to the Company and, where obtained from the Customer or Customers to be served, the easement must run to the property line of the next abutting premises and be not less than twenty (20) feet in width.

S. Contributions-In-Aid-of-Construction

1. Amounts assessed as Contributions-In-Aid-of-Construction shall include the estimated income tax liabilities for the Company associated with the Company's receipt of the Contribution-In-Aid-of-Construction.
2. The Company will treat advance payments of construction costs as a Contributions-In-Aid-of-Construction for income tax and regulatory purposes and the Applicant or Customer shall have no additional rights or benefits as a result of such payments.
3. The entire amount of the Contribution-In-Aid-of-Construction shall be paid prior to the commencement of construction. Where more than one Customer is to be served by a line extension, the amount of the Contributions-in-Aid-of-Construction and any and all other costs of the line extension shall be apportioned ratably among the Customers to be served.

T. Customer Liabilities

All property of the Company installed in, or upon, Customer premises used or useful in supplying electric service is placed there under Customer's protection. All reasonable care shall be exercised to prevent loss of, or damage to, such property and, ordinary wear and tear excepted, the Customer will be held liable for any such loss of property or damage thereto and shall pay the Company the cost of necessary repairs or replacements.

Customer will be held responsible for breaking seals, tampering or interfering with Company's meter(s) and/or other Company equipment installed on Customer premises, and no one, except duly authorized and properly identified employees of the Company, will be allowed to make repairs or adjustments to any meter(s) or other Company equipment.

U. Company Liabilities

The Company shall not be liable for damages resulting in any way from the supplying or use of electric energy or from the presence or operation of the Company's service, conductors, appliances, meters, apparatus, appurtenances or other equipment on the Customer's premises.

The Company will exercise reasonable diligence in furnishing and maintaining a uniform, continuous and uninterrupted supply of electric energy as practicable within the provisions of its rate schedules. Should the supply of electric energy be interrupted, become faulty, or fail for any reason, the Company shall not be liable. The Company may interrupt service for the purposes of making necessary alterations, installations and repairs, promoting public safety and preventing excessive damage to property in the event of fire; lightning; high winds; snow; sleet; ice; high water; unavailability of fuel, spare parts or personnel; sabotage; malicious mischief; and without limiting the generality thereof, by reason of any other cause whatsoever. The Customer assumes all risk of loss or damage to person and property resulting or arising out of any such interruption, fault, or failure. Except in case of emergencies, the Company shall endeavor to give reasonable notice to Customers of interruptions.

In case the Company is obligated to discontinue the supply of electric energy to the Customer's premises as a result of the canceling of temporary permits for the extension of lines, or for other cause, the Customer shall have no claim against the Company on account of such discontinuance.