

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION**

IN RE: BLOCK ISLAND POWER COMPANY :
WAIVER REQUEST UNDER R.I. GEN. LAWS : **DOCKET NO. 4606**
§ 39-1-27(g) :

ORDER

WHEREAS, Public Utilities Commission (PUC) Order No. 15461¹ authorized the Block Island Power Company (BIPCo or Company) to delay implementation of the 1996 Utility Restructuring Act's (Act) mandates until six months following the installation and operation of an undersea cable connecting the island to the mainland electric grid; and

WHEREAS, an undersea electric cable has since been constructed and became operational in November 2016; and

WHEREAS, BIPCo began taking energy from the mainland over the cable on or around May 1, 2017; and

WHEREAS, at an Open Meeting held on September 8, 2017, the PUC granted an extension until August 1, 2018, for BIPCo to make a full rate filing, including a cost of service study;² and

WHEREAS, on July 2, 2018, BIPCo filed a request for a two month extension to October 1, 2018, to file its rate case and cost of service study because it continues to deal with a number of issues that make it difficult to prepare a full rate filing, including: (1) the transfer of assets from BIPCo to the newly created Block Island Utility District has not yet occurred; (2) a pending lawsuit brought by BIPCo's minority shareholder, Sara McGinnes against BIPCo, the Town of New Shoreham, and the Block Island Utility District remains ongoing and pending; and (3) the Utility

¹ Order No. 15461 (Nov. 26, 1997). On three prior occasions, the PUC has authorized various extensions of the exemptions from the Act through April 2020, as BIPCo undergoes a structural and operational transition from a for-profit company to a non-profit Utility District; Order 22565 (Oct. 7, 2016); Order No. 23019 (Jan. 31, 2018); Order No. 23066 (Mar. 26, 2018).

² Order No. 23065 (Mar. 26, 2018).

District has not yet finalized negotiations for financing to acquire BIPCo's stock or assets, which request was approved on August 9, 2018;³ and

WHEREAS, on September 28, 2018, BIPCo filed for an additional three months, until December 31, 2018, to instead make a revenue neutral filing to change the date design without changing the existing revenue requirement, a motion upon which no action was taken by the Division of Public Utilities and Carriers (Division) or the PUC; and

WHEREAS, on November 19, 2018, BIPCo filed for an extension of time to allow for the filing of a full rate case, together with a cost of service study, within ninety days of the closing of the sale of BIPCo's assets to the Block Island Utility District, a nonprofit entity created by the General Assembly in 2017,⁴ and the resolution of all McGinnes litigation; and

WHEREAS, on December 12, 2018, the Division submitted a memorandum recommending approval of the BIPCo extension, stating that the Division continued to find it imprudent and not in the ratepayers' best interest for BIPCo to invest the resources and expense into a full rate case and cost of service study amidst the pendency of the unresolved issues. The Division asserted that it would continue to monitor BIPCo's financial condition throughout the pendency of the extension; and

WHEREAS, at an Open Meeting held on December 20, 2018, the PUC approved the request made on November 19, 2018, finding it to be in the best interest of BIPCo and its ratepayers.

³ Order No. 23304 (Oct. 20, 2018).

⁴ R.I. Gen. Laws §§ 45-67-1 to 15.

Accordingly, it is hereby

(23522) ORDERED:

1. Block Island Power Company is granted an extension of time to allow for the filing of a full rate case, together with a cost of service study, within ninety days of the closing of the sale of BIPCo's assets to the Block Island Utility District and the resolution of all McGinnes litigation.
2. Block Island Power Company shall notify the Public Utilities Commission and Division of Public Utilities Commission immediately upon satisfying the conditions set forth in Ordering Paragraph 1.

EFFECTIVE AT WARWICK, RHODE ISLAND, PURSUANT TO AN OPEN MEETING DECISION ON DECEMBER 20, 2018. WRITTEN ORDER ISSUED APRIL 12, 2019.

PUBLIC UTILITIES COMMISSION



Margaret E. Curran

Margaret E. Curran, Chairperson

Marion S. Gold

Marion S. Gold, Commissioner

Abigail Anthony

Abigail Anthony, Commissioner

Notice of Right of Appeal: Pursuant to R.I. Gen. Laws § 39-5-1, any person aggrieved by a decision or order of the PUC may, within 7 days from the date of the Order, petition the Supreme Court for a Writ of Certiorari to review the legality and reasonableness of the decision or Order.