

# *Schacht & McElroy*

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April 25, 2017

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

Re: Block Island Power Company – Procurement Plan and Tariff Filing  
Docket No. 4690

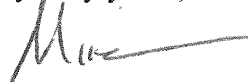
Dear Luly:

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

Enclosed for filing 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

cc: Service List

**Docket No. 4690 – Block Island Power Co. – Procurement Plan & Tariff  
Service List as of 2/27/17**

<b>Name/Address</b>	<b>Email</b>	<b>Phone</b>
Michael McElroy, Esq. for BIPCo. Schacht & McElroy PO Box 6721 Providence RI 02940-6721	<a href="mailto:Michael@McElroyLawOffice.com">Michael@McElroyLawOffice.com</a> ;	401-351-4100
David Bebyn, Consultant for BIPCo	<a href="mailto:dbebyn@beconsulting.biz">dbebyn@beconsulting.biz</a> ;	
Jeffery Wright, President Block Island Power Co. Howell Conant, COO Nancy Dodge Tim Hebert Sara McGinnes Everett Shorey	<a href="mailto:jwright@bipco.net">jwright@bipco.net</a> ;	401-466-5851
	<a href="mailto:admin@bipco.net">admin@bipco.net</a> ;	
	<a href="mailto:Kpson@aol.com">Kpson@aol.com</a> ;	
	<a href="mailto:thebert@energynewengland.com">thebert@energynewengland.com</a> ;	
	<a href="mailto:smcginnes@mac.com">smcginnes@mac.com</a> ;	
Christy Hetherington, Esq. (Division) Dept. of Attorney General 150 South Main St. Providence, RI 02903	<a href="mailto:CHetherington@riag.ri.gov">CHetherington@riag.ri.gov</a> ;	401-274-4400 Ext. 2425
	<a href="mailto:Jmunoz@riag.ri.gov">Jmunoz@riag.ri.gov</a> ;	
	<a href="mailto:dmacrae@riag.ri.gov">dmacrae@riag.ri.gov</a> ;	
Steve Scialabba Division of Public Utilities and Carriers	<a href="mailto:Steve.scialabba@dpuc.ri.gov">Steve.scialabba@dpuc.ri.gov</a> ;	
	<a href="mailto:John.bell@dpuc.ri.gov">John.bell@dpuc.ri.gov</a> ;	
	<a href="mailto:Al.contente@dpuc.ri.gov">Al.contente@dpuc.ri.gov</a> ;	
Richard Hahn Daymark Energy Advisors	<a href="mailto:rhahn@daymarkea.com">rhahn@daymarkea.com</a> ;	617-778-2467
Kathleen Merolla, Esq. Town of New Shoreham	<a href="mailto:KAMLAW2344@aol.com">KAMLAW2344@aol.com</a> ;	
<b>File an original &amp; nine (9) copies w/:</b> Luly E. Massaro, Commission Clerk Public Utilities Commission 89 Jefferson Blvd. Warwick, RI 02888	<a href="mailto:Luly.massaro@puc.ri.gov">Luly.massaro@puc.ri.gov</a> ;	401-780-2107
	<a href="mailto:Margaret.hogan@puc.ri.gov">Margaret.hogan@puc.ri.gov</a> ;	
	<a href="mailto:Cynthia.WilsonFrias@puc.ri.gov">Cynthia.WilsonFrias@puc.ri.gov</a> ;	
	<a href="mailto:Alan.nault@puc.ri.gov">Alan.nault@puc.ri.gov</a> ;	
	<a href="mailto:Todd.bianco@puc.ri.gov">Todd.bianco@puc.ri.gov</a> ;	
<b>Interested Persons</b>		
Michael J. Daly	<a href="mailto:mdaly@pierceatwood.com">mdaly@pierceatwood.com</a> ;	
Nick Ucci, OER	<a href="mailto:Nicholas.Ucci@energy.ri.gov">Nicholas.Ucci@energy.ri.gov</a> ;	401-574-9104
Andrew Marcaccio, Esq., OER	<a href="mailto:Andrew.Marcaccio@doa.ri.gov">Andrew.Marcaccio@doa.ri.gov</a> ;	401-222-8880

Standard Offer & Transmission Cost  
Rate Calculation  
Block Island Power Company

**Schedule DGB-1**  
**Compliance**

**Standard Offer**

Total Energy Costs	329,986	See Attachment-1
Total Capacity/Other Costs	65,899	See Attachment-1
Total Other Costs	58,249	See Attachment-2
Subtotal	<u>454,134</u>	
Subtotal /.96 to recover 4% Gross Receipts Tax	<u>473,056</u>	

Estimated Sales (MWH) to Customers	7,694	See Schedule DGB-2
Cost per MWH	\$ 61.48	
Cost per KWH	\$ 0.0615	

**Transmission Charges**

Total Transmission Costs	<u>464,937</u>	See Attachment-1
Cost /.96 to recover 4% Gross Receipts Tax	<u>484,310</u>	

Estimated Sales (MWH) to Customers	7,694	See Schedule DGB-2
Cost per MWH	\$ 62.94	
Cost per KWH	\$ 0.0629	

**Total**

Cost per MWH	\$ 124.42	
Cost per KWH	\$ 0.1244	

Estimated Sales (KWH) to All Customers  
Block Island Power Company

**Schedule DGB-2  
Compliance**

**KWH Reported on monthly Fuel Surcharge filings.**

	(A)
Apr-15	<b>562,072</b>
May-15	821,234
Jun-15	1,232,081
Jul-15	1,772,504
Aug-15	2,015,801
Sep-15	1,232,492
Oct-15	746,208
Nov-15	576,855
Dec-15	604,847
Jan-16	613,383
Feb-16	583,336
Mar-16	634,676

	(B)
Apr-16	<b>624,623</b>
May-16	842,062
Jun-16	1,188,188
Jul-16	1,882,044
Aug-16	1,993,738
Sep-16	1,221,839
Oct-16	789,396
Nov-16	630,014
Dec-16	690,628
Jan-17 est SALY	613,383
Feb-17 est SALY	583,336
Mar-17 est SALY	634,676

Estimated Sales (Two year average by month)

(A)	(B)	(A+B)/2	
562,072	624,623	593,348	Apr-17 est
821,234	842,062	831,648	May-17 est
1,232,081	1,188,188	1,210,135	Jun-17 est
1,772,504	1,882,044	1,827,274	Jul-17 est
2,015,801	1,993,738	2,004,770	Aug-17 est
1,232,492	1,221,839	1,227,166	Sep-17 est
746,208	789,396	767,802	Oct-17 est
576,855	630,014	603,435	Nov-17 est
604,847	690,628	647,738	Dec-17 est
613,383	613,383	613,383	Jan-18 est
583,336	583,336	583,336	Feb-18 est
634,676	634,676	634,676	Mar-18 est
<b>11,478,868</b>	<b>11,693,927</b>	<b>11,544,708</b>	

6 month	7,694,339
12 month	11,544,708
18 month	19,239,047

Forecast Cumulative Over/(Under) Collection-Total  
Block Island Power Company

**Schedule DGB-3  
Compliance**

	Starting Balance	Revenue	Expense	Monthly Change	Cumulative
Apr-17	0	\$ 73,827	\$ 103,455	\$ (29,628)	\$ (29,628)
May-17	\$ (29,628)	\$ 103,478	\$ 125,733	\$ (22,255)	\$ (51,883)
Jun-17	\$ (51,883)	\$ 150,571	\$ 154,641	\$ (4,071)	\$ (55,954)
Jul-17	\$ (55,954)	\$ 227,358	\$ 206,715	\$ 20,643	\$ (35,311)
Aug-17	\$ (35,311)	\$ 249,443	\$ 209,603	\$ 39,840	\$ 4,529
Sep-17	\$ 4,529	\$ 152,690	\$ 157,218	\$ (4,529)	\$ 0
Period Cumulative Over/(Under) Collection				\$ 0	

**Standard Offer - Only**

	Starting Balance	Revenue	Expense	Monthly Change	Cumulative
Apr-17	0	\$ 36,480	\$ 41,282	\$ (4,802)	\$ (4,802)
May-17	\$ (4,802)	\$ 51,131	\$ 54,988	\$ (3,858)	\$ (8,660)
Jun-17	\$ (8,660)	\$ 74,400	\$ 73,741	\$ 659	\$ (8,001)
Jul-17	\$ (8,001)	\$ 112,343	\$ 114,865	\$ (2,522)	\$ (10,523)
Aug-17	\$ (10,523)	\$ 123,255	\$ 113,312	\$ 9,943	\$ (580)
Sep-17	\$ (580)	\$ 75,447	\$ 74,867	\$ 580	\$ 0
Period Cumulative Over/(Under) Collection				\$ 0	

	Forecast KWH	Standard Offer Rate	Standard Offer Revenue	Total Energy Costs	Total Capacity/Other Costs	Total Other Costs	Gross Receipts Tax	Total Expense
Apr-17	593,348	\$ 0.0615	\$ 36,480	\$ 27,673	\$ 7,265	\$ 4,885	\$ 1,459	\$ 41,282
May-17	831,648	\$ 0.0615	\$ 51,131	\$ 37,668	\$ 8,625	\$ 6,649	\$ 2,045	\$ 54,988
Jun-17	1,210,135	\$ 0.0615	\$ 74,400	\$ 51,247	\$ 10,473	\$ 9,046	\$ 2,976	\$ 73,741
Jul-17	1,827,274	\$ 0.0615	\$ 112,343	\$ 81,421	\$ 14,578	\$ 14,372	\$ 4,494	\$ 114,865
Aug-17	2,004,770	\$ 0.0615	\$ 123,255	\$ 79,905	\$ 14,372	\$ 14,105	\$ 4,930	\$ 113,312
Sep-17	1,227,166	\$ 0.0615	\$ 75,447	\$ 52,072	\$ 10,585	\$ 9,192	\$ 3,018	\$ 74,867
	<u>7,694,339</u>		<u>\$ 473,056</u>					<u>\$ 473,056</u>

**Transmission Charges - Only**

	Starting Balance	Revenue	Expense	Monthly Change	Cumulative
Apr-17	0	\$ 37,347	\$ 62,173	\$ (24,826)	\$ (24,826)
May-17	\$ (24,826)	\$ 52,347	\$ 70,745	\$ (18,398)	\$ (43,224)
Jun-17	\$ (43,224)	\$ 76,170	\$ 80,900	\$ (4,729)	\$ (47,953)
Jul-17	\$ (47,953)	\$ 115,015	\$ 91,850	\$ 23,165	\$ (24,788)
Aug-17	\$ (24,788)	\$ 126,187	\$ 96,291	\$ 29,897	\$ 5,109
Sep-17	\$ 5,109	\$ 77,242	\$ 82,351	\$ (5,109)	\$ 0
Period Cumulative Over/(Under) Collection				\$ 0	

	Forecast KWH	Transmission Charge Rate	Transmission Charge Revenue	Total Energy Costs	Gross Receipts Tax	Total Expense
Apr-17	593,348	\$ 0.0629	\$ 37,347	\$ 60,679	\$ 1,494	\$ 62,173
May-17	831,648	\$ 0.0629	\$ 52,347	\$ 68,651	\$ 2,094	\$ 70,745
Jun-17	1,210,135	\$ 0.0629	\$ 76,170	\$ 77,853	\$ 3,047	\$ 80,900
Jul-17	1,827,274	\$ 0.0629	\$ 115,015	\$ 87,249	\$ 4,601	\$ 91,850
Aug-17	2,004,770	\$ 0.0629	\$ 126,187	\$ 91,243	\$ 5,047	\$ 96,291
Sep-17	1,227,166	\$ 0.0629	\$ 77,242	\$ 79,262	\$ 3,090	\$ 82,351
	<u>7,694,339</u>		<u>\$ 484,310</u>			<u>\$ 484,310</u>

Ratepayer Impact  
Block Island Power Company

**Schedule DGB-4**  
**Compliance**

**Ratepayer impact for a residential customer using 500 kilowatt-hours of electricity**

The compliance rates are presented in the table below. It should be noted that this is the first time BIPCo will have these rates so it is not possible to evaluate with certainty the individual impact of the proposed Standard Offer and Transmission charges.

However, BIPCo in essence is replacing the cost of generating with these purchased power costs. Because of this, it is possible to evaluate the impact of purchased power vs the power BIPCo used to produce and recover in the Fuel Adjustment Surcharge. The tables below present the three-month average of the Fuel Adjustment Surcharge in the current rate column. Three months (November 2016, December 2016 and January 2017) was used since last summer's rate was inflated with the cost recovery for the emergency engine rentals. The compliance column for June through September Fuel Adjustment only includes the DSI funding of \$0.01. Based on these assumptions, a residential customer using 500 Kilowatt-hours for a given month would currently pay \$149.48 during October through May and \$223.93 during June through September. Under the compliance rates, that customer would see their bill decrease to \$120.09 during October through May which is a decrease of \$29.39 and \$199.54 during June through September which is a decrease of \$24.39. The saving of \$29.39 during October through May and \$24.39 during June through September equals multiplying the total difference in the tables below by 500 Kilowatt-hours.

Factor....Oct-May	Current	Compliance	Difference
Standard Offer	\$0.0000	\$0.0615	\$0.0615
Transmission	0.0000	0.0629	0.0629
Fuel Adjustment	0.1832	0.0000	(0.1832)
TOTAL	\$0.1832	\$0.1244	\$(0.0588)

Factor....June-Sept	Current	Compliance	Difference
Standard Offer	\$0.0000	\$0.0615	\$0.0615
Transmission	0.0000	0.0629	0.0629
Fuel Adjustment	0.1832	0.0100	(0.1732)
TOTAL	\$0.1832	\$0.1344	\$(0.0488)

**Forecast Purchase Power Costs  
Block Island Power Company**

**Attachment 1  
Compliance**

**Purchase Power Projections**

	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Totals
Load	753	1,024	1,394	2,214	2,173	1,416	8,974
<b>MWH</b>							-
Bilateral Purchase	753	1,024	1,394	2,214	2,173	1,416	8,974
<b>Total Purchases MWH</b>	<b>753</b>	<b>1,024</b>	<b>1,394</b>	<b>2,214</b>	<b>2,173</b>	<b>1,416</b>	<b>8,974</b>

**\$ 36.77 See Attachment-3**

**Energy Costs**

Bilateral Purchase	\$ 27,673	\$ 37,668	\$ 51,247	\$ 81,421	\$ 79,905	\$ 52,072	\$ 329,986
<b>Total Energy Costs</b>	<b>\$ 27,673</b>	<b>\$ 37,668</b>	<b>\$ 51,247</b>	<b>\$ 81,421</b>	<b>\$ 79,905</b>	<b>\$ 52,072</b>	<b>\$ 329,986</b>

**Capacity/Other Costs**

ISO FCM Charges	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ISO Ancillary/Schedule Charges	\$ 2,260	\$ 3,076	\$ 4,185	\$ 6,650	\$ 6,526	\$ 4,253	\$ 26,950
Interconnection Charges	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ISO Annual Fee							\$ -
Projected ENE Fees	\$ 5,005	\$ 5,549	\$ 6,287	\$ 7,929	\$ 7,846	\$ 6,332	\$ 38,949
<b>Total Capacity/Other Costs</b>	<b>\$ 7,265</b>	<b>\$ 8,625</b>	<b>\$ 10,473</b>	<b>\$ 14,578</b>	<b>\$ 14,372</b>	<b>\$ 10,585</b>	<b>\$ 65,899</b>

**Transmission Costs**

ISO Transmission Charges	\$ 11,960	\$ 19,931	\$ 29,133	\$ 38,530	\$ 42,524	\$ 30,542	\$ 172,619
National Grid Connection DAF Charges	\$ 28,182	\$ 28,182	\$ 28,182	\$ 28,182	\$ 28,182	\$ 28,182	\$ 169,093
National Grid Cable Surcharges	\$ 5,204	\$ 5,204	\$ 5,204	\$ 5,204	\$ 5,204	\$ 5,204	\$ 31,227
National Grid Transformer Surcharges	\$ 1,584	\$ 1,584	\$ 1,584	\$ 1,584	\$ 1,584	\$ 1,584	\$ 9,503
National Grid Meter Surcharge	\$ 74	\$ 74	\$ 74	\$ 74	\$ 74	\$ 74	\$ 446
National Grid Rolled in Distribution	\$ 12,534	\$ 12,534	\$ 12,534	\$ 12,534	\$ 12,534	\$ 12,534	\$ 75,206
National Grid PTF, Non-PTF and Load							
Dispatch Charges	\$ 1,141	\$ 1,141	\$ 1,141	\$ 1,141	\$ 1,141	\$ 1,141	\$ 6,843
<b>Total Transmission Costs</b>	<b>\$ 60,679</b>	<b>\$ 68,651</b>	<b>\$ 77,853</b>	<b>\$ 87,249</b>	<b>\$ 91,243</b>	<b>\$ 79,262</b>	<b>\$ 464,937</b>

<b>Total All-In Costs</b>	<b>\$ 95,617</b>	<b>\$ 114,945</b>	<b>\$ 139,572</b>	<b>\$ 183,248</b>	<b>\$ 185,521</b>	<b>\$ 141,919</b>	<b>\$ 860,822</b>
\$/MWH	\$ 161.15	\$ 138.21	\$ 115.34	\$ 100.29	\$ 92.54	\$ 115.65	\$ 111.88
\$/KWH	\$ 0.16115	\$ 0.13821	\$ 0.11534	\$ 0.10029	\$ 0.09254	\$ 0.11565	\$ 0.11188

**Forecast Other Costs  
Block Island Power Company**

**Attachment 2  
Compliance**

		Amotization Period (years)	
<b>Other Costs-BIPCo Interconnection</b>			
Haugland (Electric Construction Contractors)	\$ 125,000		
Contractor-Lodging	\$ 2,700		
Contractor-Transportation	\$ 2,200		
Schneider Circuit Breaker	\$ 45,000		
Poles	\$ 19,000		
Pole Gang Disconnect Switch	\$ 6,000		
Materials (Bipco Inventory)	\$ 43,000		
Engineering & Consulting	\$ 20,800		
<b>Total BIPCO Interconnection</b>	<b>\$ 263,700</b>	<b>6</b>	<b>\$ 43,950</b>
<b>Other Costs-Regulatory Proceedings</b>			
Purchase Power Consultant	\$ 9,851		
Utility Rate Consultant	\$ 7,513		
Legal -Regulatory Attorney	\$ 9,289		
<b>Total Other Costs-Regulatory Filing</b>	<b>\$ 26,652</b>	<b>1</b>	<b>\$ 26,652</b>
<b>Other Costs-Regulatory SOR Filing</b>			
Purchase Power Consultant	\$ 4,000		
Utility Rate Consultant	\$ 9,000		
Legal -Regulatory Attorney	\$ 5,000		
<b>Total Other Costs-Regulatory Filing</b>	<b>\$ 18,000</b>	<b>1</b>	<b>\$ 18,000</b>
<b>Total Other Costs</b>	<b>\$ 308,352</b>		
<b>Amortized Total Other Costs</b>			<b>\$ 88,602</b>

	Load by Month per Attachment		Total Cost by Month	6 month April 17- Sept17
	1	% per month		
Apr-17	753	5.51%	\$ 4,885	\$ 4,885
May-17	1,024	7.50%	\$ 6,649	\$ 6,649
Jun-17	1,394	10.21%	\$ 9,046	\$ 9,046
Jul-17	2,214	16.22%	\$ 14,372	\$ 14,372
Aug-17	2,173	15.92%	\$ 14,105	\$ 14,105
Sep-17	1,416	10.37%	\$ 9,192	\$ 9,192
Oct-17	976	7.15%	\$ 6,337	
Nov-17	755	5.53%	\$ 4,903	
Dec-17	759	5.56%	\$ 4,926	
Jan-18	769	5.64%	\$ 4,994	
Feb-18	686	5.03%	\$ 4,455	
Mar-18	730	5.35%	\$ 4,740	
<b>Totals</b>	<b>13,651</b>	<b>100.00%</b>	<b>\$ 88,602</b>	<b>\$ 58,249</b>



Energy Costs  
Block Island Power Company

**Attachment 3**  
**Compliance**



David Bebyn <dbebyn@gmail.com>

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**FW: 100% LF Energy**

1 message

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**Jeffery Wright** <jwright@bipco.net>  
To: David Bebyn <dbebyn@gmail.com>

Tue, Apr 25, 2017 at 12:07 PM

Here are the final terms in an e-mail Dave.

Regards, Jeff

---

**From:** Dan Ciullo [mailto:dcicullo@ene.org]  
**Sent:** Tuesday, April 25, 2017 11:42 AM  
**To:** Robin.battersby@shell.com  
**Cc:** Jeffery Wright <jwright@bipco.net>  
**Subject:** 100% LF Energy

Robin:

This email confirms that Block Island Power Company has agreed to the following transaction:

Buyer:	Block Island Power Company
Seller:	Shell Energy
Scheduling:	Physically Scheduled Day-Ahead
Product:	Firm LD – Energy Only, Load Following
Delivery Point:	ISO NE – Rhode Island Zone #4005
Quantity:	100% of the actual load during the Term
Term:	May 1, 2017 through and including October 31, 2018
Price:	\$36.77/MWh

Please let me know if you have any questions. Thank you.

Dan Ciullo

Manager, Client Services

BLOCK ISLAND POWER COMPANY  
Block Island, Rhode Island

R.I. PUC No. 4690  
Sheet No. 1  
Effective: May 1, 2017

## **STANDARD OFFER & TRANSMISSION COST RATES**

Standard Offer Rate                      6.15¢ per kWh  
See Rider "SOR" for additional Details

Transmission Cost Rate                      6.29¢ per kWh  
See Rider "TMC" for additional Details

## 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.	Plant/Distribution Charge	23.99¢ per kWh	9.10¢ per kWh
4.	Transmission Charge	As determined in accordance with Rider "TMC"	

BLOCK ISLAND POWER COMPANY  
Block Island, Rhode Island

R.I. PUC No. 4690  
Sheet No. 2  
Canceling R.I. PUC No. 3900  
Effective: May 1, 2017

MONTHLY RATE (Continued)

- |    |                        |  |
|----|------------------------|--|
| 5. | Standard Offer Rate    | As determined in accordance with Rider "SOR" |
| 6. | 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 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 "TMC" - TRANSMISSION COST

There shall be included a surcharge representative of the transmission cost to this Company. The terms of this surcharge are provided in the transmission cost rider and shall apply to all kilowatt-hours consumed on this rate.

RIDER "SOR" - STANDARD OFFER RATE

For customers that have the Company provide their retail service, there shall be included a surcharge representative of the Standard Offer Rate to this Company. The terms of this surcharge are provided in the Standard Offer tariff and shall apply to all kilowatt-hours consumed on this rate.

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.

## 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.	Plant/Distribution Charge	26.52¢ per kWh	12.05¢ per kWh
4.	Transmission Charge	As determined in accordance with Rider "TMC"	
5.	Standard Offer Rate	As determined in accordance with Rider "SOR"	
6.	Fuel Adjustment Charge	As determined in accordance with Rider "FAC"	

## BLOCK ISLAND POWER COMPANY

Block Island, Rhode Island

R.I. PUC No. 4690

Sheet No. 2

Canceling R.I. PUC No. 3900

Effective: May 1, 2017

### 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 "TMC" - TRANSMISSION COST

There shall be included a surcharge representative of the transmission cost to this Company. The terms of this surcharge are provided in the transmission cost rider and shall apply to all kilowatt-hours consumed on this rate.

### RIDER "SOR" - STANDARD OFFER RATE

For customers that have the Company provide their retail service, there shall be included a surcharge representative of the Standard Offer Rate to this Company. The terms of this surcharge are provided in the Standard Offer tariff and shall apply to all kilowatt-hours consumed on this rate.

### 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. 4690  
Sheet No. 1  
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Effective: May 1, 2017

## 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.	Plant/Distribution Charge	21.85¢ per kWh	10.90¢ per kWh
4.	Transmission Charge	As determined in accordance with Rider “TMC”	
5.	Standard Offer Rate	As determined in accordance with Rider “SOR”	
6.	Fuel Adjustment Charge	As determined in accordance with Rider “FAC”	

BLOCK ISLAND POWER COMPANY

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Effective: May 1, 2017

RIDER "TMC" - TRANSMISSION COST

There shall be included a surcharge representative of the transmission cost to this Company. The terms of this surcharge are provided in the transmission cost rider and shall apply to all kilowatt-hours consumed on this rate.

RIDER "SOR" - STANDARD OFFER RATE

For customers that have the Company provide their retail service, there shall be included a surcharge representative of the Standard Offer Rate to this Company. The terms of this surcharge are provided in the Standard Offer tariff and shall apply to all kilowatt-hours consumed on this rate.

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.



## 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. Plant/Distribution 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. Transmission Charge	As determined in accordance with Rider "TMC"	

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MONTHLY RATE (Continued)

- |    |                        |  |
|----|------------------------|--|
| 6. | Standard Offer Rate    | As determined in accordance with Rider "SOR" |
| 7. | 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 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 "TMC" - TRANSMISSION COST

There shall be included a surcharge representative of the transmission cost to this Company. The terms of this surcharge are provided in the transmission cost rider and shall apply to all kilowatt-hours consumed on this rate.

RIDER "SOR" - STANDARD OFFER RATE

For customers that have the Company provide their retail service, there shall be included a surcharge representative of the Standard Offer Rate to this Company. The terms of this surcharge are provided in the Standard Offer tariff and shall apply to all kilowatt-hours consumed on this rate.

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.

## **TRANSMISSION COST RIDER**

### **RATE “TMC”**

#### **TRANSMISSION COST RATE**

Transmission Costs are defined by the local service agreement between the parties of New England Power Company (d/b/a National Grid), Block Island Power Company and ISO New England Inc under ISO New England Inc. FERC Electric Tariff No.3 (first revised service agreement No. TSA-NEP-83). The Transmission Costs include any and all other applicable charges in accordance with the rates, terms and conditions of Schedule 21-NEP of the Tariff, including, without limitation, Monthly demand charges with PTF and non-PTF components

- Transformer surcharge
- Rolled-In Distribution Surcharge
- Direct Assignment Facilities Charge for interconnection facilities
- Meter Surcharge
- Network load dispatch surcharge
- Block Island Transmission System Surcharge

The demand and energy cost of the purchased power is to be recovered in the Standard Offer.

#### **TRANSMISSION RATE CALCULATION:**

The per-unit rate of the Transmission cost along with the Standard Offer shall be calculated every six (6) months (3 months for the first submission) and submitted to the Rhode Island Public Utilities Commission (Commission) for approval. The calculation of the per-unit rate is as follows:

1. Estimate the total costs of each component of purchased power expense for the upcoming twelve-month period;
2. Allocate the estimated costs to either the Transmission Cost or Standard Offer in accordance with the definitions of those elements of purchased power. These costs will then be divided by .96 to reflect the cost of gross receipt tax (GRT);
3. Add or deduct any over-collection or under-collection from previously approved rates to ensure the reconciliation of costs; and
4. Divide the allocated costs by the sum of the estimated Company’s sales made to the residential, commercial, and industrial classes. The sales to be used are the estimated sales that the Company will service at the Standard Offer during the upcoming six-month period. .

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Effective: May 1, 2017

APPROVAL:

The per-unit rate of the Standard Offer shall be calculated every six (6) months (3 months for the first submission) and submitted to the Rhode Island Public Utilities Commission (Commission) for approval. The rate approved by the Commission shall remain in effect until the Commission approves a new rate.

GENERAL TERMS AND CONDITIONS

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

## **STANDARD OFFER RATE RIDER**

### **RATE "SOR"**

#### **STANDARD OFFER RATE**

The Standard Offer is defined as the total costs of purchased power less Transmission Costs. The demand and energy cost of the purchased power is to be recovered in the Standard Offer.

#### **STANDARD OFFER RATE CALCULATION:**

The per-unit rate of the Standard Offer shall be calculated every six (6) months and submitted to the Rhode Island Public Utilities Commission (Commission) for approval. The calculation of the per-unit rate is as follows:

1. Estimate the total costs of each component of purchased power expense for the upcoming twelve-month period;
2. Allocate the estimated costs to either the Transmission Cost, or Standard Offer in accordance with the definitions of those elements of purchased power. These costs will then be divided by .96 to reflect the cost of gross receipt tax (GRT);
3. Add or deduct any over-collection or under-collection from previously approved rates to ensure the reconciliation of costs; and
4. Divide the allocated costs by the sum of the estimated Company's sales made to the residential, commercial, and industrial classes. The sales to be used are the estimated sales that the Company will service at the Standard Offer during the upcoming six - month period.

#### **APPROVAL:**

The per-unit rate of the Standard Offer shall be calculated every six (6) months (3 months for the first submission) and submitted to the Rhode Island Public Utilities Commission (Commission) for approval. The rate approved by the Commission shall remain in effect until the Commission approves a new rate.

#### **GENERAL TERMS AND CONDITIONS**

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

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Block Island, Rhode Island

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Effective: May 1, 2017

## **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.

##### **ENGINE RENTAL EXPENSE:**

The total cost for the month to rent auxiliary engines (including any required components such as wiring and transformers) and the related installation and transportation costs (i.e. ferry, truck, driver, etc.) required for transportation of the rental equipment. This calculated engine rental 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.

BLOCK ISLAND POWER COMPANY

Block Island, Rhode Island

R.I. PUC No. \_\_\_\_

Sheet No. 2

Canceling R.I. PUC No. 4606

Effective: May 1, 2017

FAC FACTOR:

The combined financing cost and usage costs for fuel and urea along with the engine rental costs and DSI 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.

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.