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April 3, 2019

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

Re: Block Island Power Company – Standard Offer and Transmission Charges
Docket No. 4690

Dear Luly:

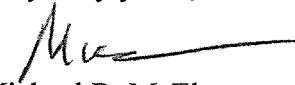
On March 25, 2019, the Block Island Utility District d/b/a Block Island Power Company (BIUD) completed the purchase of the assets of Block Island Power Company and became the electric distribution company for the Town of New Shoreham.

The BIUD is not subject to gross receipts taxes. Therefore, on behalf of the BIUD, we hereby submit an original and nine copies of the following:

1. Supplemental Testimony of David G. Bebyn, CPA, which reflects reduced proposed rates due to the elimination of the gross receipts tax, and
2. Responses to the Public Utilities Commission's 1st Set of Data Requests

If you have any questions or you need any further information, please feel free to contact me.

Very truly yours,


Michael R. McElroy

MRMc/tmg

cc: Service List – Docket 4690

**Docket No. 4690 – Block Island Power Co. – Procurement Plan & Tariff
Service List as of 8/23/18**

Name/Address	Email	Phone
Michael McElroy, Esq. for BIPCo. Schacht & McElroy PO Box 6721 Providence RI 02940-6721	Michael@McElroyLawOffice.com ;	401-351-4100
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David Bebyn, Consultant for BIPCo	dbebyn@beconsulting.biz ;	
Jeffery Wright, President Block Island Power Co. Howell Conant, COO Nancy Dodge Tim Hebert Sara McGinnes Everett Shorey	jwright@bipco.net ;	401-466-5851
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Richard Hahn Daymark Energy Advisors	rhahn@daymarkea.com ;	617-778-2467
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	Townmanager@new-shoreham.com ;	
File an original & nine (9) copies w/: Luly E. Massaro, Commission Clerk Public Utilities Commission 89 Jefferson Blvd. Warwick, RI 02888	Luly.massaro@puc.ri.gov ;	401-780-2107
	Margaret.hogan@puc.ri.gov ;	
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**Supplemental Testimony
of
David G. Bebyn CPA
Twelve Month Standard Offer and Transmission Rate Reconciliation
and Request for New Rates**

**Block Island Utility District
d/b/a Block Island Power Company
Docket No. 4690**

April 3, 2019

1 **Q. Will you please provide your full name and your employer for the record?**

2 A. Yes, My name is David G. Bebyn CPA. I am the President of B&E Consulting LLC.

3

4 **Q. Are you the same David Bebyn who filed direct testimony in this docket?**

5 A. Yes.

6

7 **Q. What is the purpose of this supplemental testimony?**

8 A. The primary purpose is to update portions of my original filing and my direct
9 testimony and schedules in order to remove gross receipts taxes from the Standard Offer
10 and Transmission rates. This will reduce the proposed rates. In my originally filed
11 testimony (see page 7), I left gross receipts taxes imbedded in the calculation since at the
12 time of the filing BIPCo had not yet transitioned into the Block Island Utility District
13 (BIUD) and as a result was still subject to gross receipts taxes. Subsequent to that filing,
14 and as detailed in our response to Commission data request 2019-6, BIPCo has
15 transitioned into the BIUD with the purchase of the Block Island Power Company's
16 assets on Monday March 25, 2019. Since the BIUD is not subject to gross receipts taxes,
17 my supplemental testimony and schedules remove the gross receipts taxes that were
18 embedded in the Standard Offer and Transmission Charges and reduce the rates we
19 originally proposed.

20

21 **Q. What schedules did you prepare for this supplement?**

22 A. I have attached Supplemental Schedule DGB-1. This schedule utilizes the same
23 power purchase costs and associated costs on Attachments 1, 2 & 16 from the originally
24 filed schedules. However, the supplemental schedule no longer divides these costs first
25 by .96 to provide for the gross receipts tax. I also updated the monthly cashflow
26 projection, presented on Schedule DGB-3, based upon the proposed supplemental rates.
27 This schedule separately lists the cash flows for the Standard Offer and the Transmission
28 Charges.

29

30

31

1 **Q. Did you prepare new Tariffs to reflect these new rates?**

2 A. Yes, I did. I amended the current Standard Offer and Transmission charges as
3 reflected on the Transmission Cost Rate Tariff and Standard Offer Rate Tariff.
4

5 **Q. What are the proposed new factors, and what impact will they have on a**
6 **residential customer using 500 kilowatt-hours of electricity?**

7 A. The proposed new rates are presented in the table below. The proposed column for
8 the June through September Fuel Adjustment includes the Demand System Improvement
9 (DSI) funding of \$0.01. Based on these assumptions, a residential customer using 500
10 Kilowatt-hours for a given month would currently pay \$139.09 during October through
11 May and \$218.54 during June through September. Under the new supplemental proposed
12 rates, that customer would see their bill increase to \$141.50 during October through May
13 which is an increase of \$2.41 and \$220.95 during June through September which is an
14 increase of \$2.41. The increase of \$2.41 during October through May and \$2.41 during
15 June through September equals multiplying the total difference in the tables below by
16 500 Kilowatt-hours.
17

Factor....Oct-May	Current	Proposed	Difference
Standard Offer	\$0.0977	\$0.0972	(\$0.0005)
Transmission	0.0647	0.0700	0.0053
Fuel Adjustment	0.0000	0.0000	0.0000
TOTAL	\$0.1624	\$0.1672	\$0.0048

Factor....June-Sept	Current	Proposed	Difference
Standard Offer	\$0.0977	\$0.0972	(\$0.0005)
Transmission	0.0647	0.0700	0.0053
Fuel Adjustment	0.0100	0.0100	0.0000
TOTAL	\$0.1724	\$0.1772	\$0.0048

1 **Q. Mr. Bebyn, when are you asking for these rates for the next 12-month period to**
2 **go into effect?**

3 A. Since the summary covers 12 months of purchase power for May 1, 2019 through
4 April 30, 2020, we are requesting rates to become effective May 1, 2019.

5

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

7 A. Yes.

Standard Offer & Transmission Cost
Rate Calculation
Block Island Power Company

***Schedule DGB-1
Supplemental***

Docket No. 4690
Twelve month Recalculation for
Rates Effective May 1, 2019

Standard Offer

Total Energy Costs	635,199	See Attachment-1
Total Capacity/Other Costs	641,177	See Attachment-1
Total Other Costs	51,177	See Attachment-2
Less Over Collections		
October 2017 Reconciliation estimates to actual variance	(3,941)	See Attachment-5
April 2018 Reconciliation	50,453	See Schedule DGB-4
Subtotal	1,281,040	
Subtotal to recover (No Gross Receipts Tax)	1,281,040	
 Estimated Sales (MWH) to Customers	 13,174	 See Schedule DGB-2
Cost per MWH	\$ 97.24	
Cost per KWH	\$ 0.0972	

Transmission Charges

Transmission costs	911,544	See Attachment-1
Less Over Collections		
October 2017 Reconciliation estimates to actual variance	8,173	See Attachment-5
April 2018 Reconciliation	(18,883)	See Schedule DGB-4
Subtotal	922,254	
Subtotal to recover (No Gross Receipts Tax)	922,254	
 Estimated Sales (MWH) to Customers	 13,174	 See Schedule DGB-2
Cost per MWH	\$ 70.01	
Cost per KWH	\$ 0.0700	
 <u>Total</u>		
Cost per MWH	\$ 167.25	
Cost per KWH	\$ 0.1672	

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

Schedule DGB-3
Supplemental
Page 1 of 2

	Starting Balance	Revenue	Expense	Monthly Change	Cumulative
May-18	\$ 35,802	\$ 167,817	\$ 172,540	\$ (4,723)	\$ 31,079
Jun-18	\$ 31,079	\$ 224,148	\$ 207,371	\$ 16,776	\$ 47,855
Jul-18	\$ 47,855	\$ 325,531	\$ 266,040	\$ 59,491	\$ 107,346
Aug-18	\$ 107,346	\$ 370,244	\$ 276,033	\$ 94,211	\$ 201,557
Sep-18	\$ 201,557	\$ 231,495	\$ 209,647	\$ 21,848	\$ 223,405
Oct-18	\$ 223,405	\$ 148,826	\$ 167,955	\$ (19,129)	\$ 204,275
Nov-18	\$ 204,275	\$ 124,776	\$ 159,118	\$ (34,342)	\$ 169,934
Dec-18	\$ 169,934	\$ 127,391	\$ 159,495	\$ (32,104)	\$ 137,830
Jan-19	\$ 137,830	\$ 134,187	\$ 162,592	\$ (28,405)	\$ 109,425
Feb-19	\$ 109,425	\$ 118,195	\$ 151,465	\$ (33,270)	\$ 76,155
Mar-19	\$ 76,155	\$ 113,420	\$ 152,719	\$ (39,299)	\$ 36,855
Apr-19	\$ 36,855	\$ 117,265	\$ 154,121	\$ (36,855)	\$ (0)
Period Cumulative Over/(Under) Collection					\$ (35,802)

Docket No. 4690
Twelve month Recalculation for
Rates Effective May 1, 2019

Standard Offer - Only

	Starting Balance	Revenue	Expense	Monthly Change	Cumulative
May-18	\$ 46,512 A	\$ 97,572	\$ 100,434	\$ (2,862)	\$ 43,650
Jun-18	\$ 43,650	\$ 130,324	\$ 120,243	\$ 10,081	\$ 53,731
Jul-18	\$ 53,731	\$ 189,270	\$ 166,952	\$ 22,318	\$ 76,049
Aug-18	\$ 76,049	\$ 215,268	\$ 176,885	\$ 38,382	\$ 114,431
Sep-18	\$ 114,431	\$ 134,596	\$ 125,479	\$ 9,117	\$ 123,548
Oct-18	\$ 123,548	\$ 86,530	\$ 98,177	\$ (11,647)	\$ 111,901
Nov-18	\$ 111,901	\$ 72,547	\$ 90,720	\$ (18,172)	\$ 93,729
Dec-18	\$ 93,729	\$ 74,068	\$ 91,597	\$ (17,529)	\$ 76,200
Jan-19	\$ 76,200	\$ 78,019	\$ 94,414	\$ (16,395)	\$ 59,805
Feb-19	\$ 59,805	\$ 68,721	\$ 85,747	\$ (17,026)	\$ 42,779
Mar-19	\$ 42,779	\$ 65,944	\$ 88,171	\$ (22,226)	\$ 20,552
Apr-19	\$ 20,552	\$ 68,180	\$ 88,733	\$ (20,552)	\$ (0)
Period Cumulative Over/(Under) Collection					\$ (46,512)

			(Attachment - 1)	(Attachment -2)		
Forecast KWH (Sch DGB-2)	Standard Offer Rate (Sch DGB-1)	Standard Offer Revenue	Total Energy Costs	Total Capacity/ Other Costs	Total Other Costs	Gross Receipts Tax
May-18	1,003,412	\$ 0.0972	\$ 97,572	\$ 45,072	\$ 51,731	\$ 3,631
Jun-18	1,340,227	\$ 0.0972	\$ 130,324	\$ 60,895	\$ 54,443	\$ 4,906
Jul-18	1,946,415	\$ 0.0972	\$ 189,270	\$ 99,243	\$ 59,713	\$ 7,996
Aug-18	2,213,768	\$ 0.0972	\$ 215,268	\$ 107,398	\$ 60,834	\$ 8,653
Sep-18	1,384,158	\$ 0.0972	\$ 134,596	\$ 65,193	\$ 55,033	\$ 5,253
Oct-18	889,859	\$ 0.0972	\$ 86,530	\$ 42,778	\$ 51,953	\$ 3,447
Nov-18	746,062	\$ 0.0972	\$ 72,547	\$ 36,655	\$ 51,111	\$ 2,953
Dec-18	761,699	\$ 0.0972	\$ 74,068	\$ 37,375	\$ 51,210	\$ 3,011
Jan-19	802,335	\$ 0.0972	\$ 78,019	\$ 39,052	\$ 52,216	\$ 3,146
Feb-19	706,711	\$ 0.0972	\$ 68,721	\$ 32,371	\$ 50,768	\$ 2,608
Mar-19	678,159	\$ 0.0972	\$ 65,944	\$ 34,353	\$ 51,049	\$ 2,768
Apr-19	701,154	\$ 0.0972	\$ 68,180	\$ 34,813	\$ 51,115	\$ 2,805
<u>13,173,959</u>		<u>\$ 1,281,040</u>				<u>\$ 1,327,552</u>

A Starting Balance obtained from Schedule DGB-4 and Attachment 5

Standard Offer	
See Schedule DGB-4	\$ 50,453
See Attachment-5	\$ (3,941)
	<u>\$ 46,512</u>

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

Schedule DGB-3
Supplemental
Page 2 of 2

Transmission Charges - Only

	Starting Balance	Revenue	Expense	Monthly Change	Cumulative
May-18	\$ (10,710) A	\$ 70,245	\$ 72,106	\$ (1,861)	\$ (12,571)
Jun-18	\$ (12,571)	\$ 93,824	\$ 87,128	\$ 6,696	\$ (5,876)
Jul-18	\$ (5,876)	\$ 136,260	\$ 99,088	\$ 37,172	\$ 31,297
Aug-18	\$ 31,297	\$ 154,977	\$ 99,148	\$ 55,829	\$ 87,125
Sep-18	\$ 87,125	\$ 96,899	\$ 84,168	\$ 12,731	\$ 99,857
Oct-18	\$ 99,857	\$ 62,295	\$ 69,778	\$ (7,483)	\$ 92,374
Nov-18	\$ 92,374	\$ 52,229	\$ 68,398	\$ (16,169)	\$ 76,205
Dec-18	\$ 76,205	\$ 53,323	\$ 67,898	\$ (14,575)	\$ 61,630
Jan-19	\$ 61,630	\$ 56,168	\$ 68,178	\$ (12,010)	\$ 49,620
Feb-19	\$ 49,620	\$ 49,474	\$ 65,718	\$ (16,244)	\$ 33,376
Mar-19	\$ 33,376	\$ 47,475	\$ 64,548	\$ (17,073)	\$ 16,303
Apr-19	\$ 16,303	\$ 49,085	\$ 65,388	\$ (16,303)	\$ 0
Period Cumulative Over/(Under) Collection					\$ 10,710

Docket No. 4690
Twelve month Recalculation for
Rates Effective May 1, 2019

(Attachment -1)

	Forecast KWH (Sch DGB-2)	Transmission Charge Rate (Sch DGB-1)	Transmission Charge Revenue	Total Energy Costs	Gross Receipts Tax	Total Expense
May-18	1,003,412	\$ 0.0700	\$ 70,245	\$ 72,106	\$ -	\$ 72,106
Jun-18	1,340,227	\$ 0.0700	\$ 93,824	\$ 87,128	\$ -	\$ 87,128
Jul-18	1,946,415	\$ 0.0700	\$ 136,260	\$ 99,088	\$ -	\$ 99,088
Aug-18	2,213,768	\$ 0.0700	\$ 154,977	\$ 99,148	\$ -	\$ 99,148
Sep-18	1,384,158	\$ 0.0700	\$ 96,899	\$ 84,168	\$ -	\$ 84,168
Oct-18	889,859	\$ 0.0700	\$ 62,295	\$ 69,778	\$ -	\$ 69,778
Oct-17	746,062	\$ 0.0700	\$ 52,229	\$ 68,398	\$ -	\$ 68,398
Nov-17	761,699	\$ 0.0700	\$ 53,323	\$ 67,898	\$ -	\$ 67,898
Dec-17	802,335	\$ 0.0700	\$ 56,168	\$ 68,178	\$ -	\$ 68,178
Jan-18	706,711	\$ 0.0700	\$ 49,474	\$ 65,718	\$ -	\$ 65,718
Feb-18	678,159	\$ 0.0700	\$ 47,475	\$ 64,548	\$ -	\$ 64,548
Mar-18	701,154	\$ 0.0700	\$ 49,085	\$ 65,388	\$ -	\$ 65,388
	<u>13,173,959</u>		<u>\$ 922,254</u>			<u>\$ 911,544</u>

A Starting Balance obtained from Schedule DGB-4 and Attachment 5

	Transmission Costs
See Schedule DGB-4	\$ (18,883)
See Attachment-5	\$ 8,173
	<u>\$ (10,710)</u>

***Redline Proposed Tarriff
Supplemental***

Docket No. 4690
Twelve month Recalculation for
Rates Effective May 1, 2019

BLOCK ISLAND POWER COMPANY
Block Island, Rhode Island

R.I. PUC No. 4690
Sheet No. 1
Effective: May 1, 2019§

STANDARD OFFER & TRANSMISSION COST RATES

Standard Offer Rate ~~9.727¢~~ per kWh
See Rider "SOR" for additional Details

Transmission Cost Rate ~~67.0047¢~~ per kWh
See Rider "TMC" for additional Details

***Proposed Tarriiff
Supplemental***

Docket No. 4690
Tweleve month Recalculation for
Rates Effective May 1, 2019

BLOCK ISLAND POWER COMPANY
Block Island, Rhode Island

R.I. PUC No. 4690
Sheet No. 1
Effective: May 1, 2019

STANDARD OFFER & TRANSMISSION COST RATES

Standard Offer Rate 9.72¢ per kWh
See Rider "SOR" for additional Details

Transmission Cost Rate 7.00¢ per kWh
See Rider "TMC" for additional Details

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

IN RE: BLOCK ISLAND POWER COMPANY'S
STANDARD OFFER AND TRANSMISSION
RATES EFFECTIVE MAY 1, 2019

Docket No. 4690

BLOCK ISLAND POWER COMPANY'S RESPONSES TO THE PUBLIC UTILITIES
COMMISSION'S FIRST SET OF DATA REQUESTS DIRECTED TO
BLOCK ISLAND POWER COMPANY
Issued March 21, 2019

2019-1. Please provide a reconciliation and current balance of the Distribution System Improvement Fund (DSI).

RESPONSE: The current balance of the Distribution System Improvement Fund (DSI) is \$(56,429.18). This fund balance is negative and represents the overspending due to the replacement of customer meters with newer smart meters. An analysis of the past 5 years of fund activity is attached.

Prepared by David Bebyn CPA

ANALYSIS OF DSI SURCHARGE RESERVE BLOCK ISLAND POWER COMPANY

FY 2019

	Sales for the Month (kWh)	DSI Funding 1.00¢ x (kWh)	Interest Earned (Bank Fee)	Vendor	Invoice #	Invoice Amt	DSI Surcharge Payable	
Beginning Balance							(125,274.86)	Overspent
Jun-18	1,340,227	\$ 13,402.27	-				(111,872.59)	
Jul-18	1,946,415	\$ 19,464.15	-				(92,408.44)	
Aug-18	2,213,768	\$ 22,137.68	-				(70,270.76)	
Sep-18	1,384,158	\$ 13,841.58	-				(56,429.18)	
Oct-18		-	-				(56,429.18)	
Nov-18			-				(56,429.18)	
Dec-18			-				(56,429.18)	
Jan-19			-				(56,429.18)	
Feb-19			-				(56,429.18)	
Mar-19			-				(56,429.18)	
		68,845.68	-			-	(56,429.18)	

FY 2018

	Sales for the Month (kWh)	DSI Funding 1.00¢ x (kWh)	Interest Earned (Bank Fee)	Vendor	Invoice #	Invoice Amt	DSI Surcharge Payable	
Beginning Balance							(188,317.20)	Overspent
Jun-17	1,280,352	\$ 12,803.52	-				(175,513.68)	
Jul-17	1,885,094	\$ 18,850.94	-				(156,662.74)	
Aug-17	1,917,749	\$ 19,177.49	-				(137,485.25)	
Sep-17	1,221,039	\$ 12,210.39	0.00				(125,274.86)	
Oct-17		-	0.00				(125,274.86)	
Nov-17			0.00				(125,274.86)	
Dec-17			0.00				(125,274.86)	
Jan-18			0.00				(125,274.86)	
Feb-18			0.00				(125,274.86)	
Mar-18			0.00				(125,274.86)	
Apr-18			0.00				(125,274.86)	
May-18			0.00				(125,274.86)	
		63,042.34	-			-		

FY 2017

	Sales for the Month (kWh)	DSI Funding 1.00¢ x (kWh)	Interest Earned (Bank Fee)	Vendor	Invoice #	Invoice Amt	DSI Surcharge Payable	
Beginning Balance							(245,300.29)	
Jun-17	1,188,188	\$ 11,881.88	-	Omni	7816	520.00	(233,938.41)	
Jul-17	1,882,044	\$ 18,820.44	-	Omni	7825	680.00	(215,797.97)	
Aug-17	1,993,738	\$ 19,937.38	-	Omni	7831	4,675.00	(200,535.59)	
Sep-17	1,221,839	\$ 12,218.39	0.00				(188,317.20)	
Oct-17		-	0.00				(188,317.20)	
Nov-17			0.00				(188,317.20)	
Dec-17			0.00				(188,317.20)	
Jan-18			0.00				(188,317.20)	
Feb-18			0.00				(188,317.20)	
Mar-18			0.00				(188,317.20)	
Apr-18			0.00				(188,317.20)	
May-18			0.00				(188,317.20)	
		62,858.09	-			5,875.00		

ANALYSIS OF DSI SURCHARGE RESERVE BLOCK ISLAND POWER COMPANY

FY 2016

	Sales for the Month (kWh)	DSI Funding 1.00¢ x (kWh)	Interest Earned (Bank Fee)	Vendor	Invoice #	Invoice Amt	DSI Surcharge Payable	
Beginning Balance							(173,979.62)	Overspent
Jun-15	1,226,708	\$ 12,267.08	3.30	See Below		10,695.41	(172,404.65)	
Jul-15	1,774,745	\$ 17,747.45	3.41	Omni	7737	3,012.98	(157,666.77)	
Aug-15	1,983,286	\$ 19,832.86	3.41	See Below		85,270.75	(223,101.25)	
Sep-15	1,223,161	\$ 12,231.61	3.30				(210,866.34)	
Oct-15		-	3.30	Omni	7777	510.00	(211,373.04)	
Nov-15			3.30	omni	7776	4,810.00	(216,179.74)	
Dec-15			3.41	omni	7780	110.07	(216,286.40)	
Jan-16			3.40			27,330.56	(243,613.56)	
Feb-16			3.18				(243,610.38)	
Mar-16			3.40	omni	7798	1,700.00	(245,306.98)	
Apr-16			3.29				(245,303.69)	
May-16			3.40				(245,300.29)	Overspent
		<u>62,079.00</u>	<u>40.10</u>			<u>133,439.77</u>		
				Omni	7737	2,272.66		
				Omni	7736	4,860.25		
				Omni	7740	3,562.50		
						<u>10,695.41</u>		
				A transue		428.00		
				omni	6550	1,462.50		
				Omni	7765	1,360.00		
				GE	696344	1,160.25		
				GE	696343	22,360.00		
				GE	698625	58,500.00		
						<u>85,270.75</u>		
				probwell		9,760.00		
				ge	6550	11,350.00		
				omni	7765	1,060.56		
				omni	696344	5,160.00		
						<u>27,330.56</u>		

ANALYSIS OF DSI SURCHARGE RESERVE BLOCK ISLAND POWER COMPANY

FY 2015

	Sales for the Month (kWh)	DSI Funding 1.00¢ x (kWh)	Interest Earned (Bank Fee)	Vendor	Invoice #	Invoice Amt	DSI Surcharge Payable	
Beginning Balance							(21,849.07)	Overspent
Jun-14	1,138,037	\$ 11,380.37	3.29				(10,465.41)	
Jul-14	1,682,205	\$ 16,822.05	3.40	See Below		11,137.57	(4,777.53)	
Aug-14	1,748,046	\$ 17,480.46	3.40	CHA	19864-10	2,000.00	10,706.33	Underspent
Sep-14	1,029,396	\$ 10,293.96	3.29	See Below		41,525.00	(20,521.42)	
Oct-14			3.40	See Below		6,455.00	(26,973.02)	
Nov-14			3.29				(26,969.73)	
Dec-14			3.41	See Below		14,340.70	(41,307.02)	
Jan-15			3.41	GE	600064	2,704.00	(44,007.61)	
Feb-15			3.08	See Below		71,478.50	(115,483.03)	
Mar-15			3.41				(115,479.62)	
Apr-15			0.00	GE		58,500.00	(173,979.62)	
May-15			0.00				(173,979.62)	Overspent
	<u>55,976.84</u>		<u>33.38</u>			<u>208,140.77</u>		
				Omni	7681	2,500.00		
				Omni	7685	170.00		
				Omni	7684	3,993.75		
				Omni	7686	4,473.82		
						<u>11,137.57</u>		
				Omni	7697	845.00		
				GE	556114	12,600.00		
				GE	556113	16,380.00		
				GE	557273	11,700.00		
						<u>41,525.00</u>		
				Omni	7704	2,197.50		
				Omni	7703	4,257.50		
						<u>6,455.00</u>		
				Omni	7711	2,640.70		
				GE	585855	11,700.00		
						<u>14,340.70</u>		
				Omni	7715	3,022.50		
				Omni	7716	650.00		
				GE	608688	67,806.00		
						<u>71,478.50</u>		

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

IN RE: BLOCK ISLAND POWER COMPANY'S
STANDARD OFFER AND TRANSMISSION
RATES EFFECTIVE MAY 1, 2019

Docket No. 4690

BLOCK ISLAND POWER COMPANY'S RESPONSES TO THE PUBLIC UTILITIES
COMMISSION'S FIRST SET OF DATA REQUESTS DIRECTED TO
BLOCK ISLAND POWER COMPANY
Issued March 21, 2019

2019-1. Please provide a reconciliation and current balance of the Distribution System Improvement Fund (DSI).

RESPONSE: The current balance of the Distribution System Improvement Fund (DSI) is \$(56,429.18). This fund balance is negative and represents the overspending due to the replacement of customer meters with newer smart meters. An analysis of the past 5 years of fund activity is attached.

Prepared by David Bebyn CPA

ANALYSIS OF DSI SURCHARGE RESERVE BLOCK ISLAND POWER COMPANY

FY 2019

	Sales for the Month (kWh)	DSI Funding 1.00¢ x (kWh)	Interest Earned (Bank Fee)	Vendor	Invoice #	Invoice Amt	DSI Surcharge Payable	
Beginning Balance							(125,274.86)	Overspent
Jun-18	1,340,227	\$ 13,402.27	-				(111,872.59)	
Jul-18	1,946,415	\$ 19,464.15	-				(92,408.44)	
Aug-18	2,213,768	\$ 22,137.68	-				(70,270.76)	
Sep-18	1,384,158	\$ 13,841.58	-				(56,429.18)	
Oct-18		-	-				(56,429.18)	
Nov-18			-				(56,429.18)	
Dec-18			-				(56,429.18)	
Jan-19			-				(56,429.18)	
Feb-19			-				(56,429.18)	
Mar-19			-				(56,429.18)	
		68,845.68	-			-	(56,429.18)	

FY 2018

	Sales for the Month (kWh)	DSI Funding 1.00¢ x (kWh)	Interest Earned (Bank Fee)	Vendor	Invoice #	Invoice Amt	DSI Surcharge Payable	
Beginning Balance							(188,317.20)	Overspent
Jun-17	1,280,352	\$ 12,803.52	-				(175,513.68)	
Jul-17	1,885,094	\$ 18,850.94	-				(156,662.74)	
Aug-17	1,917,749	\$ 19,177.49	-				(137,485.25)	
Sep-17	1,221,039	\$ 12,210.39	0.00				(125,274.86)	
Oct-17		-	0.00				(125,274.86)	
Nov-17			0.00				(125,274.86)	
Dec-17			0.00				(125,274.86)	
Jan-18			0.00				(125,274.86)	
Feb-18			0.00				(125,274.86)	
Mar-18			0.00				(125,274.86)	
Apr-18			0.00				(125,274.86)	
May-18			0.00				(125,274.86)	
		63,042.34	-			-		

FY 2017

	Sales for the Month (kWh)	DSI Funding 1.00¢ x (kWh)	Interest Earned (Bank Fee)	Vendor	Invoice #	Invoice Amt	DSI Surcharge Payable	
Beginning Balance							(245,300.29)	
Jun-17	1,188,188	\$ 11,881.88	-	Omni	7816	520.00	(233,938.41)	
Jul-17	1,882,044	\$ 18,820.44	-	Omni	7825	680.00	(215,797.97)	
Aug-17	1,993,738	\$ 19,937.38	-	Omni	7831	4,675.00	(200,535.59)	
Sep-17	1,221,839	\$ 12,218.39	0.00				(188,317.20)	
Oct-17		-	0.00				(188,317.20)	
Nov-17			0.00				(188,317.20)	
Dec-17			0.00				(188,317.20)	
Jan-18			0.00				(188,317.20)	
Feb-18			0.00				(188,317.20)	
Mar-18			0.00				(188,317.20)	
Apr-18			0.00				(188,317.20)	
May-18			0.00				(188,317.20)	
		62,858.09	-			5,875.00		

ANALYSIS OF DSI SURCHARGE RESERVE BLOCK ISLAND POWER COMPANY

FY 2016

	Sales for the Month (kWh)	DSI Funding 1.00¢ x (kWh)	Interest Earned (Bank Fee)	Vendor	Invoice #	Invoice Amt	DSI Surcharge Payable	
Beginning Balance							(173,979.62)	Overspent
Jun-15	1,226,708	\$ 12,267.08	3.30	See Below		10,695.41	(172,404.65)	
Jul-15	1,774,745	\$ 17,747.45	3.41	Omni	7737	3,012.98	(157,666.77)	
Aug-15	1,983,286	\$ 19,832.86	3.41	See Below		85,270.75	(223,101.25)	
Sep-15	1,223,161	\$ 12,231.61	3.30				(210,866.34)	
Oct-15		-	3.30	Omni	7777	510.00	(211,373.04)	
Nov-15			3.30	omni	7776	4,810.00	(216,179.74)	
Dec-15			3.41	omni	7780	110.07	(216,286.40)	
Jan-16			3.40			27,330.56	(243,613.56)	
Feb-16			3.18				(243,610.38)	
Mar-16			3.40	omni	7798	1,700.00	(245,306.98)	
Apr-16			3.29				(245,303.69)	
May-16			3.40				(245,300.29)	Overspent
	<u>62,079.00</u>		<u>40.10</u>			<u>133,439.77</u>		
				Omni	7737	2,272.66		
				Omni	7736	4,860.25		
				Omni	7740	3,562.50		
						<u>10,695.41</u>		
				A transue		428.00		
				omni	6550	1,462.50		
				Omni	7765	1,360.00		
				GE	696344	1,160.25		
				GE	696343	22,360.00		
				GE	698625	58,500.00		
						<u>85,270.75</u>		
				probwell		9,760.00		
				ge	6550	11,350.00		
				omni	7765	1,060.56		
				omni	696344	5,160.00		
						<u>27,330.56</u>		

ANALYSIS OF DSI SURCHARGE RESERVE BLOCK ISLAND POWER COMPANY

FY 2015

	Sales for the Month (kWh)	DSI Funding 1.00¢ x (kWh)	Interest Earned (Bank Fee)	Vendor	Invoice #	Invoice Amt	DSI Surcharge Payable	
Beginning Balance							(21,849.07)	Overspent
Jun-14	1,138,037	\$ 11,380.37	3.29				(10,465.41)	
Jul-14	1,682,205	\$ 16,822.05	3.40	See Below		11,137.57	(4,777.53)	
Aug-14	1,748,046	\$ 17,480.46	3.40	CHA	19864-10	2,000.00	10,706.33	Underspent
Sep-14	1,029,396	\$ 10,293.96	3.29	See Below		41,525.00	(20,521.42)	
Oct-14			3.40	See Below		6,455.00	(26,973.02)	
Nov-14			3.29				(26,969.73)	
Dec-14			3.41	See Below		14,340.70	(41,307.02)	
Jan-15			3.41	GE	600064	2,704.00	(44,007.61)	
Feb-15			3.08	See Below		71,478.50	(115,483.03)	
Mar-15			3.41				(115,479.62)	
Apr-15			0.00	GE		58,500.00	(173,979.62)	
May-15			0.00				(173,979.62)	Overspent
		<u>55,976.84</u>	<u>33.38</u>			<u>208,140.77</u>		
				Omni	7681	2,500.00		
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				GE	556113	16,380.00		
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				Omni	7711	2,640.70		
				GE	585855	11,700.00		
						<u>14,340.70</u>		
				Omni	7715	3,022.50		
				Omni	7716	650.00		
				GE	608688	67,806.00		
						<u>71,478.50</u>		

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
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IN RE: BLOCK ISLAND POWER COMPANY'S
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2019-2. Does BIPCo plan to fund any projects through the DSI in the upcoming 12 months?

RESPONSE: No. As of the end of April 2019 the DSI fund still has an overspent balance that will not turn a slight positive balance until end of the 2019 summer. BIPCo will be addressing these and other capital needs in the upcoming full rate filing which BIPCo will be filing in approximately 90 days.

Prepared by David Bebyn CPA

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2019-3. How much money does BIPCo expect to collect via the DSI charge during the summer of 2019?

RESPONSE: BIPCo expects to collect about \$68,000 this summer.

Prepared by David Bebyn CPA & Jeffery Wright

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
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2019-4. Please share any updated information relating to the potential scheduled outage of the mainland transmission cable for National Grid to effectuate repairs/upgrades to the cable.

RESPONSE: BIPCo received a recent update from National Grid in which they indicated they were most likely going to schedule an outage sometime in 2020 to splice the cable. Although their engineering studies and coordination with Deepwater Wind and the Coastal Resources Management Council are not yet completed, it seems that the most likely solution may be a directional bore and cable splice. The required outage duration has been discussed but has not yet been determined. An interruption to the fiber optic line is also required and discussions were had regarding the impact to the Island, which is now utilizing the fiber for broadband service at certain core community facilities: police, fire, medical center, town hall, library, etc.

Prepared by David Bebyn CPA & Jeffery Wright

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

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2019-5. Please provide an update on BIPCo's consideration of purchasing the National Grid Direct Assignment Facilities.

RESPONSE: There were bills introduced again this year in the RI Senate and House that would require socializing the DAF costs. We are hopeful that committee hearings will be scheduled in April. The BIUD and representatives from the Town of New Shoreham will be testifying at those hearings in support of the legislation. If the legislation does not pass, then BIUD will consider purchasing the assets from National Grid. The BIUD is working with the National Rural Utilities Cooperative Finance Corporation (CFC) to provide permanent financing for the acquisition of BIPCo, and would most likely be the source of funding for the DAF acquisition.

Prepared by David Bebyn CPA & Jeffery Wright

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
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2019-6. Please provide an update on the transition from BIPCO to BIUD.

RESPONSE: The Block Island Utility District d/b/a Block Island Power Company (BIUD) completed the purchase of the assets of Block Island Power Company for \$5.8M on Monday March 25, 2019. The BIUD has hired all BIPCo employees to continue to operate the company. Jeffery Wright was hired as the President and CEO of BIUD. See the attached letter.

Prepared by David Bebyn CPA & Jeffery Wright

Schacht & McElroy

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April 3, 2019

Luly E. Massaro, Clerk
Public Utilities Commission and
Division of Public Utilities and Carriers
89 Jefferson Boulevard
Warwick, RI 02888

Re: Block Island Power Company's sale of assets to Block Island Utility District

Dear Ms. Massaro:

We are pleased to inform the Commission and Division that the long-anticipated transition from the Block Island Power Company ("BIPCo") to the Block Island Utility District d/b/a Block Island Power Company ("BIUD") was completed on March 25, 2019.

As you know, in 2017 the General Assembly created the BIUD as a quasi-municipal corporation, district and political subdivision of the state. R.I.G.L. § 45-67-4. The enabling legislation empowered BIUD to acquire the assets of BIPCo and assume BIPCo's debt obligations. R.I.G.L. § 45-67-8.

BIUD and BIPCo entered into an Asset Purchase Agreement on January 16, 2019. Under the agreement, BIUD purchased all of BIPCo's property, facilities, equipment, inventory, records, contract rights, trade names, and goodwill.

The transaction, which closed on March 25, 2019, resulted in the following changes:

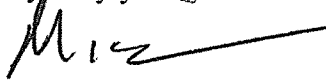
1. BIUD is now the electric distribution company for New Shoreham and is subject to the regulatory oversight of the Commission and Division. BIPCo is no longer a public utility subject to regulatory oversight of the Commission and Division.
2. BIUD has adopted BIPCo's current rates as set on May 1, 2018 in Docket 4690. (A reconciliation filing for new rates effective May 1, 2019 is pending before the Commission and will be adopted by BIUD.)

3. The trade name "Block Island Power Company" was transferred to BIUD. Therefore, BIPCO will now operate as "Island Light and Power Company" and BIUD will operate as "Block Island Utility District d/b/a Block Island Power Company."
4. Island Light and Power Company (formerly BIPCo) will continue to operate for the purpose of winding up business affairs.
5. Island Light and Power Company's board of directors is made up of Nancy Dodge (chair), Ken Lacoste, and Jeffrey Wright.
6. BIUD's board of utility commissioners is made up of Barbara MacMullan (chair), William Penn, Everett Shorey, Jack Savoie, and Mary Jane Balser. Jeffrey Wright serves as President and CEO of BIUD.
7. BIUD is working with National Rural Utilities Cooperative Finance Corporation ("CFC"), a cooperative lender that serves more than 1,400 electric and telecommunications cooperatives and utility districts like BIUD. CFC is unique in that it offers a range of services to its customers at no extra charge, including board member and executive training, trend analysis, benchmarking, and assistance with strategic planning.
8. BIUD has two outstanding short-term unsecured lines of credit with CFC. One is a non-revolving line of credit for \$5.8 million for acquisition costs. The other is a revolving line of credit for \$670,000 that was initially used for closing expenses, operating expenses, and contingent minority shareholder liability to Sara McGinnes.
9. BIUD is also working with CFC to obtain a 30-year long-term secured loan to refinance the \$5.8 million short-term loan and for long-term capital needs. BIUD anticipates submitting an application to the Division for authority to borrow in the summer of 2019.

We would like to thank the Commission and the Division for their support during this transition.

If you have any questions, please contact our office.

Very truly yours,



Michael R. McElroy

Cc: Jeffrey Wright

Schacht & McElroy