

McElroy & Donaldson

Michael R. McElroy
Leah J. Donaldson

Attorneys at Law

Michael@McElroyLawOffice.com
Leah@McElroyLawOffice.com

Members of the Rhode Island
and Massachusetts Bars

21 Dryden Lane
Post Office Box 6721
Providence, RI 02940-6721

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

February 5, 2020

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

Re: Block Island Utility District – Rate Change Application – Docket 4975

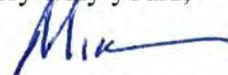
Dear Luly:

As you know, this office represents Block Island Utility District (“BIUD”).

Enclosed for filing are the original and nine (9) copies of BIUD’s Responses to the 3rd Set of Data Requests from the Division of Public Utilities and Carriers.

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

Very truly yours,



Michael R. McElroy

MRMc:tmg
cc: Service List

**Docket No. 4975 – Block Island Utility District – Rate Change Application
Service List as of 12/26/2019**

Name/Address	Email	Phone
Block Island Utility District (BIUD) Michael McElroy, Esq. Leah J. Donaldson, Esq. Schacht & McElroy PO Box 6721 Providence RI 02940-6721	Michael@McElroyLawOffice.com ;	401-351-4100
	leah@mcelroylawoffice.com ;	
David Bebyn	dbebyn@beconsulting.biz ;	
Richard LaCapra	Rlacapra@lacapra.com ;	212-675-8123
Jeffery Wright, President Barbara MacMullan Everett Shorey	jwright@blockislandutilitydistrict.com ;	401-466-5851
	bamacmullan@gmail.com ;	
	eshorey@shoreyconsulting.com ;	
Division of Public Utilities (Division) Christy Hetherington, Esq. Dept. of Attorney General 150 South Main St. Providence, RI 02903	CHetherington@riag.ri.gov ;	401-274-4400 Ext. 2425
	MFolcarelli@riag.ri.gov ;	
	dmacrae@riag.ri.gov ;	
John Bell, Chief Accountant	John.bell@dpuc.ri.gov ;	
	Al.contente@dpuc.ri.gov ;	
	Pat.smith@dpuc.ri.gov ;	
Ralph Smith, Larkin Associates	rsmithla@aol.com ;	
	dawn.bisdorf@gmail.com ;	
	msdady@gmail.com ;	
	mcranston29@gmail.com ;	
File an original & nine (9) copies w/: Luly E. Massaro, Commission Clerk Cynthia Wilson Frias, Counsel Public Utilities Commission 89 Jefferson Blvd. Warwick, RI 02888	Luly.massaro@puc.ri.gov ;	401-780-2107
	Cynthia.WilsonFrias@puc.ri.gov ;	
	Margaret.hogan@puc.ri.gov ;	
	Alan.nault@puc.ri.gov ;	
	Todd.bianco@puc.ri.gov ;	
Interested Persons		
Nick Ucci, OER	Nicholas.Ucci@energy.ri.gov ;	401-574-9104
	Carrie.Gill@energy.ri.gov ;	
	Nathan.Cleveland@energy.ri.gov ;	
	Becca.Trietch@energy.ri.gov ;	
Andrew Marcaccio, Esq., OER	Andrew.Marcaccio@doa.ri.gov ;	401-222-8880
Kathleen Merolla, Esq. James Kern, Interim Town Manager Town of New Shoreham	KAMLAW2344@aol.com ;	
	townmanager1@new-shoreham.com ;	
	townclerk@new-shoreham.com ;	
	Jkern@new-shoreham.com ;	

Robert L. Roberge, Town Manager Shirlyn Govern Town of New Shoreham	eroberge@new-shoreham.com ; Townmanager@new-shoreham.com ;	
Jennifer Hutchinson, Esq. National Grid Joanne Scanlon	jennifer.hutchinson@nationalgrid.com ; Joanne.Scanlon@nationalgrid.com ;	

BLOCK ISLAND UTILITY DISTRICT
Docket No. 4975
Third Set of Data Requests of the
Division of Public Utilities and Carriers
January 15, 2020

- 3-1. **Refer to Mr. Wright's Direct Testimony at pages 20-21 re Energy Efficiency ("EE").**
- a. **Has the RI-OER provided a proposed EE program?**
 - b. **If the answer to part a is "yes" please identify and provide the proposed EE program.**
 - c. **If the answer to part a is "no" (1) explain why the proposed program was not provided by the end of 2019 (as expected by Mr. Wright - see, p.21, L.3-4) and (2) when is it currently expected?**
 - d. **Has BIUD filed the EE program in a separate Commission docket? If so, please identify the docket.**
 - e. **Does BIUD currently anticipate an expense of \$60,000 for EE programs in the 2020 rate year?**
 - f. **If the answer to part e is "no" identify the amount of EE program cost currently anticipated for the 2020 rate year, and show in detail how it is derived.**

RESPONSE:

- a) Yes. Nathan Cleveland, the Programming Services Officer, Energy Efficiency for RI-OER, presented a draft EE program to our Board of Commissioners in our December 3, 2019 board meeting. After public discussion and receiving comments from the Board and those in attendance, Mr. Cleveland made changes to the program and returned the revised draft to us for approval in our January 16, 2020 meeting. The Board voted unanimously to approve the EE program as presented. We are presently preparing testimony and hope to file the EE program by the end of February.
- b) The EE program is included as Attachment JMW 3-1(b).
- c) N/A
- d) The EE program has not yet been filed.
- e) Yes, we expect that we will spend the \$60,000 budgeted in the 2020 rate year.
- f) N/A

Prepared by Jeffery M. Wright, President

**Block Island
Utility District**
dba
*Block Island
Power Company*



Powering Block Island since 1925!

Demand Side Management

2020 Plan

Docket #:

Block Island Utility District
100 Ocean Avenue
Block Island
New Shoreham, RI 02807
(401) 466-5851

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Block Island Utility District – 2020 Demand Side Management Plan

1. Introduction and Background

Demand side management (DSM) is important because it can provide benefits to both customers as well as the electric grid. The Block Island Utility District (BIUD, the District) is proposing to establish a DSM program to provide its 1,900 customers access to energy efficiency programs that will benefit them and improve the service and reliability of the island's electric grid. A DSM program provides access and incentives for measures that allow customers to optimize their energy usage and reduce their utility bills. Reducing energy usage, particularly during peak seasons or times of day, can also have substantial benefits such as reduced grid maintenance and capital expenditures, reduced peak charges for customers, and greater service reliability.

Block Island is a unique community because of its geographic separation from the mainland and its variable, tourist-driven seasonal usage profile. The community of New Shoreham and the grid that serves it needs to be flexible enough to handle the increased summer population, as well as reliable and resilient enough to provide service to the year-round residents and businesses, even in the face of harsh winter conditions.

Given Block Island's unique size, location, and seasonal usage spike, demand management is especially important for this community and aligns with many of BIUD's goals outlined in the proposed rate case filing (Docket #4975). Specifically, through the implementation of this proposed DSM plan, BIUD aims to empower its customers to make choices that help control their energy usage, reduce energy burden¹ on customers, improve resource allocation, and encourage the adoption of innovative new technologies that maximize the benefits of Block Island's smart meters. By supporting the filing of this proposed DSM plan, the BIUD Board seeks to deliver energy efficiency program benefits to all BIUD customers.

The proposed 2020 DSM plan for the Block Island Utility District represents an evolution of prior energy efficiency work conducted in New Shoreham through the *Block Island Saves* pilot program. The *Block Island Saves* program ran from 2015-2017 and was administered and funded solely by the Rhode Island Office of Energy Resources. The BIUD, working in collaboration with the Office of Energy Resources (OER), drafted this proposed DSM plan as a robust iteration on the original *Block Island Saves* pilot. The DSM programs described below leverage best practices from the *Block Island Saves* program as well as Rhode Island's nation-leading mainland efficiency programming and are intended to address the unique needs of the Block Island community.

The original *Block Island Saves* program began as a pre-pilot program with the support of the New Shoreham Town Council, fully managed and funded through OER. The pre-pilot was

¹ Energy burden is the percentage of household income spent on home energy bills.

conducted to test energy efficiency programs on Block Island and recruit a small group of pre-pilot participants. Of the 24 pre-pilot applications received, ten residents and five businesses were selected to participate in the pre-pilot (those not selected were later able to participate in the full pilot).

Pre-pilot participants received a free energy assessment of their home or business, followed by a list of recommendations for energy efficiency improvements and access to associated rebates or incentives. Overall, the pre-pilot program incentives and rebates were evaluated by OER to be cost-effective and successful in motivating participants to install energy-efficient measures. The success of the pre-pilot in terms of participation, interest, opportunities, and cost-effectiveness prompted the expansion of the pre-pilot program to a full-scale pilot.

Program offerings in the full pilot were identical to the pre-pilot phase. During the full-pilot phase, 110 additional home and business energy assessments were conducted. Program participants were able to save 313 MWh of electricity, 271 MMBtu of oil, and 136 MMBtu of propane annually. Participants were also able to decrease their energy bills, saving in aggregate \$597,968 (residential) and \$714,396 (business) over the lifetime of the efficiency upgrades.

Following the completion of *Block Island Saves*, OER conveyed lessons learned to both the BIUD Utility and the public through a report which is available on the OER website². This proposed 2020 DSM plan incorporates recommendations from OER's report and continues several elements from the successful *Block Island Saves* program, such as the no-cost assessments with direct install measures and incentives for weatherization. Based on the interest and adoption of those measures during the pilot the following proposed DSM programs include those same elements as a foundation for 2020. The proposed plan also seeks to prepare New Shoreham residents for the changing energy landscape by promoting the installation of newer, highly efficient heat pump equipment, programmable thermostats, and weatherization measures.

A significant difference between the proposed 2020 plan and the pilot is the expansion and enhancement of the HVAC and water heating programs. The proposed DSM plan includes an incentive for the adoption of high-efficiency heat pump systems as well as heat pump water heaters. In combination with the newly proposed rate structure (described below in section 2.B), the District feels that the adoption of heat pumps for heating and cooling needs will be an attractive option for customers that provides significant energy and cost savings.

Heat pump technology is an important tool in helping BIUD smooth out the current load curve, minimize increasing summer demand caused by a growing number of air conditioning installations, and can provide opportunities for customers to reduce their overall energy burden. In addition to aligning with the District's goals for its customers, offering incentives for heat pumps can also help Rhode Island to meet its Greenhouse Gas Emission goals while ensuring that New Shoreham residents and businesses receive the same, if not enhanced, opportunities for improved comfort and energy savings as other Rhode Islanders.

² <http://www.energy.ri.gov/documents/archived-reports/Block%20Island%20Saves%20Pilot%20-%20Full%20Report%20-%20April%202018.pdf>

Block Island Utility District respectfully requests that the Public Utilities Commission (PUC) approve this 2020 Demand Side Management plan and its associated use of ratepayer funds, in its entirety, as outlined below.

2. DSM Categories, Proposed Budget Allocation, Cost Recovery, and Estimated Benefits

The proposed budget for the Block Island DSM programs is broken into three major categories – Assessment and Installation, Inspection and Program Administration, and Customer Outreach.

In the Assessments & Installation category, there are programs for Residential energy assessments and weatherization; Residential HVAC and water heating; Business energy assessments, lighting, and weatherization; and Business HVAC and water heating. The distinction between Residential and Business programs will allow BIUD to track the distribution of costs and benefits within and between the two distinct customer segments. This budget category, overall, contains the full costs of energy assessments at homes and businesses, including the direct installation of measures such as LED lightbulbs, smart power strips, and low-flow showerheads, as well as rebates for additional measures such as weatherization and efficient HVAC equipment. As a result, the bulk of the proposed DSM budget exists within this category.

The Inspection and Program Administration category includes the cost of inspections for any residential weatherization and/or HVAC measures installed through the DSM programs, as well as any business direct install measures, weatherization, or other energy efficiency measures installed through the programs. It is important to verify the proper installation of deeper measures so customers will reap the full benefits of the measure. Further, to support insightful reporting to the Public Utilities Commission, inspection and verification is expected to enhance the accuracy of energy savings calculations, in addition to ensuring customer satisfaction and realization of expected energy savings. Since the District is re-establishing efficiency programming with this proposed DSM plan, start-up costs are perhaps higher than they may be in subsequent years. Coupled with the high cost of travel to/from Block Island, this has led to increased costs in this budget category relative to more mature DSM programs or more readily accessible areas. The District is committed to working with vendors and other partners to find ways to drive these costs down as much as is feasible in future program years, through more efficiency program delivery, engaging more local service providers, or other ways that may present themselves as the programs mature.

Funds for the efficiency consultant BIUD proposes to hire are also encompassed in the Inspection and Program Administration budget category. The efficiency consultant will assist the District in administering the DSM programs, managing the tracking and reporting of data, processing incentive rebates, and making suggestions for future program development. Additionally, the efficiency consultant will assist the District in developing a cost-effectiveness framework and evaluating program performance, consistent with Docket # 4600 principles and directives.

Lastly, the Customer Outreach budget category covers the costs of promoting the DSM programs. The proposed spending on program outreach will encourage BIUD customers to participate in the DSM programs, and will inform them on, how to participate and what benefits can be expected.

Using the *Block Island Saves* results, the average BIUD customer saved 2.84 MWh of electricity, 2.46 MMBtu of oil, and 1.24 MMBtu of propane annually through that program. Based on the estimated participation numbers for the proposed 2020 DSM plan, the District estimates that this plan could deliver approximate annual savings of 115 MWh of electricity, 100 MMBtu of oil, and 50 MMBtu of propane. Actual savings numbers depend on the exact measures installed by customers and the specific fuel types they utilize, among other factors, but this provides some scope as to the significant energy benefits BIUD customers can realize through this plan.

A. Proposed 2020 Budget Allocations

The budget numbers included below are based on actual project costs and participation levels from the *Block Island Saves* pilot program. Adjustments to those numbers are based on anticipated participation numbers and changes in unit costs since 2017 when the pilot concluded.

Table 2.1 Proposed 2020 DSM Plan Budget Allocations		
<u>Budget Category</u>	<u>Proposed Budget</u>	<u>Notes</u>
<i>Assessment & Installation</i>		
Residential Assessments and Weatherization	\$45,350.00	Energy Assessments & Weatherization
Residential HVAC & Water Heating	\$7,700.00	Programmable Thermostats; Heat Pump Water Heaters; Heat Pump Heating & Cooling Systems; Weatherization Bonus
Business Assessments, Lighting, and Weatherization	\$27,600.00	Energy Assessments, Lighting Measures, and Weatherization
Business HVAC & Water Heating	\$5,000.00	Programmable Thermostats; Heat Pump Water Heaters; Heat Pump Heating & Cooling Systems
Total	\$85,550.00	
<i>Inspection and Program Administration</i>		
Inspection Services		Inspections for Residential Weatherization; Business Direct Install measures, Lighting, and Weatherization
Program Administration		Efficiency Consultant Services
Total	\$29,200.00	
<i>Customer Outreach</i>		
Total	\$5,250.00	Advertising in Local Publications, Bill Inserts, Online, and in Community Bulletin
Total Budget	\$120,000.00	

B. Cost Recovery and Other Funding Sources

Block Island Utility District, through its new rate case in Docket # 4975, has proposed a new rate design with implications for the demand side management plan and its budget. The current rate structure is a two-tier structure with peak and off-peak seasonal rates for all customer classes. In its proposed rate case, BIUD has suggested implementing a three-tier rate structure with peak, shoulder, and off-peak rates for all customer classes as well as an efficiency surcharge.

OFF-PEAK					PEAK				OFF-PEAK		
JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC

OFF-PEAK				SHOULDER		PEAK		SHOULDER		OFF-PEAK	
JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC
				\$.00395/kWh		\$.01/kWh		\$.00395/kWh			
				EFFICIENCY SURCHARGE							

Through the proposed rate redesign, BIUD estimates it will generate approximate revenues of \$60,000 from the efficiency surcharge during the calendar year, which will support DSM program implementation in 2020. The breakdown of efficiency surcharge collection was provided in Docket # 4975 and estimates collections as follows: ~\$24,000 from residential customers, ~\$6,000 from business customers, and ~\$30,000 from the general service rate, which comprises larger residential users as well as some business customers. The Office of Energy Resources will supplement the budget for the DSM programs with Regional Greenhouse Gas Initiative (RGGI) proceeds. OER has committed a total of \$180,000 in RGGI proceeds to be provided over the course of three years, beginning in 2020, to help support BIUD's DSM programming in conjunction with annual, collected efficiency surcharge monies.

3. Detailed Program Descriptions

A. Residential Offerings:

Refer to Table 2.1 for full program budget; residential subsection reproduced below.

Program	Proposed Budget	Estimated Quantities & Notes
Residential Assessments and Weatherization	\$45,350.00	36 Energy Assessments & 8 Weatherization
Residential HVAC	\$7,700.00	36 Programmable Thermostats; 6 Heat Pump Water Heaters; 6 Heat Pump Heating & Cooling Systems; 2 Weatherization Bonus

i. Home Energy Assessments

Residential energy assessments with no-cost direct install measures are critical for households to reduce energy use, lower their energy costs, and identify opportunities for additional, deeper savings. The home energy assessment is a focal point of the proposed DSM plan as it allows for

the comprehensive evaluation of the residential building stock, direct installation of energy saving measures (e.g. LED light bulbs, smart power strips) and the opportunity to identify deeper savings opportunities such as weatherization or HVAC equipment upgrades. Assessments often serve as the initial contact point for customers and what the District hopes is the start of an ongoing, beneficial relationship with the customer as they become more aware of their energy use and seek to make continual energy improvements to their home.

Each home energy assessment, conducted by a BPI certified energy assessor, will include a whole-home evaluation, a blower door test to check for proper air sealing, a heating system safety test to check the health and safety of the equipment, and a number of direct install measures (outlined in the following section) that the assessor will install during the visit. At the conclusion of the assessment, the customer will receive a home energy action plan outlining additional energy savings measures they can implement, the estimated costs, and BIUD incentives associated with those measures, as well as information and tips on how to better manage their energy use and reduce costs. These comprehensive assessments are provided to the customer free of charge and are open to all residential BIUD customers.

ii. Direct Install Measures

As part of the Home Energy Assessments, each energy assessor will install a number of energy saving measures in each home, as needed, at no cost to the customer. The proposed 2020 DSM plan proposes the following direct install measures:

Measure	Estimated Quantities	Incentive Level	Notes
LED Lightbulbs	432	Free	No limit; expect 12 per assessment
Smart Power Strips	72	Free	Maximum of 2 per assessment
Low-Flow Shower Heads	36	Free	Expect 1 per assessment
Aerator faucets	50	Free	Expect 1.5 per assessment

LED Lightbulbs – installed in place of existing incandescent or CFL bulbs throughout the home, any number of bulbs can be replaced during the assessment.

Smart Power Strips – up to two (2) smart power strips that help reduce electricity usage of devices that would otherwise be constantly using electricity.

Faucets and Showerheads – Low-flow showerheads and aerator faucets that help reduce water and energy usage, any number can be installed throughout the home during the assessment.

These low-cost measures are proven energy saving devices that provide immediate benefits to customers who have a home energy assessment completed.

iii. Weatherization Measures

One of the outcomes BIUD expects to achieve with its proposed DSM program is to educate customers about the benefits of weatherization and to properly incentivize them to undertake these measures. Residential customers with weatherization opportunities will learn of these opportunities through the home energy action plan provided at the conclusion of the assessment, as well as given information about potential costs and incentive levels that BIUD offers.

Weatherization benefits include increased comfort to occupants year-round - warmer in the winter and cooler in the summer - as well as reduced energy usage and costs. Many homeowners deal with high energy bills year-round without realizing that proper weatherization techniques can meaningfully reduce their bills. The proposed DSM plan offers the following options as part of the weatherization program:

Measure	Incentive Level	Notes
Air Sealing	Up to 10 labor hours free (\$800 value) plus 40% off further sealing, up to \$2,000 in total weatherization costs	Based on pilot rebate levels and expected home energy assessment numbers
Duct Sealing		
Insulation		
Pipe Insulation		
Weatherization Bonus	\$250	For customers who insulate <u>and</u> install a heat pump system

Air Sealing – Sealing air leaks in and around windows and doors to reduce the loss of heated or conditioned air.

Duct Sealing – Sealing of leaks around ductwork to ensure that all heated or conditioned air enters the living spaces and is not lost in the walls/ceilings or to the outside.

Pipe Insulation – Improving insulation around water pipes to reduce heat loss and protect against pipe freezing during the winter months.

Insulation – Installing improved insulation in the walls, ceilings, and floors of the home to improve the building envelope, leading to increased comfort as heated or conditioned air remains in the home rather than escaping outside.

An additional feature for residential customers is a weatherization bonus. Customers can receive an additional \$250 rebate if they bundle insulation work alongside the installation of a heat pump heating and cooling system. BIUD is proposing to offer this bonus incentive because of the benefits that come from weatherizing a home properly, especially in conjunction with efficient operation of a heat pump system.

iv. HVAC Measures

The home energy action plan will also provide information to customers about opportunities to upgrade inefficient heating and cooling equipment in the home. The HVAC offerings aim to promote the adoption of high-efficiency heat pump systems for heating and cooling as well as heat pump water heaters. Electrifying heating and cooling is an important step in reducing greenhouse gas emissions and is supported by the District's recently proposed three-tier rate structure, which includes a lower winter electricity price that makes the adoption of electric heating measures more cost effective for customers. Additionally, the adoption of programmable thermostats gives residents the ability to better control and monitor their energy usage and save money.

It is proposed that incentives for the following equipment, at the following levels, be offered as part of the Residential HVAC program:

Table 3.4 – Proposed HVAC and Water Heater Measures and Incentives				
Equipment	Rating	Estimated Quantity	Proposed Rebate	Notes
Central Heat Pump	SEER ≥ 15 ; HSPF ≥ 9	2	\$250 per ton	Seasonal Energy Efficiency Rating (SEER) measures air conditioning and heat pump cooling efficiency. A SEER rating is a maximum efficiency rating, similar to the miles per gallon for a car. Heating Seasonal Performance Factor (HSPF) is used to measure the efficiency of heat pumps and the higher the HSPF the more efficient the system.
Ducted or Mixed Ducted Mini-Split Heat Pump	SEER ≥ 15 ; HSPF ≥ 9	2	\$250 per ton	
Ductless Mini-Split Heat Pump	SEER ≥ 15 ; HSPF ≥ 10	2	\$150 per ton	
Heat Pump Water Heaters	ENERGY STAR ≤ 55 gallon; should have a minimum UEF of 2.00	4	\$300 rebate	Uniform Energy Factor (UEF) is a new metric for determining the energy efficiency of a water heater utilized by the Department of Energy. The higher the UEF, the greater the equipment's efficiency and the lower the energy bill.
	ENERGY STAR >55 gallon should have a minimum UEF of 2.70	2	\$150 rebate	Uniform Energy Factor (UEF) is a new metric for determining the energy efficiency of a water heater utilized by the Department of Energy. The higher the UEF, the greater the equipment's efficiency and the lower the energy bill.
Programmable Thermostats		36	\$25 Rebate	
*Rebate not to exceed \$750 per customer for this program (excluding thermostats).				

Block Island Utility District wants to promote the adoption of high-efficiency electric heat pumps through an incentive structure that will be based on a per-ton amount. This structure is more flexible than a flat rate amount and allows the incentive to vary appropriately with the proper sizing of heat pump systems to various home configurations and sizes. Additionally, if the newly proposed three-tier rate structure with lower winter electric rates is approved by the Commission, BIUD anticipates that the combined new rate structure and DSM incentives will drive adoption of heat pump technologies which will save customers energy and money.

Qualifying units must meet the SEER and/or HSPF ratings specified for each system type, which align with the efficiency ratings contained in the Northeast Energy Efficiency Partnerships (NEEP) cold climate heat pump specification list and is considered the industry standard for this technology.

Alongside the incentive for heat pump based heating and cooling systems, the District also proposes incentives for heat pump water heaters. Given the smaller variation in equipment size, associated energy savings expected, and to align closely with other Rhode Island efficiency programs, BIUD will be offering flat rate incentives of \$300 and \$150 for heat pump water heaters, based on size. Units 55 gallons and smaller use less energy than larger units and thus provide a greater opportunity for energy savings. Therefore, BIUD proposes to provide a higher incentive for these units compared to units over 55 gallons in size. Qualifying units will have a minimum uniform energy factor (UEF) of 2.0 for the smaller units and a minimum UEF of 2.7 for the larger systems. ENERGY STAR heat pump water heaters can save the average household \$330 per year and 2,690 kwh compared to a standard electric hot water heater, so these units represent a great opportunity for savings.

Because heat pump technology is still new and because the pilot program on Block Island did not include heating and cooling heat pump systems as part of the incentive structure, the District is proposing to cap the incentive level at \$750 per customer for these measures initially. BIUD wants to strike a balance between providing a reasonable incentive to drive adoption of this technology alongside the ability to provide some incentive to a larger number of customers who may be interested in taking advantage of this opportunity. Because there is not reliable historical data from the pilot program for these measures, setting a cap will help the District to serve both of these goals.

The District will also incentivize programmable thermostats through the residential HVAC and water heater program. Programmable thermostats are a useful piece of technology to help manage a home's energy usage efficiently and conveniently. BIUD is proposing a \$25 rebate to customers who purchase a programmable thermostat.

Customers who install weatherization or HVAC measures will be given their rebate after work has been completed and inspected. BIUD will offer rebate forms to customers both online and in person at the BIUD office and will require customers to provide proper documentation from the contractor who performed the job, in the form of a receipt or work order. Customers submitting rebates for eligible thermostats need only provide a purchase receipt as proper documentation with their rebate form. If a customer has any problems or questions regarding a rebate form, their contractor may be able to help complete relevant fields, and customers can always reach out to BIUD staff for assistance during business hours.

B. Business Offerings:

Refer to Table 2.1 for full program budget; business subsection reproduced below.

Program	Proposed Budget	Notes
Business Assessments, Lighting, and Weatherization	\$27,600.00	Energy Assessments, Additional Lighting Measures, and Weatherization
Business HVAC & Water Heating	\$5,000.00	Programmable Thermostats; Heat Pump Water Heaters; Heat Pump Heating & Cooling Systems

i. Business Energy Assessments

As with the residential offerings, the initial no-cost energy assessment for business and commercial customers is a foundational focus of the proposed business DSM programs. Comprehensive evaluations of the commercial spaces of New Shoreham will be conducted by a qualified energy assessor who will also directly install measures that provide immediate savings and deliver a comprehensive energy action plan to the customer with recommendations for additional savings measures. Providing these free, no-obligation energy assessments also allows BIUD to establish an ongoing relationship with business customers as they pursue energy efficiency improvements.

Each business energy assessment, conducted by an energy assessor, will include a whole-business evaluation of the electrical equipment and thermal systems as well as directly installing screw-in LED lightbulbs, as appropriate. At the conclusion of the assessment, the customer will receive a business energy action plan outlining additional energy savings measures they can implement, the estimated costs, and BIUD incentives or rebates associated with those measures, as well as information and tips on how to better manage their energy use and reduce costs. These comprehensive assessments are provided to the customer free of charge and are open to all BIUD business customers.

Because the number of business participants in the *Block Island Saves* pilot was small, and the business community on the Island is limited, it makes accurately estimating demand for specific measures more challenging than the residential program. The District is estimating six business assessments will be conducted in the initial program year and that from those assessments' customers will pursue some additional deeper efficiency measures, be that additional lighting, weatherization, or HVAC upgrades. The District has set a budget that anticipates that half of the business customers will pursue additional measures of some kind.

ii. Direct Install and Other Lighting Measures

Measure	Estimated Quantities	Incentive Level	Notes
Screw-in LED Lightbulbs	60	Free	No limit; expect 10 per assessment
LED fixture upgrades	12	75% of costs covered	Expect an average of 2 per assessment
Lighting controls	6		Expect an average of 1 per assessment
Occupancy sensors	12		Expect an average of 2 per assessment

As part of the business energy assessments, each energy assessor will install screw-in LED lightbulbs in as many fixtures as needed throughout the property. BIUD recognizes that many business environments have different lighting needs from residential customers, and screw-in LED lightbulbs may not upgrade the entirety of the lighting for a given business, and therefore it is proposed that incentives for additional lighting measures be offered as well. Upgraded fixtures, lighting controls, and lighting sensors (such as occupancy sensors) will be listed on the energy action plan as an additional energy saving measure that customers can pursue, and approved equipment will be incentivized at 75% of total cost.

iii. Weatherization Measures

One of the outcomes BIUD expects to achieve with its proposed DSM plan is to educate customers about the benefits of weatherization and to properly incentivize them to undertake these measures. Business customers with weatherization opportunities will learn of these opportunities through the energy action plan provided at the conclusion of the energy assessment.

Weatherization benefits include increased comfort to occupants year-round - warmer in the winter and cooler in the summer - as well as reduced energy usage and costs. Many business owners deal with high energy bills year-round without realizing that proper weatherization techniques can meaningfully reduce their bills. The proposed DSM plan offers the following options as part of the business weatherization program:

Measure	Incentive Level	Notes
Air Sealing	Up to \$1,200 in free air sealing plus 40% off further sealing, up to \$4,200 in total weatherization costs or up to \$3,000 in insulation costs	Based on prior rebate levels and expected business energy assessment numbers
Duct Sealing		
Insulation		
Pipe Insulation		

Air Sealing – Sealing air leaks in and around windows and doors to reduce the loss of heated or conditioned air to the outside.

Duct Sealing – Sealing leaks around ductwork to ensure that all heated or conditioned air enters the living spaces and is not lost in the walls/ceilings or outside.

Pipe Insulation – Improving insulation around water pipes to reduce heat loss and protect against pipe freezing during the winter months.

Insulation – Installing improved insulation in the walls, ceilings, and floors of the home to improve the building envelope, leading to increased comfort as heated or conditioned air remains in the home rather than escaping outside.

iv. Business HVAC Measures

Business customers have more varied building uses and often utilize larger equipment to support their operations. In order to ensure that the business customers of BIUD have opportunities to upgrade to more efficient equipment where appropriate, incentives for the following measures are proposed:

Table 3.8 – Proposed Business HVAC and Water Heater Measures and Incentives			
Equipment	Rating	Proposed Rebate	Notes
Central Heat Pump	SEER ≥ 15 ; HSPF ≥ 9	\$250 per ton	Seasonal Energy Efficiency Rating (SEER) measures air conditioning and heat pump cooling efficiency. A SEER rating is a maximum efficiency rating, similar to the miles per gallon for a car. Heating Seasonal Performance Factor (HSPF) is used to measure the efficiency of heat pumps and the higher the HSPF the more efficient the system.
Ducted or Mixed Ducted Mini-Split Heat Pump	SEER ≥ 15 ; HSPF ≥ 9	\$250 per ton	
Ductless Mini-Split Heat Pump	SEER ≥ 15 ; HSPF ≥ 10	\$150 per ton	
Heat Pump Water Heaters	ENERGY STAR ≤ 55 gallon; should have a minimum UEF of 2.00	\$300 rebate	Uniform Energy Factor (UEF) is a new metric for determining the energy efficiency of a water heater utilized by the Department of Energy. The higher the UEF, the greater the equipment's efficiency and the lower the energy bill.
	ENERGY STAR >55 gallon should have a minimum UEF of 2.70	\$150 rebate	Uniform Energy Factor (UEF) is a new metric for determining the energy efficiency of a water heater utilized by the Department of Energy. The higher the UEF, the greater the equipment's efficiency and the lower the energy bill.
Programmable Thermostats		\$25 Rebate	
*Rebate not to exceed \$1000 per customer for this program (excluding thermostats).			

Programmable Thermostats – programmable thermostats allow for better control of, and reduced operating costs from, heating and cooling systems. Therefore, programmable thermostats help manage a business's energy usage efficiently and conveniently. BIUD is proposing a \$25 rebate to customers who purchase a programmable thermostat.

Heat Pump Heating and Cooling, and Heat Pump Water Heaters: As in the residential program, it is proposed to incentivize business adoption of high-efficiency heat pump systems for heating and cooling, as well as heat pump water heaters. The recently proposed three-tier rate structure with an attractive winter electricity price, if approved by the Commission, is expected to make the adoption of electric heating measures even more cost effective for customers. By offering the

incentives proposed above, BIUD aims to encourage the installation of the most efficient electric heating or cooling systems.

Customers who install weatherization, additional lighting, or HVAC measures will be given their rebate after work has been completed and inspected. BIUD will offer rebate forms to customers both online and in person at the BIUD office and will require customers to provide proper documentation from the contractor who performed the job, in the form of a receipt or work order. Customers submitting rebates for eligible thermostats need only provide a purchase receipt as proper documentation with their rebate form. If a customer has any problems or questions regarding a rebate form, their contractor may be able to help complete relevant fields, and customers can always reach out to BIUD staff for assistance during business hours.

4. Program Administration and Management

The proposed management structure has been designed to ensure successful program delivery and implementation, effective customer outreach, timely customer service and rebate processing, and insightful data collection and reporting. Specifically, to achieve these outcomes, the District proposes a strong on-going collaboration with the Office of Energy Resources and proposes to hire an efficiency consultant to help administer the program and conduct program reporting.

i. Vendor Engagement

One of the critical elements to the success of the proposed DSM plan is the engagement of knowledgeable and reliable vendors. BIUD will be soliciting one vendor to provide energy assessments, direct install services and, if desired by the customer, weatherization measures to residential and business customers. The District will also be seeking a separate vendor to provide post-installation inspections for business customers and all residential non-direct install (e.g. weatherization and HVAC) measures. BIUD proposes issuing two competitive RFPs to hire a lead energy assessment vendor and a lead inspection services vendor, respectively.

The scope of work for these vendors will be designed to require comprehensive scheduling, high-quality in-person services, and coordination with BIUD staff. Selected vendors will be responsible for delivering efficient and effective services to customers, ensuring proper deployment and installation of incentivized energy efficiency measures, processing invoices and rebates in a timely fashion, and creating insightful program data reports.

ii. Program Management and Oversight

The District, recognizing the importance of robust oversight, data reporting, and program administration, will ensure staff will be trained and knowledgeable about the proposed program offerings and rebate process in order to effectively work with vendors, consultants, and customers in the delivery of the proposed DSM plan. BIUD also proposes several means of securing additional resources to support its management and oversight of the proposed plan. For example, the District plans to continue its ongoing engagement with the Office of Energy

Resources (OER) in order to leverage lessons learned and best practices from *Block Island Saves* and will also tap into the diverse set of efficiency expertise that OER can provide. Additionally, the efficiency consultant BIUD proposes hiring will help manage the program and its implementation, including the processing of rebates, the collection of data, and reporting on program performance.

Block Island Utility District will make rebate forms, including a listing of measure eligibility requirements, available both in person and online for customers to access. Once customers complete and submit rebate applications – either by mail or via email - the District’s rebate processing vendor will review them for accuracy and eligibility. All eligible applications received and reviewed will then be processed for payment to the customer, funds permitting, and customers should expect to receive their rebate in four to six weeks.

BIUD recognizes the importance of scheduling efficiency for the cost-efficiency of the proposed programs, since vendor travel to and from Block Island creates additional expenses compared to mainland efficiency programs. In order to minimize vendor trips to the Island, BIUD and its vendor will maximize the number of opportunities (assessments, weatherization, HVAC installations, etc.) completed in a day. The RFP the District will use to procure vendors will be explicit about the importance of scheduling efficiency and will ask respondents to explicitly address this important cost-barrier.

In the event that there is overcollection of ratepayer funds that are not spent on DSM programs in a given year, BIUD will roll those funds over into the next year. The subsequent DSM plan will indicate the exact budget category or categories those funds will be allocated to. Every effort will be made through careful planning, oversight, and budget tracking to ensure that there are not budget overages in a given year. In the event that a budget overage becomes a possibility within a given year, the District will close specific program(s) prior to an overage until the following year when funds become available again. As the District’s DSM plan evolves, participation rates will help inform budget setting for future years to ensure funds are allocated as accurately as possible to meet customer demand.

iii. Customer Engagement

Table 4.1 – Proposed Customer Outreach Channels and Budget Allocation		
<u>Customer Outreach</u>		
Total	\$5,250.00	Outreach through Local Publications, Bill Inserts, Online, and Community Bulletin

While the *Block Island Saves* pilot program was very successful, it did conclude over two years prior to this proposed DSM plan. Therefore, BIUD will need to strategically engage customers in order to promote the return of efficiency programming to Block Island. In order to ensure customers are aware of the program and its offerings, as well as provide instructions on how to participate, BIUD will be promoting the DSM programs through the following channels:

1. Bill inserts will be included with customer bills at four different times during the year to advertise the DSM programs, provide information about how customers can participate, and highlight incentive opportunities.
2. BIUD will take out quarter page advertisements in the local publications for multiple weeks during both peak and off-peak seasons in order to reach as many customers as possible. These advertisements will provide information on the programs and have seasonal calls to action to encourage customer participation.
3. BIUD will also utilize several no-cost engagement channels, like the community bulletin and the District's Facebook page to spread the word about the DSM program to customers throughout the year.
4. Lastly, BIUD office staff will also be trained on the programs, available offerings, and ways customers can engage with energy efficiency in order to provide accurate information to customers coming into and/or calling the office with questions.
5. If other outreach opportunities arise, the District may pursue other channels of communication with customers if budget allows.

iv. Program Reporting

As was discussed in section 4.ii, *Program Management and Oversight*, BIUD proposes to hire an efficiency consultant to help oversee and manage the DSM programs. In addition to helping oversee the programs and assisting with the Plan's implementation, the efficiency consultant will assist the District with quarterly progress reports, which will help inform a mid-year and year-end report as well as provides guideposts for program performance throughout the year. The data that will be included in quarterly reports as well as the year-end report are as follows:

- Number of participants per sector (Residential vs. Business)
- Costs incurred to date and percent of budgeted spend (by budget category)
- Detailed accounting of what measures have been installed, both direct install and other measures incentivized by the DSM programs
- Number of rebates processed, by measure type
- Number of inspections completed out of number of inspections required, and associated costs.
- kWh and delivered fuel (oil, propane) savings, both annual and lifetime, resulting from the program
- Peak demand reduction resulting from the program
- Other data as required, or as deemed necessary by the District or the Commission

5. Conclusion

The Block Island Utility District believes that the proposed DSM plan describes and establishes an energy efficiency program that will provide considerable benefits to customers and the local grid throughout its implementation. There are significant energy savings opportunities in New

Shoreham, which will be clearly highlighted in a forthcoming market potential study being conducted for all of Rhode Island. While this market potential study is underway, this plan offers effective strategies to realize immediate energy savings on the Island. The plan provides opportunities for no-cost assessments and direct-install measures that all customers can access free of charge, as well as guidance and further incentives for deeper energy saving measures.

The proposed 2020 DSM plan iterates on the *Block Island Saves* pilot program to provide BIUD customers will access to a variety of energy saving measures. The Plan, if approved by the Commission, would provide heat pump incentives that are likely to help smooth New Shoreham's annual demand curve and enhance the benefits of BIUD's proposed new rate structure. Additionally, through weatherization, lighting controls, and programmable thermostat incentives, BIUD aims to drive additional customer investment in insulation and demand side management technologies.

In sum, this proposed DSM plan provides a strong foundation for efficiency programming on Block Island and is structured to deliver significant benefits to customers and the local grid.

Block Island Utility District respectfully requests that the Public Utilities Commission (PUC) approve this 2020 Demand Side Management plan, and its associated budgets, in their entirety. Specifically, the District requests that the PUC approve the following:

The proposed total budget amount and the budget categories contained therein.

The proposed program offerings.

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In sum, this proposed DSM plan provides a strong foundation for efficiency programming on Block Island and is structured to deliver significant benefits to customers and the local grid.

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The proposed total budget amount and the budget categories contained therein.

The proposed program offerings.

BLOCK ISLAND UTILITY DISTRICT
Docket No. 4975
Third Set of Data Requests of the
Division of Public Utilities and Carriers
January 15, 2020

- 3-2. **Minority shareholder litigation. Refer to the response to DIV 1-25.**
- a. **Were any legal costs for the minority shareholder litigation that were not covered by D&O insurance recorded by BIUD in the test year? If so, how much and in what account?**
 - b. **Did BIUD incur any costs for the minority shareholder litigation that were not covered by D&O insurance? If so, how much and in what accounts, for the test year and, separately, for calendar 2019?**
 - c. **Have any costs related to the minority shareholder litigation been included by BIUD in rate year expenses? If so, how much and in what account?**
 - d. **Did BIUD record any amount related to the \$300,000 contingency? If so, when, how much, and in what account?**
 - e. **Was a schedule for the minority shareholder litigation established during or following the December 2, 2019 conference?**
 - f. **If the answer to part e is "yes" identify and provide the schedule.**

RESPONSE:

- a) No. BIUD did not book any legal costs to the 2018 Test Year because the Test Year is based on the BIPCo expenses from Calendar Year 2018. BIPCo did incur legal expenses in the calendar year 2018 related to the minority shareholder litigation that were not covered by D&O insurance. These costs were already removed as part of test year adjustments.
- b) Yes. The total paid by BIUD during calendar years 2018 and 2019, that was not covered by D&O insurance, was \$25,484.69. \$4,240.24 of the total paid was incurred in the calendar year 2019. These costs were charged to Account 923-012, but were not included in either the test or rate years.
- c) \$4,240.24 of litigation expenses were incurred in the calendar year 2019. These expenses were charged to account 923-012 in 2019 and included in the BIUD Rate Year expenses.
- d) No.
- e) No, but a schedule was established at the January 6, 2020 conference.
- f) Yes. See Attachment JMW 3-2(b).

Prepared by Jeffery M. Wright, President and David G. Bebyn CPA

STATE OF RHODE ISLAND
WASHINGTON, SC

SUPERIOR COURT

ISLAND LIGHT AND POWER :
COMPANY :

VS. :

C.A. No. WM-2019-0211

SARA GOLVINVEAUX MCGINNES :
2011 TRUST :

SCHEDULING ORDER

Respondent’s Motion for a Rule 16 Scheduling Order came on before this Court on the 6th day of January, 2020. By agreement of the parties, it is hereby ORDERED:

1. The parties shall serve requests for production of documents and interrogatories as per the Rules of Civil Procedure on or before January 31, 2020.
2. The parties shall serve responses to written discovery by March 15, 2020.
3. The parties shall serve deposition notices as per the Rules of Civil Procedure on or before March 31, 2020.
4. All depositions, including expert depositions, shall be conducted and concluded by May 15, 2020.
5. A pre-trial conference is scheduled for June 1, 2020 at 10:30 a.m.

ENTERED as an Order of this Court this _____ day of January, 2020.

ENTER:

BY ORDER:

J.

Clerk

Submitted by:

W. Mark Russo (#3937)
Ferrucci Russo P.C.
55 Pine Street, 3rd Floor
Providence, RI 02903
Tel.: (401) 455-1000
E-mail: mrusso@frlawri.com

Certificate of Service

I certify that on the ____ day of January, 2020, the within document was electronically filed and electronically served through the Rhode Island Judiciary Electronic Filing System, on all parties registered to receive electronic service in this matter. The document is available for viewing and/or downloading from the Rhode Island Judiciary's Electronic Filing System.

/s/ _____

BLOCK ISLAND UTILITY DISTRICT
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- 3-3. **BIUD trial balance for 12/31/2019. Refer to the response to DIV 1-9 and DIV 1-13. Please provide the BIUD working trial balance for 12/31/2019 as soon as it is available. Ideally, provide the 12/31/2019 BIUD trial balance in Excel.**

RESPONSE:

Subsequent to the filing of DIV 1-9 and DIV 1-13, BIUD has worked with its software vendor to prepare an excel file that will provide the data a general ledger and working trial balance reports would provide. That file which provides the data in Excel is attached. See attached electronic format copy excel attachment "Dkt No 4975 attach DIV 3-3---BIUD working trial balance for 12312019". Please note that the balances are unaudited.

Prepared by David G. Bebyn CPA

Dkt No 4975 attach DIV 3-3---BIUD working trial balance for 12/31/2019

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- 3-4. **RIPUC Assessment. Refer to the response to DIV 1-24, which provided an invoice dated December 31, 2018 for \$24,012.**
- a. **In what account did BIUD record the \$24,012?**
 - b. **Refer to Schedule DGB-RY-3, page 2 of 5. Provide an itemized listing of the costs recorded in account 928-001, Reg Comm Exp, that total \$29,954. Was anything recorded in account 928-001 by the Company other than the RI PUC assessment? If so, what else was recorded in that account?**
 - c. **Does BIUD agree that its FY2020 RI PUC assessment amount is \$20,734? If not, explain fully why not, and identify the about of BIUD's FY 2020 RI PUC assessment and provide the related documentation.**

RESPONSE:

- a) The invoice dated December 31, 2018 for \$24,012 was processed and posted to January 2019 and posted to the general ledger under account 5928.0001 which was the old account number for account 928-001
- b) Regarding account 928-001, Reg Comm Exp, there were additional charges other than the RI PUC assessment. These charges include non-major rate filing expenses from the Division such as the yearly standard offer filing reconciliation. The total ended up being posted as an adjustment rather than the ending balance. The correct ending balance should be \$27,779.74. The itemed listing is as follows:

Date	Reference	Trans Description	Debit Amt
2/23/18	URC 02/18-BIPCO	RI DIV OF PUBLIC UTILITIES	1,180.56
3/28/18	#URC 03/18-BIPCO	RI DIV OF PUBLIC UTILITIES	138.89
5/30/18	URC 05/18-BIPCO	RI DIV OF PUBLIC UTILITIES	399.43
6/28/18	URC 6/18-BIPCO	RI DIV OF PUBLIC UTILITIES	271.11
1/2/19	9 FY 2019	RI DIV OF PUBLIC UTILITIES	24,011.97
1/2/19	URC 12/28-BIPCO	RI DIV OF PUBLIC UTILITIES	1,777.78
			27,779.74

- c) BIUD agrees that the FY 2020 RI PUC assessment is \$20,734.

Prepared by David G. Bebyn CPA

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- 3-5. **Operating Reserve. Refer to Schedule DGB-RY-3, page 4 of 5, Net Operating Reserve of \$95,864 and to note 21 on page 5 of 5.**
- a. **How did BIUD determine that an Operating Reserve calculated at 3.0% was needed?**
 - b. **Why did BIUD use 3.0% as opposed to some other percent?**
 - c. **Refer to Mr. Bebyn's Direct Testimony at page 23, lines 22-27. What other municipal and quasi-municipal regulated utilities were reviewed?**
 - d. **What is BIUD's understanding of how the Operating Reserve or Operating Allowance was calculated for each such municipal and quasi-municipal regulated utility that was reviewed by BIUD? Explain, preferably with specific details for each Rhode Island regulated not-for-profit utility that BIUD used for guidance.**

RESPONSE:

- a) When determining the operating reserve, BIUD considered other municipal utilities. The focus for these utilities was that they were stand alone from a city or town and therefore there was no city or town that could help mitigate risk. There are two regulated utilities that fit this criteria, Pascoag Utility District (PUD) and Kent County Water Authority (KCWA). Both of these utilities utilize 1.5% on total expense to calculate their reserve. When considering BIUD's reserve, I believe BIUD has more risk factors than PUD and KCWA. Those factors include (1) the risk of summer sales since BIUD's rates are heavily reliant on seasonal rates, and (2) the additional costs BIUD must bear because BIUD is isolated from the mainland. For example, additional costs resulting from being isolated from the mainland include increased transportation costs and temporary housing costs.
- b) See response to a) above.
- c) See response to a) above.
- d) See response to a) above.

Prepared by David G. Bebyn CPA

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- 3-6. **Efficiency Program. Refer to Schedule DBG-RY-3, page 4 of 6. In what account(s) would BIUD record the costs associated with the \$120,000 efficiency program?**

RESPONSE:

BIUD will be setting up a separate general ledger account once the program begins. Most likely, the account would be numbered with the next sequential account number in that section. I would propose account number 426-058.

Prepared by David G. Bebyn CPA

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- 3-7. **Reconnection Fees. Refer to the Direct Testimony of Mr. Wright at page 27, lines 20-21, where increases in Reconnection Fees are proposed by BIUD.**
- a. **Will the increased Reconnection Fees have any impact upon the amount of Rate Year Connection Charge Revenue in account 451-002, which is shown on Schedule DBG-RY-2 for the adjusted test year and the rate year? If so, identify, quantify and explain the impact of the higher Reconnection Fees. If not, explain fully why not.**
- b. **What amount of Reconnection Fees is reflected in the adjusted test year amount in account 451-002, and at what Connection Fee and Reconnection Fee rate(s) were those based?**

RESPONSE:

- a) Yes. However, we did not quantify the impact since this individual account is de minimis to the impact on overall revenues. Since the proposed reconnection rate is going up by about one-third, I estimate that the revenue increase will be less than \$350 for a year.
- b) The adjusted test year amounts of \$965 were based upon the current \$25 and \$50 rates.

Prepared by David G. Bebyn CPA

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- 3-8. **Reconnection Fees. Refer to the Direct Testimony of Mr. Wright at page 27, lines 20-21, where increases in Reconnection Fees are proposed by BIUD. Identify, provide and explain the cost justification (if any) for the higher Reconnect fees that BIUD is proposing.**

RESPONSE:

The reconnections fee has been \$25 during normal business hours and \$50 after normal business hours since at least June 1, 2008 when the last Terms and Conditions were made effective. The existing charge, and even the proposed new fees during normal business hours and after hours, do not entirely cover our expenses. The estimated expense associated with reconnecting during and after working hours are shown below. These estimates do not include any expense associated with the administration of the disconnect. They are also based on strictly the hourly rates of the BIUD employees without considering benefits or overheads.

RECONNECT DURING NORMAL WORKING HOURS			
Resource	Hourly Rate	Time Spent	Total Expense
1St Class BIUD Line Worker	\$47.10	1 Hour	\$47.10

RECONNECT AFTER NORMAL WORKING HOURS			
Resource	Hourly Rate	Time Spent	Total Expense
1St Class BIUD Line Worker	\$47.10	4 Hour Minimum Call-Out	\$188.40

The small increase we are proposing is intended to make up for our increases in payroll expenses since 2008 when the fees were previously set.

Prepared by Jeffery M. Wright, President

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3-9. **Tree Trimming/Vegetation Management. Refer to Mr. Wright's Direct Testimony at page 18, lines 17-29, to Mr. Bebyn's Direct Testimony at page 22, lines 6-11, and to the following historical information from Schedule DGB-TY-2:**

ACCT. #	BUDGET ACCOUNT DESCRIPTION	FY 2015 ACTUAL	FY 2016 ACTUAL	FY 2017 ACTUAL	FY 2018 ACTUAL	FYE 12/31/18
593-203	Tree Trimming	\$ 1,000	\$ 500	\$ -	\$ 86,939	\$ 76,494
Source: BIUD Schedule DGB-TY-2						

- a. **How much was recorded in account 593-203 in 2019 by BIPCo (i.e., before BIUD ownership)?**
- b. **How much was recorded in account 593-203 by month while under BIUD ownership?**
- c. **What was the cost of trimming the 18 miles of its 50 miles of line in the fall of 2017/winter of 2018, by month, and in what account were those costs recorded?**
- d. **Does trimming 18 of 50 miles reflect a trim cycle of approximately 3 years (50 / 18 = 2.8 years)? If not, explain fully why not.**

RESPONSE:

- a) \$138,183.85.
- b) \$44,517.06 was spent in FY 2019 while under BIUD ownership. The monthly break down is shown in the attachment JMW 3-9 BIPCO & BIUD Tree Trimming Expense Code 593-203.
- c) The first trimming cycle (18 of 50 Miles) occurred during BIPCO FY 2018 and FY 2019 between October, 2017 and July, 2018. The total cost to trim that first 18 miles was \$89,101.81 for an average cost of \$4,950 per mile. These costs were recorded in BIPCO Cost Code 593-203.

Please refer to attachment JMW 3-9 BIPCO & BIUD Tree Trimming Expense Code 593-203 for the monthly break down of expenses.

- d) No. There is a large variation in trimming needs around the island ranging from light trim to heavy ground cutting/right of way reclamation. Our goals have been to cover as much ground as possible to improve reliability and address public safety concerns. There has been virtually no trimming down on the system for decades as best as we can tell and as a result the cost to trim a mile is not

consistent or predictable. Once we trim all line miles, we will have a better idea of the best trim cycle, but won't fully know until have a chance to evaluate the regrowth which is necessary to prescribe the most effective trim cycle and clearing practices.

As examples, the first trim period was focused on the main three phase circuits along paved main roads which was mostly light to medium trimming. We were focused on covering as many miles as possible with the goal of eliminating tree/limb contacts for reliability and safety reasons. We left a lot of the heavy cutting behind which will be done the next time we trim. As I previously stated the average cost per mile was \$4,950 per mile which reflects our first-year strategy.

The second trim period was a mix of main road trimming and heavy ground cutting and right of way reclamation. In many cases the line could not be cleared safely while energized so it required outages and intense labor to clear the lines. During our second trim period between September 2018 and June 2019 we spent \$192,693.93 to trim an additional 12 of 50 miles. The average cost in the second trim period was \$16,057.83 per mile.

We are just starting the third trim cycle and are faced with the same heavy ground cutting and labor-intensive right of way reclamation and I expect our average cost to raise even more. I expect our average cost per mile to be consistent with the \$16,000 we experienced in the second trim cycle. I expect to trim roughly 8 miles during this cycle which will bring us to 38 miles covered.

I expect the fourth and fifth trim period to be similar in cost per mile and hope to complete the first full cycle of right of way maintenance after the fifth trim period which will be in the spring of 2022 (there is error in my pre-filed testimony that indicated that we would finish our 5-year reclamation period on the Spring of 2023 when in fact that will be complete in the Spring of 2022).

After the full cycle of right of way maintenance is completed, we will evaluate the state of the trimming program by analyzing growth rates, re-sprout patterns and the resulting reliability performance of each circuit.

Our long-term goal, pending the analysis we will do in the Spring of 2022, is a four-year maintenance trim cycle.

Prepared by Jeffery M. Wright, President and David G. Bebyn CPA

TREE TRIMMING COST CODE 593-203

BIPCO FY 2018

JUN 17	JUL 17	AUG 17	SEP 17	OCT 17	NOV 17	DEC 17	JAN 18	FEB 18	MAR 18	APR 18	MAY 18	FY18 TOTAL
\$ -	\$ -	\$ -	\$ -	\$ 162.00	\$ 1,590.30	\$ 27,962.02	\$ 23,657.75	\$ 13,404.79	\$ 12,523.75	\$ -	\$ 7,637.90	\$ 86,939.00

BIPCO FY 2019

JUN 18	JUL 18	AUG 18	SEP 18	OCT 18	NOV 18	DEC 18	JAN 19	FEB 19	MAR 19	APR 19	MAY 19	FY19 TOTAL
\$ 985.75	\$ 1,177.06	\$ -	\$ 87.95	\$ -	\$ 3,022.60	\$ 13,734.52	\$ 68,730.84	\$ 51,630.01	\$ 17,823.00			\$ 157,191.73

BI UTILITY DISTRICT FY 2019

JAN 19	FEB 19	MAR 19	APR 19	MAY 19	JUN 19	JUL 19	AUG 19	SEP 19	OCT 19	NOV 19	DEC 19	FY19 TOTAL
		\$ 8,621.23	\$ 27,913.53	\$ 650.00	\$ 480.25				\$ 1,865.38			\$ 44,517.06

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- 3-10. **Tree Trimming. Identify the monthly amounts of actual Tree Trimming expense for each month of calendar 2018 and 2019, by account.**

RESPONSE:

Please see JMW 3-9 BIPCO & BIUD Tree Trimming Expense Code 593-203.

Prepared by David G. Bebyn CPA

BLOCK ISLAND UTILITY DISTRICT
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3-11. **Tree Trimming/Vegetation Management. Refer to Mr. Wright's Direct Testimony at page 18, lines 17-29, to Mr. Bebyn's Direct Testimony at page 22, lines 6-11, and to the following historical information from Schedule DGB-TY-2:**

ACCT. #	BUDGET ACCOUNT DESCRIPTION	FY 2015 ACTUAL	FY 2016 ACTUAL	FY 2017 ACTUAL	FY 2018 ACTUAL	FYE 12/31/18
593-203	Tree Trimming	\$ 1,000	\$ 500	\$ -	\$ 86,939	\$ 76,494
Source: BIUD Schedule DGB-TY-2						

- a. **At page 18, Mr. Wright states: "In the 2018 fiscal year, BIUD spent roughly \$90,000 on trimming." Is that statement based upon the \$86,939 listed for "FY2018 Actual" in the above table? If not, what is it based upon?**
- b. **Is the \$86,939 amount listed in the above table for "FY2018 Actual" for 12 months? If not, how many months does the \$86,939 reflect?**
- c. **Is the \$76,494 amount listed in the above table for "FYE 12/31/2018" for 12 months? If not, how many months does that amount reflect?**
- d. **Do the amounts shown in the above table for FY2015, FY2016 and FY2017 represent the actual cost of tree trimming (when under BIPCo's previous ownership)? If not, what are the actual tree trimming costs for each year, FY2015, FY2016 and FY2017, and in what account(s) were those costs recorded by BIPCo?**

RESPONSE:

- a) Yes.
- b) Yes. The \$86,939 represents the entire fiscal year 2018 expenses but those were incurred in 7 months. Please see JMW 3-9 BIPCO & BIUD Tree Trimming Expense Code 593-203 for the monthly break down.
- c) Yes. Please see JMW 3-9 BIPCO & BIUD Tree Trimming Expense Code 593-203.
- d) Yes. When we first evaluated the trimming needs on the island, it was very clear that there had been many years, possibly decades, of deferred right of way maintenance.

Prepared by Jeffery M. Wright, President

BLOCK ISLAND UTILITY DISTRICT
Docket No. 4975
Third Set of Data Requests of the
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January 15, 2020

- 3-12. **Tree Trimming. Mr. Wright states at page 18 that: "In the fall 2018/winter 2019, BIUD spent nearly \$180,000 on trimming an additional 12 miles." He indicates that such trimming "was actually right of way reclaiming in which most of the line was ground cut, establishing a new cleared right of way of 20' to 25' in width." He states that: "BIUD plans to budget \$120,000 per year until a full cycle has been finished (3 more years)."**
- a. **In what account was the \$180,000 recorded? Show the amounts recorded in each account by month for the fall 2018/winter 2019 period or the period in which that \$180,000 of spending occurred.**
 - b. **How much of BIUD's proposed \$120,000 per year for three more years is for reclamation?**
 - c. **How much of the proposed \$120,000 per year for three more years is for normal vegetation management/tree trimming maintenance?**
 - d. **Should the costs associated with ground cutting/reclamation to a new cleared way of 20' to 25' in width be funded from a capital fund account, rather than being recorded in the account 593-203 expense account? Explain.**
 - e. **As of 12/31/2019, approximately how many of BIUD's 50 miles of line have been ground cut?**
 - f. **As of 12/31/2019, approximately how many of BIUD's 50 miles of line have experienced vegetation growth (and/or tree trimming neglect under the previous form of organization) that BIUD's current management believes will require ground cutting/reclamation level trimming similar to that described by Mr. Wright for the 12 miles of right of way reclaiming that he indicates was done by BIUD in the fall 2018/winter 2019 period?**

RESPONSE:

- a) All of the BIPCO and BIUD Tree Trimming expenses have been recorded to Expense Account 593-023. Please see JMW 3-9 BIPCO & BIUD Tree Trimming Expense Code 593-203 for the monthly and annual break down.
- b) All of the rights of way we are trimming now are considered full reclamation, with some very limited exceptions.
- c) None.
- d) Capitalizing right of way reclamation is an ongoing industry discussion with no consensus that I am aware of. I have managed right of way budgets since 1999

and have never capitalized right of way reclamation.

- e) As of 12/31/1999 we have covered approximately 30 miles. 18 miles were trimmed during the first trim period and 12 miles were ground cut in the second trim period. The remaining 20 miles will be mostly ground cut as well.
- f) There are 20 miles remaining to cover which will be mostly ground cutting.

Prepared by Jeffery M. Wright, President

BLOCK ISLAND UTILITY DISTRICT
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January 15, 2020

3-13. **Tank Testing and Fuel Maintenance. Refer to Mr. Bebyn's Direct Testimony at page 21.**

- a. **How much cost has BIUD incurred by month in 2019 for Tank Testing and Fuel Maintenance?**
- b. **Identify and provide the contract referenced on page 21, line 19.**
- c. **Does the contract identified and provided in response to part b obligate BIUD to spend \$25,000 per year? If not, how much is the annual cost to BIUD for that contract?**

RESPONSE:

- a) We have performed two fuel treatment cycles since installing the new above ground tank farm (AST). The expenses by month/year are included below. It is our intent to perform the treatment each spring and fall. Due to adverse weather conditions in the fall of 2019 the treatment was postponed. Our next two treatments are planned for May 2020 and November 2020.

	2019	2020
Jan		\$10,469.10
Feb	\$10,469.10	
Mar		
Apr		
May	\$ 79.94	
Jun		
Jul		
Aug		
Sep		
Oct		
Nov		
Dec	\$ 80.18	

- b) See Attachment JMW 3-13(b)

- c) We solicited proposals from four vendors based on two treatments per year for the period 2019, 2020 and 2021. We selected the low bidder and executed the contract which binds the vendor to a fixed price for three years. There is no obligation for BIUD to pay anything unless the work/service is performed.

Prepared by Jeffery M. Wright, President and David G. Bebyn CPA

Request for Taxpayer Identification Number and Certification

Give Form to the requester. Do not send to the IRS.

1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.
BLOCK ISLAND POWER COMPANY

2 Business name/disregarded entity name, if different from above

3 Check appropriate box for federal tax classification; check only one of the following seven boxes:
 Individual/sole proprietor or single-member LLC
 C Corporation
 S Corporation
 Partnership
 Trust/estate
 Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶ _____
 Note. For a single-member LLC that is disregarded, do not check LLC; check the appropriate box in the line above for the tax classification of the single-member owner.
 Other (see instructions) ▶ _____

4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):
 Exempt payee code (if any) _____
 Exemption from FATCA reporting code (if any) _____
(Applies to accounts maintained outside the U.S.)

5 Address (number, street, and apt. or suite no.)
PO BOX 518

6 City, state, and ZIP code
BLOCK ISLAND, RI 02807

7 List account number(s) here (optional)

Requester's name and address (optional)

Print or type
See Specific Instructions on page 2.

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note. If the account is in more than one name, see the instructions for line 1 and the chart on page 4 for guidelines on whose number to enter.

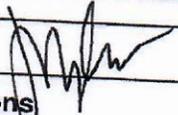
Social security number									
			-						
or									
Employer identification number									
0	5	-	0	1	6	1	6	5	0

Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
- I am a U.S. citizen or other U.S. person (defined below); and
- The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 3.

Sign Here Signature of U.S. person ▶ 

Date ▶ 7/17/17

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.
Future developments. Information about developments affecting Form W-9 (such as legislation enacted after we release it) is at www.irs.gov/fw9.

Purpose of Form

- An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following:
- Form 1099-INT (interest earned or paid)
 - Form 1099-DIV (dividends, including those from stocks or mutual funds)
 - Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
 - Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
 - Form 1099-S (proceeds from real estate transactions)
 - Form 1099-K (merchant card and third party network transactions)

- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
 - Form 1099-C (canceled debt)
 - Form 1099-A (acquisition or abandonment of secured property)
- Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.
- If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See *What is backup withholding?* on page 2.
- By signing the filled-out form, you:
- Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
 - Certify that you are not subject to backup withholding, or
 - Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income, and
 - Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct. See *What is FATCA reporting?* on page 2 for further information.

CREDIT APPLICATION
For the
BLOCK ISLAND POWER COMPANY

COMPANY INFORMATION

Company Name: Block Island Power Company Credit Amount Requested: \$25,000 Date: 01/31/19
Physical Address: 100 Ocean Avenue Billing Address: P.O. Box 518 Town: Block Island State: Rhode Island
County: Washington Zip: 02807 Phone Number: 401-466-5851

Contact Name: Jeffery M. Wright, President & CEO Phone Number: 802-730-4233 E-Mail: jwright@bipco.net

Business Type: Regulated Electric Utility Number of Employees: 7 Years in Business: Since 1925

Annual Revenues: \$5,000,000 Tax Exempt: NO Business Structure: Corporation Fed Tax ID: 05-0161650

TRADE REFERENCES

1. <u>Interstate Transportation</u>	<u>304 Great Island Road</u>	<u>Narragansett, RI 02882</u>	<u>401-783-7996</u>
2. <u>Wesco</u>	<u>20 Railroad Avenue</u>	<u>West Haven, CT 06516</u>	<u>203-784-7700</u>
3. <u>Prime Automation</u>	<u>66 Samoset Street</u>	<u>Plymouth, MA 02360</u>	<u>508-732-9100</u>

BANKING INFORMATION

<u>Washington Trust Company</u>	<u>23 Broad Street</u>	<u>Westerly, RI 02891</u>	<u>401-348-1200</u>
Account Type: <u>Checking</u>	Account Number: <u>03010759</u>		Balance: <u>\$65,897.50</u>
Account Type: <u>Savings</u>	Account Number: <u>63003495</u>		Balance: <u>\$56,061.57</u>
Account Type: <u>Money Market</u>	Account Number: <u>90185720</u>		Balance: <u>\$800,822.72</u>

Name: Jeffery M. Wright

Authorized Signature: _____



Title: President/CEO

Date: 1/31/19

For: Clean Fuels National
 4620 E. 900 S.
 Keystone, IN 46759



NEW CUSTOMER INFORMATION FORM

Business Information

Legal Company Name Block Island Power Company
 DBA not applicable
 Federal Tax ID _____ Years in Business 94 (since 1925)

Please attach a current copy of your W9.

Physical Address 100 Ocean Avenue
 City, State, Zip Code New Shoreham, RI 02807
 Phone Number 401-466-5851 Fax 401-466-5068

Owner/Officer Information

Name	Position	Phone Number	Email
Jeffery M. Wright	President	401-466-5851	jwright@bipco.net

Billing Information

Billing Address PO Box 518
 City, State, Zip Code New Shoreham, RI 02807
 Preferred Billing Method Mail Email Website
 Please specify invoice website _____ Have log in credits been supplied? Y / N

Accounts Payable

Contact Name Jeffery M. Wright
 Phone Number 401-466-5851 Email jwright@bipco.net

Request Payment Terms COD Net 30 X Other _____

Purchase Order Required? Y / N PO Number 2018-038
 Sales Tax Exempt? Y / N If yes, please provide exemption certificate.

Bank Reference

Bank Name _____
 Address _____
 City, State, Zip Code _____
 Account # _____
 Contact Name _____ Phone Number _____

Trade References

Name _____ Fax _____
 Address _____
 City, State, Zip Code _____
 Contact Name _____ Phone Number _____

Name _____ Fax _____
 Address _____
 City, State, Zip Code _____
 Contact Name _____ Phone Number _____

Name _____ Fax _____
 Address _____
 City, State, Zip Code _____
 Contact Name _____ Phone Number _____

Signature Date 1/31/19
 Printed Name Jeffery M. Wright Position President



Clean Fuels
National

Print

Download

Block Island Power Plant - Fuel Quality PM Agreement - 2019- 2021

Prepared on January 21, 2019 - #20190121-124321937

For Quonset Environmental LLC - Jeffery Wright, Ronald Schroeder [Show details](#)

Products & Services

Fuel Quality Preventative Maintenance Agreement

\$0.00 / year

For 3 years

Bill to address:

BIPCO

PO Box 518

New Shoreham, RI 02807

Bill to email: JWright@bipco.net

Service Address:

BIPCO

100 Ocean Avenue

Block Island, Rhode Island

Service Email: JWright@bipco.net

Service Phone: 802-730-4233

RE: FUEL QUALITY MAINTENANCE AGREEMENT

The following agreement includes the bi-annual inspection, tank cleaning, mobilization, (2) annual lab tests of fuel, fuel quality reporting and mobilization. This agreement does not include waste drums, waste drum removal or maintenance items.

We will also check the following:

Fuel

- Fuel quality
- Microbial contamination
- Water, sludge, contaminants & rust

Tank

- Fill, monitor & submersible wells
- All access points to fuel
- Tank vents
- Street lids & seals

Hardware

- Fill adapter, V/R adapter & caps
- STP serviced (if applicable)
- Dispensers & hoses
- In-tank monitoring system

Technician down time for Ferry Transportation is estimated. If additional time or delays come into play, the customer will be notified and additional hours will be added into the agreement after customer approval. Any additional items needed will get approval by customer before replacement or removal and will be invoiced separately.

This agreement will cover the (2) 12k gallon AST tanks and the (2) 400 gallon AST day tanks at: 100 Ocean Ave New Shoreham, RI 02807 for the period of January 2019 thru December 31st, 2021. Semi-annual inspections will be on or around March and September of each year or as specified by customer.

Note: An invoice will be sent out annually each year in January due within 30 days.

12k AST Tank Cleaning	2 x \$2,556.00
	35% discount \$3,322.80
Less Than 1000 Gallon AST Tank Cleaning	2 x \$1,536.00
	35% discount \$1,996.80
Fuel Quality Lab Testing Package	2 x \$600.00
Annual Ferry Transportation	\$500.00
Technician Down Time for Ferry Transportation (Estimated)	4 x \$210.00
Demurrage charge for delays on site	
Mobilization Fee	\$700.00

Biocide Plus Fuel Stabilizer Per Gallon

10 x \$143.00

1 gallon treats 1500 gallons of fuel

One-time discount	\$2,864.40
One-time subtotal	\$9,989.60
Environmental Fee 4.8%	\$479.50
Total	\$10,469.10

This total doesn't include any applicable taxes.

This quote expires on February 28, 2019.

Purchase Terms

Thank you for the opportunity to earn your business.

This quote does not include waste drums or waste removal. Waste can be drummed and left on site for \$71.50 per drum.

Open items:

Waste Drums Left: \$71.50 each

Waste Disposal:

Labor: \$145/hour

Transportation: \$1,100

Drums: \$235/each

Down Time Per Hour: \$210 per hour

A 4.8% environmental fee is based on the final total invoice amount including open items.

Payment Terms: Net 30

Clean Fuels National (CFN) is not responsible for "post-service" equipment failures, broken or damaged equipment or articles that arise as a result of corrosion, improper maintenance, acts of God, equipment deemed to be past its service life, or any other circumstance that is beyond the reasonable control of CFN. CFN does not provide any warranties on service unless specifically stated as part of the service agreement or manufacturers warranty.

Signature

JEFFERY M. WILSON

Printed name

Date

1/31/19

Questions?
Contact me



Matt Peterson
Commercial and Govern...
[matt@cleanfuelsnational...](mailto:matt@cleanfuelsnational.com)
2603378265



Clean Fuels National 

4620 E. 900 S.
Keystone, IN, US
46759

BLOCK ISLAND UTILITY DISTRICT
Docket No. 4975
Third Set of Data Requests of the
Division of Public Utilities and Carriers
January 15, 2020

- 3-14. **Principal and Interest Paid on CFC Loan. Please provide an amortization table for the CFC loan, showing the loan balance, the payments, and the interest and principal amounts for each month. The amortization table that is being requested should cover the entire duration of the CFC Loan from the initial loan date and balance, showing each payment and continuing through the projected full payment. Please provide in Excel.**

RESPONSE:

See Attached.

Prepared by David G. Bebyn CPA

Block Island Utility District

Org ID RI001 Final Payment Date 6/30/2050
 Loan Number RI0019000001 Payment Amount \$78,758.87
 Advance Date 8/23/2019 Billing Frequency Quarterly

Principal Remaining Number
 Amortized \$5,774,311.13 of Payments 122

Amortization Method LDS Rate Term 30 Years

Amortization Begin Date 10/1/2019 Rate Type LTF

Amortization End Date 6/30/2050 Rate Repricing Date N/A

Amortization Interest Rate* 3.66 Current Interest Rate 3.66

Interest Annual B 360/360

*Interest Rate in effect at the time the loan was amortized.

Payment Date	Beginning Balance	Total Payment	Principal Payment	Interest Payment	Ending Balance
3/31/2020	\$5,774,311.13	\$78,758.87	\$25,923.92	\$52,834.95	\$5,748,387.21
6/30/2020	\$5,748,387.21	\$78,758.87	\$26,161.13	\$52,597.74	\$5,722,226.08
9/30/2020	\$5,722,226.08	\$78,758.87	\$26,400.50	\$52,358.37	\$5,695,825.58
12/31/2020	\$5,695,825.58	\$78,758.87	\$26,642.07	\$52,116.80	\$5,669,183.51
2020 Totals:		\$315,035.48	\$105,127.62	\$209,907.86	\$5,669,183.51
3/31/2021	\$5,669,183.51	\$78,758.87	\$26,885.84	\$51,873.03	\$5,642,297.67
6/30/2021	\$5,642,297.67	\$78,758.87	\$27,131.85	\$51,627.02	\$5,615,165.82
9/30/2021	\$5,615,165.82	\$78,758.87	\$27,380.10	\$51,378.77	\$5,587,785.72
12/31/2021	\$5,587,785.72	\$78,758.87	\$27,630.63	\$51,128.24	\$5,560,155.09
2021 Totals:		\$315,035.48	\$109,028.42	\$206,007.06	\$5,560,155.09
3/31/2022	\$5,560,155.09	\$78,758.87	\$27,883.45	\$50,875.42	\$5,532,271.64
6/30/2022	\$5,532,271.64	\$78,758.87	\$28,138.58	\$50,620.29	\$5,504,133.06
9/30/2022	\$5,504,133.06	\$78,758.87	\$28,396.05	\$50,362.82	\$5,475,737.01
12/31/2022	\$5,475,737.01	\$78,758.87	\$28,655.88	\$50,102.99	\$5,447,081.13
2022 Totals:		\$315,035.48	\$113,073.96	\$201,961.52	\$5,447,081.13
3/31/2023	\$5,447,081.13	\$78,758.87	\$28,918.08	\$49,840.79	\$5,418,163.05
6/30/2023	\$5,418,163.05	\$78,758.87	\$29,182.68	\$49,576.19	\$5,388,980.37
9/30/2023	\$5,388,980.37	\$78,758.87	\$29,449.70	\$49,309.17	\$5,359,530.67
12/31/2023	\$5,359,530.67	\$78,758.87	\$29,719.16	\$49,039.71	\$5,329,811.51
2023 Totals:		\$315,035.48	\$117,269.62	\$197,765.86	\$5,329,811.51
3/31/2024	\$5,329,811.51	\$78,758.87	\$29,991.09	\$48,767.78	\$5,299,820.42
6/30/2024	\$5,299,820.42	\$78,758.87	\$30,265.51	\$48,493.36	\$5,269,554.91
9/30/2024	\$5,269,554.91	\$78,758.87	\$30,542.44	\$48,216.43	\$5,239,012.47
12/31/2024	\$5,239,012.47	\$78,758.87	\$30,821.91	\$47,936.96	\$5,208,190.56

2024 Totals:		\$315,035.48	\$121,620.95	\$193,414.53	\$5,208,190.56
3/31/2025	\$5,208,190.56	\$78,758.87	\$31,103.93	\$47,654.94	\$5,177,086.63
6/30/2025	\$5,177,086.63	\$78,758.87	\$31,388.53	\$47,370.34	\$5,145,698.10
9/30/2025	\$5,145,698.10	\$78,758.87	\$31,675.73	\$47,083.14	\$5,114,022.37
12/31/2025	\$5,114,022.37	\$78,758.87	\$31,965.57	\$46,793.30	\$5,082,056.80
2025 Totals:		\$315,035.48	\$126,133.76	\$188,901.72	\$5,082,056.80
3/31/2026	\$5,082,056.80	\$78,758.87	\$32,258.05	\$46,500.82	\$5,049,798.75
6/30/2026	\$5,049,798.75	\$78,758.87	\$32,553.21	\$46,205.66	\$5,017,245.54
9/30/2026	\$5,017,245.54	\$78,758.87	\$32,851.07	\$45,907.80	\$4,984,394.47
12/31/2026	\$4,984,394.47	\$78,758.87	\$33,151.66	\$45,607.21	\$4,951,242.81
2026 Totals:		\$315,035.48	\$130,813.99	\$184,221.49	\$4,951,242.81
3/31/2027	\$4,951,242.81	\$78,758.87	\$33,455.00	\$45,303.87	\$4,917,787.81
6/30/2027	\$4,917,787.81	\$78,758.87	\$33,761.11	\$44,997.76	\$4,884,026.70
9/30/2027	\$4,884,026.70	\$78,758.87	\$34,070.03	\$44,688.84	\$4,849,956.67
12/31/2027	\$4,849,956.67	\$78,758.87	\$34,381.77	\$44,377.10	\$4,815,574.90
2027 Totals:		\$315,035.48	\$135,667.91	\$179,367.57	\$4,815,574.90
3/31/2028	\$4,815,574.90	\$78,758.87	\$34,696.36	\$44,062.51	\$4,780,878.54
6/30/2028	\$4,780,878.54	\$78,758.87	\$35,013.83	\$43,745.04	\$4,745,864.71
9/30/2028	\$4,745,864.71	\$78,758.87	\$35,334.21	\$43,424.66	\$4,710,530.50
12/31/2028	\$4,710,530.50	\$78,758.87	\$35,657.52	\$43,101.35	\$4,674,872.98
2028 Totals:		\$315,035.48	\$140,701.92	\$174,333.56	\$4,674,872.98
3/31/2029	\$4,674,872.98	\$78,758.87	\$35,983.78	\$42,775.09	\$4,638,889.20
6/30/2029	\$4,638,889.20	\$78,758.87	\$36,313.03	\$42,445.84	\$4,602,576.17
9/30/2029	\$4,602,576.17	\$78,758.87	\$36,645.30	\$42,113.57	\$4,565,930.87
12/31/2029	\$4,565,930.87	\$78,758.87	\$36,980.60	\$41,778.27	\$4,528,950.27
2029 Totals:		\$315,035.48	\$145,922.71	\$169,112.77	\$4,528,950.27
3/31/2030	\$4,528,950.27	\$78,758.88	\$37,318.98	\$41,439.90	\$4,491,631.29
6/30/2030	\$4,491,631.29	\$78,758.87	\$37,660.44	\$41,098.43	\$4,453,970.85
9/30/2030	\$4,453,970.85	\$78,758.87	\$38,005.04	\$40,753.83	\$4,415,965.81
12/31/2030	\$4,415,965.81	\$78,758.87	\$38,352.78	\$40,406.09	\$4,377,613.03
2030 Totals:		\$315,035.49	\$151,337.24	\$163,698.25	\$4,377,613.03
3/31/2031	\$4,377,613.03	\$78,758.87	\$38,703.71	\$40,055.16	\$4,338,909.32
6/30/2031	\$4,338,909.32	\$78,758.87	\$39,057.85	\$39,701.02	\$4,299,851.47
9/30/2031	\$4,299,851.47	\$78,758.87	\$39,415.23	\$39,343.64	\$4,260,436.24
12/31/2031	\$4,260,436.24	\$78,758.87	\$39,775.88	\$38,982.99	\$4,220,660.36
2031 Totals:		\$315,035.48	\$156,952.67	\$158,082.81	\$4,220,660.36
3/31/2032	\$4,220,660.36	\$78,758.87	\$40,139.83	\$38,619.04	\$4,180,520.53
6/30/2032	\$4,180,520.53	\$78,758.87	\$40,507.11	\$38,251.76	\$4,140,013.42
9/30/2032	\$4,140,013.42	\$78,758.87	\$40,877.75	\$37,881.12	\$4,099,135.67
12/31/2032	\$4,099,135.67	\$78,758.87	\$41,251.78	\$37,507.09	\$4,057,883.89
2032 Totals:		\$315,035.48	\$162,776.47	\$152,259.01	\$4,057,883.89

3/31/2033	\$4,057,883.89	\$78,758.87	\$41,629.23	\$37,129.64	\$4,016,254.66
6/30/2033	\$4,016,254.66	\$78,758.87	\$42,010.14	\$36,748.73	\$3,974,244.52
9/30/2033	\$3,974,244.52	\$78,758.87	\$42,394.53	\$36,364.34	\$3,931,849.99
12/31/2033	\$3,931,849.99	\$78,758.87	\$42,782.44	\$35,976.43	\$3,889,067.55
2033 Totals:		\$315,035.48	\$168,816.34	\$146,219.14	\$3,889,067.55
3/31/2034	\$3,889,067.55	\$78,758.87	\$43,173.90	\$35,584.97	\$3,845,893.65
6/30/2034	\$3,845,893.65	\$78,758.87	\$43,568.94	\$35,189.93	\$3,802,324.71
9/30/2034	\$3,802,324.71	\$78,758.87	\$43,967.60	\$34,791.27	\$3,758,357.11
12/31/2034	\$3,758,357.11	\$78,758.87	\$44,369.90	\$34,388.97	\$3,713,987.21
2034 Totals:		\$315,035.48	\$175,080.34	\$139,955.14	\$3,713,987.21
3/31/2035	\$3,713,987.21	\$78,758.87	\$44,775.89	\$33,982.98	\$3,669,211.32
6/30/2035	\$3,669,211.32	\$78,758.87	\$45,185.59	\$33,573.28	\$3,624,025.73
9/30/2035	\$3,624,025.73	\$78,758.87	\$45,599.03	\$33,159.84	\$3,578,426.70
12/31/2035	\$3,578,426.70	\$78,758.87	\$46,016.27	\$32,742.60	\$3,532,410.43
2035 Totals:		\$315,035.48	\$181,576.78	\$133,458.70	\$3,532,410.43
3/31/2036	\$3,532,410.43	\$78,758.87	\$46,437.31	\$32,321.56	\$3,485,973.12
6/30/2036	\$3,485,973.12	\$78,758.87	\$46,862.22	\$31,896.65	\$3,439,110.90
9/30/2036	\$3,439,110.90	\$78,758.87	\$47,291.01	\$31,467.86	\$3,391,819.89
12/31/2036	\$3,391,819.89	\$78,758.87	\$47,723.72	\$31,035.15	\$3,344,096.17
2036 Totals:		\$315,035.48	\$188,314.26	\$126,721.22	\$3,344,096.17
3/31/2037	\$3,344,096.17	\$78,758.87	\$48,160.39	\$30,598.48	\$3,295,935.78
6/30/2037	\$3,295,935.78	\$78,758.87	\$48,601.06	\$30,157.81	\$3,247,334.72
9/30/2037	\$3,247,334.72	\$78,758.87	\$49,045.76	\$29,713.11	\$3,198,288.96
12/31/2037	\$3,198,288.96	\$78,758.87	\$49,494.53	\$29,264.34	\$3,148,794.43
2037 Totals:		\$315,035.48	\$195,301.74	\$119,733.74	\$3,148,794.43
3/31/2038	\$3,148,794.43	\$78,758.87	\$49,947.40	\$28,811.47	\$3,098,847.03
6/30/2038	\$3,098,847.03	\$78,758.87	\$50,404.42	\$28,354.45	\$3,048,442.61
9/30/2038	\$3,048,442.61	\$78,758.87	\$50,865.62	\$27,893.25	\$2,997,576.99
12/31/2038	\$2,997,576.99	\$78,758.87	\$51,331.04	\$27,427.83	\$2,946,245.95
2038 Totals:		\$315,035.48	\$202,548.48	\$112,487.00	\$2,946,245.95
3/31/2039	\$2,946,245.95	\$78,758.87	\$51,800.72	\$26,958.15	\$2,894,445.23
6/30/2039	\$2,894,445.23	\$78,758.87	\$52,274.70	\$26,484.17	\$2,842,170.53
9/30/2039	\$2,842,170.53	\$78,758.87	\$52,753.01	\$26,005.86	\$2,789,417.52
12/31/2039	\$2,789,417.52	\$78,758.87	\$53,235.70	\$25,523.17	\$2,736,181.82
2039 Totals:		\$315,035.48	\$210,064.13	\$104,971.35	\$2,736,181.82
3/31/2040	\$2,736,181.82	\$78,758.87	\$53,722.81	\$25,036.06	\$2,682,459.01
6/30/2040	\$2,682,459.01	\$78,758.87	\$54,214.37	\$24,544.50	\$2,628,244.64
9/30/2040	\$2,628,244.64	\$78,758.87	\$54,710.43	\$24,048.44	\$2,573,534.21
12/31/2040	\$2,573,534.21	\$78,758.87	\$55,211.03	\$23,547.84	\$2,518,323.18
2040 Totals:		\$315,035.48	\$217,858.64	\$97,176.84	\$2,518,323.18

3/31/2041	\$2,518,323.18	\$78,758.87	\$55,716.21	\$23,042.66	\$2,462,606.97
6/30/2041	\$2,462,606.97	\$78,758.87	\$56,226.02	\$22,532.85	\$2,406,380.95
9/30/2041	\$2,406,380.95	\$78,758.87	\$56,740.48	\$22,018.39	\$2,349,640.47
12/31/2041	\$2,349,640.47	\$78,758.87	\$57,259.66	\$21,499.21	\$2,292,380.81
2041 Totals:		\$315,035.48	\$225,942.37	\$89,093.11	\$2,292,380.81
3/31/2042	\$2,292,380.81	\$78,758.87	\$57,783.59	\$20,975.28	\$2,234,597.22
6/30/2042	\$2,234,597.22	\$78,758.87	\$58,312.31	\$20,446.56	\$2,176,284.91
9/30/2042	\$2,176,284.91	\$78,758.87	\$58,845.86	\$19,913.01	\$2,117,439.05
12/31/2042	\$2,117,439.05	\$78,758.87	\$59,384.30	\$19,374.57	\$2,058,054.75
2042 Totals:		\$315,035.48	\$234,326.06	\$80,709.42	\$2,058,054.75
3/31/2043	\$2,058,054.75	\$78,758.87	\$59,927.67	\$18,831.20	\$1,998,127.08
6/30/2043	\$1,998,127.08	\$78,758.87	\$60,476.01	\$18,282.86	\$1,937,651.07
9/30/2043	\$1,937,651.07	\$78,758.87	\$61,029.36	\$17,729.51	\$1,876,621.71
12/31/2043	\$1,876,621.71	\$78,758.87	\$61,587.78	\$17,171.09	\$1,815,033.93
2043 Totals:		\$315,035.48	\$243,020.82	\$72,014.66	\$1,815,033.93
3/31/2044	\$1,815,033.93	\$78,758.87	\$62,151.31	\$16,607.56	\$1,752,882.62
6/30/2044	\$1,752,882.62	\$78,758.87	\$62,719.99	\$16,038.88	\$1,690,162.63
9/30/2044	\$1,690,162.63	\$78,758.87	\$63,293.88	\$15,464.99	\$1,626,868.75
12/31/2044	\$1,626,868.75	\$78,758.87	\$63,873.02	\$14,885.85	\$1,562,995.73
2044 Totals:		\$315,035.48	\$252,038.20	\$62,997.28	\$1,562,995.73
3/31/2045	\$1,562,995.73	\$78,758.87	\$64,457.46	\$14,301.41	\$1,498,538.27
6/30/2045	\$1,498,538.27	\$78,758.87	\$65,047.24	\$13,711.63	\$1,433,491.03
9/30/2045	\$1,433,491.03	\$78,758.87	\$65,642.43	\$13,116.44	\$1,367,848.60
12/31/2045	\$1,367,848.60	\$78,758.87	\$66,243.06	\$12,515.81	\$1,301,605.54
2045 Totals:		\$315,035.48	\$261,390.19	\$53,645.29	\$1,301,605.54
3/31/2046	\$1,301,605.54	\$78,758.87	\$66,849.18	\$11,909.69	\$1,234,756.36
6/30/2046	\$1,234,756.36	\$78,758.87	\$67,460.85	\$11,298.02	\$1,167,295.51
9/30/2046	\$1,167,295.51	\$78,758.87	\$68,078.12	\$10,680.75	\$1,099,217.39
12/31/2046	\$1,099,217.39	\$78,758.87	\$68,701.03	\$10,057.84	\$1,030,516.36
2046 Totals:		\$315,035.48	\$271,089.18	\$43,946.30	\$1,030,516.36
3/31/2047	\$1,030,516.36	\$78,758.87	\$69,329.65	\$9,429.22	\$961,186.71
6/30/2047	\$961,186.71	\$78,758.87	\$69,964.01	\$8,794.86	\$891,222.70
9/30/2047	\$891,222.70	\$78,758.87	\$70,604.18	\$8,154.69	\$820,618.52
12/31/2047	\$820,618.52	\$78,758.87	\$71,250.21	\$7,508.66	\$749,368.31
2047 Totals:		\$315,035.48	\$281,148.05	\$33,887.43	\$749,368.31
3/31/2048	\$749,368.31	\$78,758.87	\$71,902.15	\$6,856.72	\$677,466.16
6/30/2048	\$677,466.16	\$78,758.87	\$72,560.05	\$6,198.82	\$604,906.11
9/30/2048	\$604,906.11	\$78,758.87	\$73,223.98	\$5,534.89	\$531,682.13
12/31/2048	\$531,682.13	\$78,758.87	\$73,893.98	\$4,864.89	\$457,788.15
2048 Totals:		\$315,035.48	\$291,580.16	\$23,455.32	\$457,788.15
3/31/2049	\$457,788.15	\$78,758.87	\$74,570.11	\$4,188.76	\$383,218.04

6/30/2049	\$383,218.04	\$78,758.87	\$75,252.42	\$3,506.45	\$307,965.62
9/30/2049	\$307,965.62	\$78,758.87	\$75,940.98	\$2,817.89	\$232,024.64
12/31/2049	\$232,024.64	\$78,758.87	\$76,635.84	\$2,123.03	\$155,388.80
2049 Totals:		\$315,035.48	\$302,399.35	\$12,636.13	\$155,388.80
3/31/2050	\$155,388.80	\$78,758.87	\$77,337.06	\$1,421.81	\$78,051.74
6/30/2050	\$78,051.74	\$78,757.98	\$78,051.74	\$706.24	\$0.00
2050 Totals:		\$157,516.85	\$155,388.80	\$2,128.05	\$0.00

BLOCK ISLAND UTILITY DISTRICT
Docket No. 4975
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Division of Public Utilities and Carriers
January 15, 2020

3-15. CFC Loan.

- a. **What interest rate applies to the CFC Loan?**
- b. **What was the CFC principal loan balance owing as of 12/31/2019?**
- c. **What are the payment amounts and due dates for the CFC Loan?**
- d. **What principal and interest payments are due on the CFC Loan in each month of 2020?**

RESPONSE:

- a) 3.66%.
- b) The CFC principal loan balance owing as of 12/31/2019 is \$5,774,311.13.
- c) The payment amounts and due dates for the CFC Loan have been included in the attachment to response 3-14.
- d) The CFC loan is paid quarterly. The quarterly payments have been included in the attachment to response 3-14.

Prepared by David G. Bebyn CPA

BLOCK ISLAND UTILITY DISTRICT
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3-16. **Account 427-003, Interest - Other.**

- a. **Show the amounts recorded in each month of 2018 and 2019 in account 427-003, Interest - Other.**
- b. **Identify each loan upon which BIUD is paying interest that is recorded in account 427-003, and identify the outstanding loan balance for each such loan as of 12/31/2019.**
- c. **Identify the interest rate applicable in 2020 for each loan upon which BIUD is paying interest that is recorded in account 427-003.**

RESPONSE:

- a) See attached for interest by month for 2018. The 2019 interest was paid together with the line for the purchase of BIPCo assets and both were posted to account 427-001.
- b) 2018 was the CoBank line of Credit and 2019 was the CFC line of Credit. The CoBank line of credit was closed in October, 2018 and the CFC line was paid down in October 2019 and the current balance is 0.
- c) 3.66%

Prepared by David G. Bebyn CPA

Block Island Power Company
General Ledger
For the Period From Jan 1, 2018 to May 31, 2019

Account ID	Account Description	Date	Reference	Jrnl	Trans Description	Debit Amt	Credit Amt	Balance
7431.0201	Interest - Other	1/31/18	1/31/2018	PJ	CoBank	921.34		
7431.0201	Interest - Other	2/28/18	2/28/2018	PJ	CoBank	839.33		
7431.0201	Interest - Other	3/30/18	APRIL 2018	PJ	CoBank	976.58		
7431.0201	Interest - Other	4/30/18	May 2018	PJ	CoBank	1,177.30		
7431.0201	Interest - Other	5/31/18	JUNE 2018	PJ	CoBank	1,554.33		
7431.0201	Interest - Other	6/29/18	00110128 7/18	PJ	CoBank	1,546.87		
7431.0201	Interest - Other	7/31/18	00110128 8/18	PJ	CoBank	1,608.34		
7431.0201	Interest - Other	8/31/18	00110128 8/31	PJ	CoBank	1,606.58		
7431.0201	Interest - Other	9/28/18	00110128 sep	PJ	CoBank	1,584.12		
7431.0201	Interest - Other	10/31/18	00110128 11/18	PJ	CoBank	1,576.79		

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3-17. **Account 427-003, Interest - Other. Refer to the following table from Tab RY-4.4 on the BIUD Excel file provided in response to DIV 1-3:**

ACCT. #	BUDGET ACCOUNT DESCRIPTION	FY 2015 ACTUAL	FY 2016 ACTUAL	FY 2017 ACTUAL	FY 2018 ACTUAL	FYE 12/31/18
427-003	Interest - Other	\$ 6,859	\$ 3,808	\$ -	\$ 8,385	\$ 14,476
Source: [Dkt No 4975 attachment DIV 1-3---part 01----biudTest Year 2018.xlsx]RY-4.4						

- a. **Why have the actual annual expense amounts recorded in account 427-003 fluctuated so much from year to year?**
- b. **Why did BIUD use the FYE 12/31/2018 amount (highest of any period listed) for the rate year amount for this account, instead of some other approach, such as a multi-year average, or a calculation of interest owed on loan balances at the rate of interest specified in each loan?**

RESPONSE:

- a) This account covers the interest on a line of credit. Reliance on the line has increased over the past two years due primarily to increased work such as pole replacement and tree trimming.
- b) As mentioned in the response above, BIUD has increased its capital and maintenance programs such as pole replacement and tree trimming and plans to continue these programs into the rate year at that level or greater.

Prepared by David G. Bebyn CPA

BLOCK ISLAND UTILITY DISTRICT
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- 3-18. **Voltage Conversion Capital Fund and Capital Improvement Accounts. Refer to Mr. Bebyn's Direct Testimony at page 24 and to Mr. Wright's Direct Testimony and to Mr. Wright's Attachment JMW-1, Short Term Capital Plan, 2019-2024.**
- a. **How much of the \$400,000 capital spending budgeted/planned for 2019 was actually spent in 2019? Show the actual 2019 spending on each project.**
 - b. **Are any amounts included on Attachment JMW-1 for voltage conversion? If so, which projects on Attachment JMW-1 are for voltage conversion?**
 - c. **Mr. Bebyn states that the funding level requested by BIUD for the voltage conversion capital fund "was set so BIUD would remain in a revenue neutral position in this case." Does this mean that that BIUD's requested funding for the voltage conversion capital fund of \$62,441 would be adjusted, either upward or downward, to the extent that other adjustments to BIUD's requested rate year revenue or expenses are proposed by the Division or are required by the Commission? Explain.**
 - d. **Does BIUD consider voltage conversion to be a capital project? If not, explain fully why not.**

RESPONSE:

- a) \$631,692 was spent on capital projects in FY 2019.

Work Order	Description	Amount
100	Pole Replacements	\$ 386,692.75
101	Generation/Plant Capital	\$ 84,833.99
102	New Services	\$ 76,056.84
103	Tank Project	\$ -
104	New Services/Line Extensions	\$ 17,277.69
105	Misc Distribution Upgrades	\$ 53,028.27
106	NISC Implentation Capital	\$ 13,692.36
	TOTAL	\$ 631,581.90

- b) No, we are in the process now of preparing a work scope, plan and budget for the project.
- c) Yes. As mentioned in my testimony, it is our hope that the eventual funding of the

capital fund will minimize increases needed for future debt service to cover this capital project.

- d) Yes. The Voltage Conversion Project will be a capital budget item once we prepare an estimate, determine the funding mechanism and obtain BIUD BOD approval to proceed. We expect this project will be done over a 3-5 year period. The funding mechanism may require additional debt but at this point we are unsure.

Prepared by Jeffery M. Wright, President and David G. Bebyn CPA