

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

**IN RE: BLOCK ISLAND UTILITY DISTRICT :
RATE CHANGE APPLICATION :**

DOCKET NO. 4975

REPORT AND ORDER

I. Background

On September 30, 2019, Block Island Utility District d/b/a Block Island Power Company (BIUD) filed with the Public Utilities Commission (PUC or Commission) an application for new rates designed to collect total revenues of \$3,291,336.¹ Included in BIUD's request was funding for demand side management/energy efficiency activities in the amount of \$120,000.² In its application, BIUD sought no revenue increase over the test year revenues but proposed rate design changes. The test year used in this case was calendar year ending December 31, 2018, while the rate year was calendar year ending December 31, 2020. The proposed effective date of the tariff change was October 31, 2019. On October 18, 2019, the Commission suspended the effective date pending its investigation.³

On April 13, 2020, BIUD filed a settlement entered into with the Division of Public Utilities and Carriers (Division) on April 10, 2020.⁴ The Division accepted BIUD's overall revenue requirement and rate design proposals but made adjustments to certain expense categories and included reporting requirements on certain new expense accounts. Pursuant to R.I. Gen. Laws §§ 39-2-1.2 and 42-64-13.2, the Settlement also provided for additional funding to be transferred to Commerce RI's Renewable Energy Fund to support renewable energy projects in Rhode Island.

¹ Rate Application including testimony and required attachments;
http://www.ripuc.ri.gov/eventsactions/docket/4975-BIUD-RateFiling_09-30-19.pdf.

² The \$120,000 included \$60,000 from rates captioned energy efficiency charge, and \$60,000 from a grant from the Office of Energy Resources.

³ PUC Minutes (Oct. 18, 2020);
<http://www.ripuc.ri.gov/eventsactions/minutes/Minutes%20October%202018,%202019.pdf>.

⁴ A copy of the Settlement is attached hereto and marked as Appendix A.

Following an evidentiary hearing held on May 5, 2020 to consider the Settlement, the PUC approved the proposed revenue requirement and rate design changes at an Open Meeting held on May 26, 2020.⁵

II. Revenue Requirement

This case represents BIUD's first rate filing since its transition from an investor-owned utility to a non-profit entity.⁶ David Bebyn, BIUD's consultant explained that BIUD's ability to file a revenue neutral case arose in part because of savings related to avoided taxes, depreciation expense, and dividends. BIUD also realized savings related to its diesel generating units because of the interconnection with the mainland.⁷ However, because the utility now has no shareholders to turn to in the event of a fluctuation of expenses or revenues, BIUD requested a new 3.0% Operations and Maintenance (O&M) reserve. The Settlement established a Net Operating Reserve set at 1.5% of total revenue.⁸

The settlement reflected a number of agreed-upon adjustments, including; 1) a downward adjustment to the PUC assessment; 2) adjustment to the interest and principal on a National Rural Utilities Cooperative Finance Corporation (CFC) loan as a result of updated information provided by BIUD; and, 3) increasing the balance in a new voltage conversion capital fund initially proposed by BIUD. The settlement also accepted the establishment of two new pay-as-you-go capital improvement accounts proposed by BIUD to avoid acquiring additional debt.

⁵ The PUC also held two public hearings to accept public comment. The one held on January 9, 2020 was conducted on Block Island at the Town of New Shoreham Town Council Chambers. Several members of the public spoke in support of BIUD's new structure, management, and in favor of the rate filing. One member of the public provided testimony criticizing certain aspects of the filing including the lack of a net metering rate. One of BIUD's Board Members attended the public hearing conducted via web conferencing on April 30, 2020. No other members of the public attended.

⁶ R.I. Gen. Laws § 45-67-4 established BIUD as a quasi-municipal corporation, having a distinct legal existence from the State of Rhode Island.

⁷ Bebyn Test. at 5, 21-22.

⁸ Settlement at 4; Settlement Schedule RCS-4.

In his prefiled testimony, BIUD's president Jeffrey Wright explained that the voltage conversion fund was designed to cover future costs associated with a voltage conversion of the distribution system using current revenues in lieu of debt. Mr. Wright indicated that a voltage conversion was needed to address two distribution circuits operating at capacity during peak periods. He stated that "a substation and sequenced voltage conversion could solve any immediate and long-term capacity limitations."⁹ Funding an engineering study is the first step. Similarly, the capital improvement accounts would fund equipment and capitalized expenditures.¹⁰ The construction for this project was expected to commence within twenty-four months, but not until after the rate year, so funding was not included in the instant rate filing. Mr. Wright indicated that BIUD has also been engaged in a pole replacement program.

As noted above, the Settlement accepted the proposed funding approach. At the hearing, the PUC questioned whether the use of current revenues to pay for capital investment in lieu of debt was contrary to the concept of intergenerational equity. Intergenerational equity is the notion that customers should contribute to a capital project in proportion to their benefit from it over time.¹¹ In response to these questions related to the voltage conversion project and pole replacement initiative, Mr. Wright stated that he would typically agree that it would make more sense to fund these projects through debt service. However, as explained below, he believed that use of current revenues would benefit ratepayers more in the long term. Mr. Bebyn agreed that the pay-as-you-go approach for capital investments with long useful lives may not be entirely

⁹ Wright Test. at 17.

¹⁰ Bebyn Test. at 24; Wright Test. at 16-18.

¹¹ Intergenerational Equity is a foundational principle of utility regulation that theorizes that the period for cost recovery of an investment should correspond to the time it is actually in use. According to this "matching principle," customers who "use" an asset should pay for that asset at the time it is used. When the temporal match between cost recovery and use is in question, maintaining intergenerational equity can become a utility ratemaking issue. Concentric Energy Advisors, Thoughts on Intergenerational Equity in Utility Ratemaking; <https://ceadvisors.com/thoughts-intergenerational-equity-utility-ratemaking/#:~:text=Intergenerational%20Equity%20is%20a%20foundational,the%20time%20it%20is%20used.>

consistent with principles of intergenerational equity. Mr. Bebyn explained that CFC scores investor-owned and not-for-profit utilities on a Generally Accepted Accounting Principles (GAAP) basis (rather than based on cash). This means that CFC considers BIUD's debt to equity ratio when setting borrowing rates and Mr. Wright explained that using current revenues for capital investments will build BIUD's equity share in its system and lead to more favorable borrowing rates in the future.¹² Therefore, both witnesses concluded that this short-term approach will likely produce better results for ratepayers over time as capital projects can be funded with debt at a lower cost, paid for over time, matching the timing of the costs with those benefiting from the investment.¹³

To better track the funds in these new accounts, the settling parties agreed that not later than ninety days after the end of each fiscal year BIUD must file reports with the Commission and Division showing all receipts and expenditures during the year, including cash balances, and a spending plan for each of the following accounts: (1) Capital Fund – Capitalized Expenditures; (2) Voltage Conversion Fund Expenditures; and (3) Energy Efficiency.¹⁴ Debt service expenditures shall be reported in the Annual Reports and in BIUD's next rate case. Within ninety days following each fiscal year, BIUD is also required to file a report showing how BIUD's actual debt service expenditures compared with the debt service expenditures allowed in the instant revenue requirement.¹⁵

On these last items, the PUC issued data requests to determine how the funds would be used, the anticipated schedule of investment and spending, and whether the funds should be in a restricted account. In response, BIUD provided additional information on the voltage conversion

¹² Hr'g Tr. at 61-67.

¹³ Hr'g. Tr. at 61-67, 74.

¹⁴ Settlement at 5.

¹⁵ *Id.* at 6.

project, including a projected construction and spending timeline.¹⁶ BIUD suggested that restricting these accounts was unnecessary because of the reporting requirements. BIUD also indicated that having the accounts unrestricted would better allow the utility to manage its cash flow.¹⁷

The Settlement also addressed the disposition of an over-collection that had accrued to the engine maintenance reserve account. Since 2017, the frequency of necessary engine maintenance has lessened because BIUD purchases power over the transmission line from the mainland. There has been an accumulation of funds in that account. The parties agreed to apply the funds to the tank replacement project. The parties indicated that the transfer would be appropriate and in the best interest of customers because the diesel storage tank is an integral part of generation services. Finally, the parties agreed that the Distribution System Improvement Fund will sunset after three years (October 2022 billing), or in the rate year of BIUD's next general rate filing, whichever comes sooner.

III. Rate Design Changes

BIUD proposed rate design changes and provided supporting analysis conducted by its consultant Richard LaCapra. All of these rate design changes were incorporated into the Settlement. Mr. Wright explained the changes. First, instead of two rate periods differentiating between summer (June, July, and August) and non-summer months, BIUD proposed four rate periods. The first period included the months of May and June. The second period included the months of July and August. The third period included the months of September and October. The fourth period includes the months of November through April.¹⁸ BIUD also eliminated the public

¹⁶ BIUD's Response to PUC 2-1.

¹⁷ BIUD's Response to PUC 1-2.

¹⁸ Wright Test. at 9.

rate class because of the minimal rate differential between the classes. Mr. LaCapra explained that this historical rate distinction has been largely eliminated across the industry as rate classes have become more defined by cost and load.¹⁹

BIUD also proposed to eliminate the demand charge for residential customers and to revise it for large users.²⁰ Under the old rate structure, residential customers whose usage exceeded 8 kW would be moved from the residential tariff to the general service tariff and pay a demand charge for each month of the year. Under the proposed rate structure, there would be one residential tariff. Residential customers would no longer be transferred to the general service tariff and assessed a demand charge.²¹ Users on the general service tariff would still be assessed a demand charge. The design of the demand charge was changed so that the fixed charge per kW would no longer change based on the time of year. Instead, the amount of the demand charge was reduced, it will be the same for each month of the year, and it will be calculated based on the customer's highest metered kWh demand in the months of July and August. The demand charge would be recalculated in the following July or August. At the hearing held on May 5, 2020, Mr. LaCapra explained that this new design reflects the fact that BIUD's long-term marginal costs are incurred in the July-August timeframe. Also, this new design better reflects the way ISO-NE bills BIUD: the single highest peak sets the charge for the year.²²

Residential and commercial customers are still subject to the system charge when their usage in any month for the period June through September is twice the kWh usage average over the eight winter months. The system charge is a proxy for a demand charge but, unlike the demand charge, it is only charged during the four months of June through September rather than all year.

¹⁹ LaCapra Test. at 12-13.

²⁰ Wright Test. at 10-11.

²¹ *Id.*

²² Hr'g. Tr. at 31-32 (May 5, 2020).

The system charge increased slightly for residential customers and decreased more significantly for commercial customers. At the hearing, Mr. LaCapra explained that while he was reviewing various expenses for this case, he found no cost justification for the differential.²³ The system charge follows cost causation principles where the electric system is designed to meet the higher summer load.

Finally, BIUD proposed to collect \$60,000 through an energy efficiency charge that differs based on the time of year. The proposal was to set the rate at \$0.00395/kWh for usage during May, June, September, and October. The July and August rate would be \$0.01/kWh. There would be no charge during the remaining months.²⁴ In addition to accepting the overall revenue requirement and rate design proposed by BIUD, the Settlement also provided for an additional renewable energy fund charge of 0.3 mills/kWh.²⁵

IV. Commission Findings

At an Open Meeting held on May 26, 2020, the PUC considered the Settlement and the remainder of the record, including discovery responses and hearing testimony. The PUC approved the Settlement, finding it to provide an appropriate balance between the utility and its ratepayers. The application had overwhelming support from the BIUD customers who attended and spoke at the public comment hearing held on Block Island. The Settlement includes additional customer protections in the form of new reporting requirements. It appears BIUD has commenced a plan to modernize the electric system to meet growing demand and provide greater reliability than in the past. In addition, BIUD will be funding a new demand side management plan funded in part

²³ Hr'g. Tr. at 33-34; Proposed tariffs.

²⁴ On the day following the hearing in this matter, BIUD's witnesses opined that the rate design proposal related to energy efficiency was reasonable because the overall goal of the Demand Side Management plan was to reduce the summer usage. Docket No. 5013 Hr'g. Tr. at 47-52 (May 6, 2020).

²⁵ Settlement at 5.

through rates approved in this Order.²⁶ In the past, electric rate cases on the island have been highly contentious due, in part, to the relationship between the utility, the Town of New Shoreham, and the general body of customers. This case had little of that. The PUC is hopeful that the transition to a non-profit together with the new governance and management structure will continue to improve relations between the utility and its customers.

²⁶ The Demand Side Management Plan was filed separately and was approved on May 26, 2020; Order No. 23863 (July 8, 2020); [http://www.ripuc.ri.gov/eventsactions/docket/5013-BIUD-Ord23863%20\(7-8-20\).pdf](http://www.ripuc.ri.gov/eventsactions/docket/5013-BIUD-Ord23863%20(7-8-20).pdf). The plan can be accessed on the PUC website at: <http://www.ripuc.ri.gov/eventsactions/docket/5013page.html>.

Accordingly, it is hereby,

(23873) ORDERED:

1. The Settlement entered into between Block Island Utility District and the Division of Public Utilities and Carriers, executed on April 10, 2020, is hereby approved for effect June 1, 2020.

EFFECTIVE AT WARWICK, RHODE ISLAND ON JUNE 1, 2020 PURSUANT TO AN OPEN MEETING DECISION ON MAY 26, 2020. WRITTEN ORDER ISSUED ON AUGUST 4, 2020.

PUBLIC UTILITIES COMMISSION

*Margaret E. Curran, Chairperson



Marion S. Gold, Commissioner



Abigail Anthony, Commissioner

*Chairperson Curran concurred with the decision but is unavailable for signature.

NOTICE OF RIGHT OF APPEAL: Pursuant to R.I. Gen. Laws §39-5-1, any person aggrieved by a decision or order of the PUC may, within seven (7) days from the date of the order, petition the Supreme Court for a Writ of Certiorari to review the legality and reasonableness of the decision or order.

APPENDIX A

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS BEFORE THE PUBLIC UTILITIES COMMISSION

IN RE: BLOCK ISLAND UTILITY DISTRICT : DOCKET No.: 4975
d/b/a BLOCK ISLAND POWER COMPANY :

STIPULATION AND SETTLEMENT

Block Island Utility District d/b/a Block Island Power Company (“BIUD”, “BIPCo” or “Company”), and the Division of Public Utilities and Carriers (“Division”), hereby agree to this stipulation and settlement (“Agreement” or “Settlement Agreement”) which constitutes a settlement of all issues in this docket.

On September 30, 2019, BIUD filed with the Commission a revenue neutral rate filing seeking no revenue requirement increase (with total rate year revenues of \$3,291,336) and the following requested rate design changes:

1. Change the current two-tiered seasonal rate structure to a three-tiered seasonal rate structure, with the highest “peak” rates in July and August, the next highest “shoulder” rates in May, June, September and October, and the lowest “off-peak” rates in the remaining months;
2. Eliminate the residential demand rate;
3. Eliminate the public authority rate classes;
4. Change the demand rate for large users so that it will be based on the user’s highest demand during July and August; and
5. Add an energy efficiency surcharge of 1 cent per kWh in July and August and 0.395 cent per kWh for May, June, September and October.

Under the proposed rates, most monthly bills would be higher than current bills in May, July, August and October, but would be lower than current bills in all other months. For a year, the impact on an average residential customer would be an annual decrease in the bill of \$0.49 per year, or -0.1%.

In response to BIUD's filing, the Division conducted an investigation of BIUD's requests through extensive discovery methods by aid of its staff and outside consultants. Based upon its investigation and findings, the Division filed its direct case with the Commission and recommended that BIPCo's revenues be set at \$3,291,336, as requested by BIUD. The Division also recommended approval of BIUD's proposed rate design changes.

After due consideration of the testimony, exhibits, and other documents included in the filings by BIUD and the Division, the Parties have agreed to a comprehensive settlement in this case which resolves all issues in this proceeding.

This Settlement Agreement is as follows:

Section 1: BIPCo's revenue requirement is settled at \$3,291,336. The following supporting and explanatory schedules are attached hereto and incorporated by reference herein:

Schedule Number	Description	No. of Pages
RCS-1	Summary of Revenues and Expenses at Present and Proposed Rates	5
RCS-2	Summary of Adjustments	1
RCS-3	RI PUC Assessment	1
RCS-4	Operating Reserve	1
RCS-5	Interest and Principal on CFC Loan	1
RCS-6	Voltage Conversion Capital Fund	1

Section 2: The following agreed tariffs are attached hereto and incorporated by reference herein: Residential Service Rate R (2 pages), Commercial Rate C (2 pages), General Service Rate GS (2 pages), Street Lighting Service Rate S (1 page), Waiver of Credit Card/Debit Card/E-Check Payment Provision (1 page), Standard Offer & Transmission Cost Rates (1 page), Standard Offer Rate Rider Rate SOR (1 page), Transmission Cost Rider Rate TMC (2 pages), Fuel Adjustment Clause Rider Rate FAC (2 pages), and Terms and Conditions (11 pages).

Section 3: BIUD did not apply the account 254.004, SCR & Engine Maint Reserve liability balance of \$380,714.63 in its application.

This account was overspent almost \$150,000 before the major fire which destroyed one engine and significantly damaged two others during the summer of 2016. Also, in the spring of 2017, the Company began to draw power from the undersea cable from the mainland. As a result, BIUD only needs to run its engines for backup purposes and to exercise them. Because there has been a reduced need for engine maintenance work, this account now has an accumulated reserve.

However, BIUD had to perform a major tank replacement project during 2018 to meet environmental compliance issues. BIUD would have needed a borrowing to complete this task, which was completed by December 2018, but had cash flow available to do the work as the result of this reserve.

The Parties agree that the tank replacement project, which is a generation asset like the engines, is in the best interest of the ratepayers. The Parties therefore agree that the liability balance will be applied against the 342.011 Fuel System account where the \$548,645 tank replacement project resides.

Section 4: As shown in the attached schedules, adjustments have been agreed to by the Parties for the following items:

- RI PUC Assessment (\$20,734 to be used – RCS-3)
- Operating Reserve (1.5% to be used – RCS-4)
- Interest and Principal on CFC Loan (\$315,035 to be used – RCS-5)
- Voltage Conversion Capital Fund (\$96,184 to be used – RCS-6). The adjustments to this account were the result of the net adjustments to the previous items listed above.

As a result, as shown in the attached schedule (RCS-1 page 5 of 5), the Parties agree that there will be no net change in BIUD's proposed revenue requirement.

Section 5: If BIUD's annual payments for interest and principal vary from the amounts listed on Schedule RCS-1 for debt service, BIUD will record the differences into a Capital Fund account, so the differences can be tracked and applied on a pay-as-you-go basis to the funding of BIUD's capital projects.

Section 6: The Parties also agree that:

1. The energy efficiency surcharge will be \$.00395/kWh for the months of May, June, September, and October; and \$.01 for the months of July and August;
2. The Public Rate Classes will be eliminated;

3. Three-Tier Seasonal Rates will be adopted as proposed by BIUD;
4. The 8kW Residential Demand Rate trigger will be eliminated; and
5. The Demand Rate for large users will have the Demand Charge based on the user's highest demand during July through August.
6. Each month, BIUD will collect 0.3 mills per kWh delivered to fund renewable energy programs in accordance with R.I.G.L. 39-2-1.2 and R.I.G.L. 42-64-13.2.
7. The DSI fund, which is included in the FAC Tariff, shall sunset after three (3) years (October 2022 billing), or in the rate year of BIUD's next general rate filing, whichever comes sooner.

Section 7: The parties agree that the new rates will go into effect for consumption on and after June 1, 2020.

Section 8: The parties agree that BIUD shall make the following reports:

Not later than 90 days after the end of each fiscal year, BIUD shall file reports with the Division and the Commission showing all receipts and expenditures during the year, showing the cash balances, and setting forth a spending plan, for (a) the Capital Fund – Capitalized Expenditures Account, (b) the Voltage Conversion Fund Expenditures Account, and (c) the Energy Efficiency Fund Account. The reports shall also show how the actual activity compared with the amounts that were allowed for ratemaking purposes in this case.

BIUD will account for its actual debt service expenditures in its Annual Report and in its next rate case. BIUD will also annually file a comparison, not later than 90 days after the end of each fiscal year, showing how BIUD's actual debt service expenditures for the fiscal year compared with the debt service expenditures that have been allowed in setting BIUD's revenue requirement in this case

Section 9: By entering into this settlement, matters or issues other than those explicitly identified in this agreement have not been settled upon or conceded by any party to this agreement, and nothing in this agreement shall preclude any party from taking any position in any future proceeding regarding such unsettled matters.

Section 10: This agreement is the result of a negotiated settlement. The discussions which have produced this Settlement have been conducted with the explicit understanding that all offers of settlement and discussions relating hereto are and shall be privileged, shall be without prejudice to the position of any party or participant presenting such offer or participating in any such discussion, and are not to be used in any manner in connection with these or other proceedings. The agreement by any party to the terms of this Agreement shall not be construed as an agreement as to any matter of fact or law beyond the terms hereof. In the event that the Commission rejects this Agreement, or modifies this Agreement or any provision therein, then this Agreement shall be deemed withdrawn and shall be null and void in all respects.

Section 11: This Stipulation and Settlement may be executed in counterparts.

Section 12: The Parties hereby submit this Stipulation and Settlement to the Commission for approval.

IN WITNESS WHEREOF, this document has been executed by the appropriate representative of the parties identified below, each being fully authorized to do so. Dated this 10th day of April, 2020.

Respectfully submitted,

BLOCK ISLAND UTILITY DISTRICT
By its attorneys

Dated: April 10, 2020

/s/_____
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Dated: April 10, 2020

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SUPPORTING SCHEDULES

Block Island Utility District

Summary of Revenues and Expenses at Present and Proposed Rates
Rate Year Ended December 31, 2020

Docket No. 4975
Schedule RCS-1
Page 1 of 5

Line No.	Description	Account No.	Rate Year Amount Per BIUD (A)	Division Adjustments (B)	Rate year at Present Rates (C) = A + B	Proposed Rate Increase (D)	Rate Year at Proposed Rates (E) = (C) + (D)
Operating Revenue - Rate Revenue							
1	Residential-Plant/Distribution Charge	440-001	\$ 918,843		\$ 918,843		\$ 918,843
2	Commercial-Plant/Distribution Charge	442-101	272,955		272,955		272,955
3	Demand Customers-Plant/Distribution Charge	442-201	1,045,713		1,045,713		1,045,713
4	Public Authority-Plant/Distribution Charge	444-001	(0)		(0)		(0)
5	Street Lighting	445-000	6,985		6,985		6,985
6	Customer Charge- All Rate Classes	456-001	303,285		303,285		303,285
7	Demand - All Rate Classes	456-002	285,868		285,868		285,868
8	System Charge- All Rate Classes	456-004	94,482		94,482		94,482
9	Total Operating Revenue--Electricity Charges by Customer Class		\$ 2,928,131	\$ -	\$ 2,928,131	\$ -	\$ 2,928,131
Other Revenue							
10	Interest Income	419-000	\$ 920		\$ 920		\$ 920
11	Miscellaneous Income	421-002	1,418		1,418		1,418
12	Pole Accidents	421-004	564		564		564
13	Biller Penalty	421-007	21,378		21,378		21,378
14	Forgiveness on CAT Debt	421-012	(0)		(0)		(0)
15	(Gain) on Sale of Asset	421-013	(0)		(0)		(0)
16	Gain on Insurance Proceeds	421-014	0		0		0
17	Connection Charge	451-002	925		925		925
18	Efficiency grant		60,000		60,000		60,000
19	Rent - Lease	456-006	260,000		260,000		260,000
20	Rent -Office Apartment	456-007	18,000		18,000		18,000
21	Total Other Revenue		\$ 363,204	\$ -	\$ 363,204	\$ -	\$ 363,204
22	Total Revenue		\$ 3,291,336	\$ -	\$ 3,291,336	\$ 0	\$ 3,291,336
23	Total Expenses, Debt Service and Capital Funds		\$ 3,291,336	\$ -	\$ 3,291,336	\$ -	\$ 3,291,336
24	Revenue Surplus/(Deficiency)		(0)		(0)	0	-
25	Company Proposed Increase						
26	Division Adjustment to Company's Request						

Notes and Source:

Column A: Company Schedule DGB-RY-2

Column B: Schedule RCS-2

Line 23: Schedule RCS-2, pages 2 through 5

Block Island Utility District

Docket No. 4975
Schedule RCS-1
Page 2 of 5

Summary of Revenues and Expenses at Present and Proposed Rates
Rate Year Ended December 31, 2020

Line No.	Description	Account No.	Rate Year Amount Per BIUD (A)	Division Adjustments (B)	Rate year at Present Rates (C)	Proposed Rate Increase (D)	Rate Year at Proposed Rates (E)
Operating Expense—Power Production							
27	Supervision P/R Only	546-100	\$ -	-	\$ -	-	\$ -
28	Fuel Procurement P/R Only	548-101	-	-	-	-	-
29	Watchman P/R Only	549-101	-	-	-	-	-
30	Inside Maint. P/R Only	549-103	107,119	-	107,119	-	107,119
31	Maint Station Equip. P/R Only	549-108	96,380	-	96,380	-	96,380
32	Freight	549-102	3,190	-	3,190	-	3,190
33	Lubrication	548-103	10,000	-	10,000	-	10,000
34	Miscellaneous	549-109	406	-	406	-	406
35	Uniforms	549-111	6,074	-	6,074	-	6,074
36	Purchased Power	555-100	-	-	-	-	-
37	Total Operating Expense—Power Production		\$ 223,170	\$ -	\$ 223,170	\$ -	\$ 223,170
Operating Expense—Distribution							
38	Supervision - P/R Only	580-100	\$ -	-	\$ -	-	\$ -
39	Overhead Lines - P/R Only	583-101	206,981	-	206,981	-	206,981
40	Overhead Lines	583-102	11,415	-	11,415	-	11,415
41	Underground Lines	584-102	-	-	-	-	-
42	Meters - P/R Only	586-101	6,522	-	6,522	-	6,522
43	Meters-Maintenance	586-102	8,210	-	8,210	-	8,210
44	Meters-Data Services	586-103	24,658	-	24,658	-	24,658
45	Customers Install P/R Only	587-100	-	-	-	-	-
46	St Lights & Sign P/R Only	588-101	-	-	-	-	-
47	Misc Distrib. P/R Only	588-102	-	-	-	-	-
48	Misc Distrib. Expense	588-103	43,060	-	43,060	-	43,060
49	Lease - Motor Vehicle	589-100	41,426	-	41,426	-	41,426
50	Total Operating Expense—Distribution		\$ 342,271	\$ -	\$ 342,271	\$ -	\$ 342,271
Operating Expense—Customer Service							
51	Meter Reading - P/R Only	902-000	\$ -	-	\$ -	-	\$ -
52	Rec & Collection - P/R Only	903-000	54,653	-	54,653	-	54,653
53	Education and Training	916-001	12,101	-	12,101	-	12,101
54	Total Operating Expense—Customer Service		\$ 66,754	\$ -	\$ 66,754	\$ -	\$ 66,754

Block Island Utility District

Docket No. 4975
Schedule RCS-1
Page 3 of 5

Summary of Revenues and Expenses at Present and Proposed Rates
Rate Year Ended December 31, 2020

Line No.	Description	Account No.	Rate Year Amount Per BIUD (A)	Division Adjustments (B)	Rate year at Present Rates (C)	Proposed Rate Increase (D)	Rate Year at Proposed Rates (E)
Operating Expense—Administrative							
55	Office Salaries - P/R Only	920-001	\$ 14,678		\$ 14,678		\$ 14,678
56	Accrued Vacation	920-003	5,610		5,610		5,610
57	Vacation Pay - P/R Only	920-004	-		-		-
58	Holiday Pay - P/R Only	920-005	-		-		-
59	Holiday Not Worked - P/R Only	920-006	-		-		-
60	Sick Leave Pay - P/R Only	920-007	-		-		-
61	Personal Pay - P/R Only	920-008	-		-		-
62	President's Compensation	920-009	157,597		157,597		157,597
63	CFO Compensation	920-010	-		-		-
64	COO Compensation	920-011	-		-		-
65	Admin & Management - P/R Only	920-012	-		-		-
66	Bonus - P/R Only	926-004	-		-		-
67	Office supplies and Expense	921-001	36,449		36,449		36,449
68	Directors Meetings	921-002	-		-		-
69	Trash Removal	921-004	5,785		5,785		5,785
70	Plant Expense	921-005	12,771		12,771		12,771
71	Utilities Expense	921-006	13,008		13,008		13,008
72	Telephone Expense	921-007	30,240		30,240		30,240
73	O/S-Outside Services	923-000	7,239		7,239		7,239
74	O/S-Payroll Processing	923-005	4,583		4,583		4,583
75	O/S-General Regulatory Accounting	923-006	26,430		26,430		26,430
76	O/S-General Regulatory Legal	923-013	33,986		33,986		33,986
77	Legal & Accounting Rate Case	923-009	0		0		0
78	O/S-Legal-General	923-012	35,500		35,500		35,500
79	Accounting	923-019	37,027		37,027		37,027
80	Accounting-Audit	923-020	30,580		30,580		30,580
81	Accounting-Bookkeeping	923-022	30,281		30,281		30,281
82	Accounting-Taxes	923-024	-		-		-
83	Board Clerk	923-025	7,200		7,200		7,200
84	General Liability Ins	924-000	185,000		185,000		185,000
85	Employee Pension	926-001	91,500		91,500		91,500
86	Travel And Misc. Expense	926-002	5,345		5,345		5,345
87	Employee Benefits	926-003	94,971		94,971		94,971
88	Wellness Program	926-005	-		-		-
89	Benefits-coshare	926-006	(16,822)		(16,822)		(16,822)
90	Health Ins-Deductible Payable	926-007	3,913		3,913		3,913
91	Reg Comm Exp	928-001	29,954	(3,278)	26,676		26,676
92	Rate Case Expense	928-002	50,000		50,000		50,000
93	Employer 401k contribution	930-020	23,220		23,220		23,220
94	Bad Debt	930-021	(0)		(0)		(0)
95	Management Fee Bonus	930-023	-		-		-
96	Environmental	930-025	53,824		53,824		53,824
97	Web Design	930-029	0		0		0
98	Software & Billing Service	931-000	57,820		57,820		57,820
99	Total Operating Expense—Administrative		\$ 1,067,687	\$ (3,278)	\$ 1,064,409	\$ -	\$ 1,064,409

Block Island Utility District

Docket No. 4975
Schedule RCS-1
Page 4 of 5

Summary of Revenues and Expenses at Present and Proposed Rates
Rate Year Ended December 31, 2020

Line No.	Description	Account No.	Rate Year Amount Per BIUD (A)	Division Adjustments (B)	Rate year at Present Rates (C)	Proposed Rate Increase (D)	Rate Year at Proposed Rates (E)
Maintenance Expense—Power Production							
100	Supervision - P/R Only	551-201	\$ -	-	\$ -	-	-
101	Maintenance Of Struct P/R Only	553-203	-	-	-	-	-
102	Maint. Of Gen & Elect Pit	551-202	8,568	-	8,568	-	8,568
103	Small Tools	553-201	6,383	-	6,383	-	6,383
104	Tank Testing & Fuel Maint	553-202	25,000	-	25,000	-	25,000
105	Maint. Of Structures	553-204	4,718	-	4,718	-	4,718
106	Maint General Plant	553-206	9,762	-	9,762	-	9,762
107	Tank Replacement	553-207	0	-	0	-	0
108	General Maintenance	553-209	6,464	-	6,464	-	6,464
109	SCR Maint	549-113	-	-	-	-	-
110	SCR & Engine Maint Res.Exp.	549-114	90,000	-	90,000	-	90,000
111	Major Engine Maintenance	553-200	2,405	-	2,405	-	2,405
112	General Engine Maintenance	553-213	5,856	-	5,856	-	5,856
113	Engine Testing	553-219	-	-	-	-	-
114	Engine Rental (Non FAC)	553-220	-	-	-	-	-
115	Haz. Waste Store/Remove/Hld	553-221	5,210	-	5,210	-	5,210
116	Cellular Tower Maint & Expense	553-222	9,328	-	9,328	-	9,328
117	Misc.	554-203	1,006	-	1,006	-	1,006
118	Total Maintenance Expense—Power Production		\$ 174,700	\$ -	\$ 174,700	\$ -	\$ 174,700
Maintenance Expense—Distribution System							
119	Supervision - P/R Only	590-200	\$ -	-	\$ -	-	-
120	Overhead Lines - P/R Only	593-202	130,083	-	130,083	-	130,083
121	Fire Damage Repairs-PR	593-205	-	-	-	-	-
122	Storm Damage Repairs-PR	593-207	-	-	-	-	-
123	Underground - P/R Only	595-202	-	-	-	-	-
124	Meters - P/R Only	598-201	-	-	-	-	-
125	Station Equip	592-200	-	-	-	-	-
126	Truck Repair	549-104	26,546	-	26,546	-	26,546
127	Supplies	549-105	20,663	-	20,663	-	20,663
128	Tree Trimming	593-203	120,000	-	120,000	-	120,000
129	Fire Damage Repairs	593-204	(0)	-	(0)	-	(0)
130	Storm Damage Repairs	593-206	55,978	-	55,978	-	55,978
131	Transformer Expense	595-201	-	-	-	-	-
132	Maint Of Street Lights	596-202	-	-	-	-	-
133	Misc	596-203	-	-	-	-	-
134	Gasoline	554-201	10,125	-	10,125	-	10,125
135	Backhoe/Tractor Repair	598-202	-	-	-	-	-
136	Total Maintenance Expense—Distribution System		\$ 363,395	\$ -	\$ 363,395	\$ -	\$ 363,395

Block Island Utility District

Docket No. 4975
Schedule RCS-1
Page 5 of 5

Summary of Revenues and Expenses at Present and Proposed Rates
Rate Year Ended December 31, 2020

Line No.	Description	Account No.	Rate Year Amount Per BUUD (A)	Division Adjustments (B)	Rate year at Present Rates (C)	Proposed Rate Increase (D)	Rate Year at Proposed Rates (E)
Taxes							
137	Property Taxes	408-010	\$ 0		\$ 0		\$ 0
138	Payroll Taxes	408-030	\$ 59,543		\$ 59,543		\$ 59,543
139	RI Sales Tax	408-050	(0)		(0)		(0)
140	RI Gross Earnings Tax	408-061	(0)		(0)		(0)
141	Registrations	408-071	841		841		841
142	Federal Income Tax	409-010	(0)		(0)		(0)
143	Net Change In Deferred Tx						
144	Total Taxes		\$ 60,383	\$ -	\$ 60,383	\$ -	\$ 60,383
Depreciation							
145	Depreciation		\$ -		\$ -		\$ -
146	Total Depreciation		\$ -	\$ -	\$ -	\$ -	\$ -
Other Deductions							
147	Advertising	426-052	\$ 274		\$ 274		\$ 274
148	Misc other expenses	426-054	112		112		112
149	Bank Service Fees	426-056	2,142		2,142		2,142
150	Finance Charges	426-057	147		147		147
151	Efficiency Program		120,000		120,000		120,000
152	Total Other Deductions		\$ 122,676	\$ -	\$ 122,676	\$ -	\$ 122,676
Debt Service and Capital Expenditures							
153	Interest on RUS Loan	427-001	\$ (0)		\$ (0)		\$ (0)
154	Interest on Engine 26 Loan	427-002	-		-		-
155	Interest - Other	427-003	14,476		14,476		14,476
156	AIC Interest	427-004	-		-		-
157	Interest on CFC Loan		184,455	25,453	209,908		209,908
158	Principal Paid on CFC Loan		113,064	(7,936)	105,128		105,128
159	Capitalized Labor		-		-		-
160	Net Operating Reserve		95,864	(47,981)	47,883		47,883
161	Voltage Conversion Capital Fund		62,441	33,743	96,184		96,184
162	Capital Fund-Inventory Purchased & Used		93,000		93,000		93,000
163	Capital Fund-Capitalized Expenditures		307,000		307,000		307,000
164	Total Debt Service and Capital Expenditures		\$ 870,300	\$ 3,278	\$ 873,578	\$ -	\$ 873,578
165	Total Expenses		\$ 3,291,336	\$ -	\$ 3,291,336	\$ -	\$ 3,291,336

Notes and Source:

Column A: Company Schedule DOB-RY-3

Column B: Schedule RCS-2

Block Island Utility District
Summary of Adjustments

Rate Year Ended December 31, 2020

Docket No. 4975
Schedule RCS-2
Page 1 of 1

Line No.	Description	Division Adjustments	RI PUC Assessment RCS-3	Operating Reserve RCS-4	Interest and Principal on CFC Loan RCS-5	Voltage Conversion Capital Fund RCS-6
Revenue						
1	Operating Revenue - Rate Revenue	\$ -				
2	Other Revenue	-				
3	Total Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Expenses						
Operations and Maintenance Expense						
4	Operating Expense---Power Production	\$ -				
5	Operating Expense---Distribution	-				
6	Operating Expense---Customer Service	-				
7	Operating Expense---Administrative	(3,278)	(3,278)			
8	Maintenance Expense---Power Production	-				
9	Maintenance Expense---Distribution System	-				
10	Total Operations and Maintenance Expense	\$ (3,278)	\$ (3,278)	\$ -	\$ -	\$ -
11						
12	Taxes	\$ -				
13	Depreciation	\$ -				
14	Other Deductions	\$ -				
Debt Service and Capital Expenditures						
15	Debt Service and Capital Expenditures	\$ 17,517			\$ 17,517	
16	Net Operating Reserve	(47,981)		(47,981)		
17	Voltage Conversion Capital Fund	33,743				33,743
18	Capital Fund-Inventory Purchased & Used	-				
19	Capital Fund-Capitalized Expenditures	-				
20	Total Debt Service and Capital Expenditures	\$ 3,278	\$ -	\$ (47,981)	\$ 17,517	\$ 33,743
21	Total Expenses	\$ -	\$ (3,278)	\$ (47,981)	\$ 17,517	\$ 33,743
22	Net Operating Income	\$ -	\$ 3,278	\$ 47,981	\$ (17,517)	\$ (33,743)

Block Island Utility District
RI PUC Assessment

Docket No. 4975
Schedule RCS-3
Page 1 of 1

Rate Year Ended December 31, 2020

Line No.	Description	Company Adjusted (A)	Division Adjusted (B)	Division Adjustment (C) = (B) - (A)
1	Adjustment to RI PUC Assessment	\$ 24,012	\$ 20,734	\$ (3,278)

Notes and Source

Company responses to Division 1-24 and 3-4

Block Island Utility District
Operating Reserve
Rate Year Ended December 31, 2020

Docket No. 4975
Schedule RCS-4
Page 1 of 1

Line No.	Description	Company Adjusted (A)	Division Adjusted (B)	Division Adjustment (C) = (B) - (A)
1	Total Revenue or Expense before Operating Reserve	\$ 3,195,472 [1]	\$ 3,195,472 [1]	
2	Division Adjustment to Operating Expenses		\$ (3,278) [2]	
3	Total Revenue Before Operating Reserve	\$ 3,195,472		
4	Division Adjusted Revenue before Operating Reserve		\$ 3,192,194	
5	Percent	3.0%	1.5%	
6	Adjustment to Operating Reserve	\$ 95,864	\$ 47,883	\$ (47,981)

Notes and Source

Col. A: Company Schedule DGB-RY-3, page 4 of 5 and the Company's response to Division 3-5

	Per Company	Company	Division Adjusted	Division Adjustment
7	Total Exp. Debt Svc & Capital Funds, Schedule RCS-1, p.1, line 23	\$ 3,291,336		
8	Operating Reserve, Schedule RCS-1, p.5, col. A, line 160	\$ 95,864	\$ 47,932 [3]	\$ (47,932)
9	Totals before calculating Operating Reserve	\$ 3,195,472 [1]		

[2] Schedule RCS-2, line 10

[3] If applied to Company's proposed base, using 1.5% rather than BIUD's proposed 3.0% would reduce BIUD's amount by half.

Block Island Utility District
Interest and Principal on CFC Loan
Rate Year Ended December 31, 2020

Docket No. 4975
Schedule RCS-5
Page 1 of 1

Line No.	Description	Company Adjusted (A)	Division Adjusted (B)	Division Adjustment (C) = (B) - (A)
1	Interest on CFC Loan	\$ 184,455	\$ 209,908	\$ 25,453
2	Principal Paid on CFC Loan	\$ 113,064	\$ 105,128	\$ (7,936)
3	Interest and Principal on CFC Loan	<u>\$ 297,519</u>	<u>\$ 315,035</u>	<u>\$ 17,517</u>

Notes and Source

Col.B: Company's response to Division 3-14:

	Payment Date	Beginning Balance	Total Payment	Principal Payment	Interest Payment	Ending Balance
4	3/31/2020	\$5,774,311.13	\$78,758.87	\$25,923.92	\$52,834.95	\$5,748,387.21
5	6/30/2020	\$5,748,387.21	\$78,758.87	\$26,161.13	\$52,597.74	\$5,722,226.08
6	9/30/2020	\$5,722,226.08	\$78,758.87	\$26,400.50	\$52,358.37	\$5,695,825.58
7	12/31/2020	\$5,695,825.58	\$78,758.87	\$26,642.07	\$52,116.80	\$5,669,183.51
8	2020 Totals:		<u>\$315,035.48</u>	<u>\$105,127.62</u>	<u>\$209,907.86</u>	<u>\$5,669,183.51</u>
9	3/31/2021	\$5,669,183.51	\$78,758.87	\$26,885.84	\$51,873.03	\$5,642,297.67
10	6/30/2021	\$5,642,297.67	\$78,758.87	\$27,131.85	\$51,627.02	\$5,615,165.82
11	9/30/2021	\$5,615,165.82	\$78,758.87	\$27,380.10	\$51,378.77	\$5,587,785.72
12	12/31/2021	\$5,587,785.72	\$78,758.87	\$27,630.63	\$51,128.24	\$5,560,155.09
13	2021 Totals:		<u>\$315,035.48</u>	<u>\$105,127.62</u>	<u>\$209,907.86</u>	<u>\$5,560,155.09</u>
14	3/31/2022	\$5,560,155.09	\$78,758.87	\$27,883.45	\$50,875.42	\$5,532,271.64
15	6/30/2022	\$5,532,271.64	\$78,758.87	\$28,138.58	\$50,620.29	\$5,504,133.06
16	9/30/2022	\$5,504,133.06	\$78,758.87	\$28,396.05	\$50,362.82	\$5,475,737.01
17	12/31/2022	\$5,475,737.01	\$78,758.87	\$28,655.88	\$50,102.99	\$5,447,081.13
18	2022 Totals:		<u>\$315,035.48</u>	<u>\$105,127.62</u>	<u>\$209,907.86</u>	<u>\$5,447,081.13</u>
19	3/31/2023	\$5,447,081.13	\$78,758.87	\$28,918.08	\$49,840.79	\$5,418,163.05
20	6/30/2023	\$5,418,163.05	\$78,758.87	\$29,182.68	\$49,576.19	\$5,388,980.37
21	9/30/2023	\$5,388,980.37	\$78,758.87	\$29,449.70	\$49,309.17	\$5,359,530.67
22	12/31/2023	\$5,359,530.67	\$78,758.87	\$29,719.16	\$49,039.71	\$5,329,811.51
23	2023 Totals:		<u>\$315,035.48</u>	<u>\$105,127.62</u>	<u>\$209,907.86</u>	<u>\$5,329,811.51</u>
24	3/31/2024	\$5,329,811.51	\$78,758.87	\$29,991.09	\$48,767.78	\$5,299,820.42
25	6/30/2024	\$5,299,820.42	\$78,758.87	\$30,265.51	\$48,493.36	\$5,269,554.91
26	9/30/2024	\$5,269,554.91	\$78,758.87	\$30,542.44	\$48,216.43	\$5,239,012.47
27	12/31/2024	\$5,239,012.47	\$78,758.87	\$30,821.91	\$47,936.96	\$5,208,190.56
28	2024 Totals:		<u>\$315,035.48</u>	<u>\$105,127.62</u>	<u>\$209,907.86</u>	<u>\$5,208,190.56</u>

Block Island Utility District
Voltage Conversion Capital Fund

Docket No. 4975
Schedule RCS-6
Page 1 of 1

Rate Year Ended December 31, 2020

Line No.	Description	Company Adjusted (A)	Division Adjustment (B)	Division Adjusted (C) = (A)+(B)
1	Voltage Conversion Capital Fund	\$ 62,441	\$ 33,743	\$ 96,184
2	Division Adjustment to Sch. RCS-2		\$ 33,743	
<u>Notes and Source</u>				
Division adjustment maintains revenue neutrality				

TARIFFS

BLOCK ISLAND UTILITY DISTRICT
Block Island, Rhode Island

R.I. PUC No. 4975
Sheet No. 1
Canceling R.I. PUC No. 4690
Effective: _____

RESIDENTIAL SERVICE

RATE "R"

AVAILABILITY

- Available only for low voltage service where the use is predominately for residential purposes.
- Available in individual residences and in individually metered dwelling units in multifamily dwellings.
- Available in churches and adjacent buildings operated in connection therewith.
- Available only if Customer takes his entire electric energy requirements from the District.
- Not available if customer makes use of auxiliary generating equipment in lieu of service available from the District.
- Not available for residential premises in which three (3) or more rooms are available for hire.
- Not available for temporary, auxiliary or emergency service.

MONTHLY RATE

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

	For Service During the months of <u>July – August</u>	For Service During the months of <u>May; June; September and October</u>	For Service During all other Months
1. Customer Charge	\$10.00 per month	\$10.00 per month	\$10.00 per month
2. System Charge	see "APPLICATION OF SYSTEM CHARGE"		
3. Plant/Distribution Charge	28.50¢ per kWh	14.25¢ per kWh	8.95¢ per kWh
4. Efficiency Charge	1.00¢ per kWh	0.395¢ per kWh	no Charge
5. Transmission Charge	As determined in accordance with Rider "TMC"		
6. Standard Offer Rate	As determined in accordance with Rider "SOR"		
7. Fuel Adjustment Charge	As determined in accordance with Rider "FAC"		

BLOCK ISLAND UTILITY DISTRICT
Block Island, Rhode Island

R.I. PUC No. 4975
Sheet No. 2
Canceling R.I. PUC No. 4690
Effective: _____

APPLICATION OF SYSTEM CHARGE

The System Charge of \$25.00 will be applied in each summer billing month (June through September) to each customer whose kilowatt-hour (kWh) use in a summer billing month exceeds two (2) times the customer's Average Kilowatt-Hour Use in the preceding eight (8) winter billing months (October through May). Average Kilowatt-Hour Use for the preceding winter billing months is computed by dividing the aggregate use for each customer during the most recent October - May billing months by eight (8). The denominator of eight (8) is used irrespective of the number of months in which the customer received electric service or for which the customer was billed during that period.

RIDER "TMC" - TRANSMISSION COST

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

RIDER "SOR" - STANDARD OFFER RATE

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

RIDER "FAC" - FUEL ADJUSTMENT CHARGE

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

GENERAL TERMS AND CONDITIONS

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

BLOCK ISLAND UTILITY DISTRICT
Block Island, Rhode Island

R.I. PUC No. 4975
Sheet No. 1
Canceling R.I. PUC No. 4690
Effective: _____

COMMERCIAL SERVICE

RATE "C"

AVAILABILITY

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

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

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

Not available for temporary, auxiliary or emergency service.

Available to customers having metered demands of less than eight (8.0) kW in all months and energy use below 20,000 kWh for a twelve-month period. Customers for whom usage in excess of these limits will be served under the District's General Service rate schedule, Rate "GS".

MONTHLY RATE

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

	For Service During the months of <u>July – August</u>	For Service During the months of <u>May; June; September and October</u>	For Service During all other Months
1. Customer Charge	\$10.00 per Month	\$10 per month	\$10 per month
2. System Charge	see "APPLICATION OF SYSTEM CHARGE"		
3. Plant/Distribution Charge	34.50¢ per kWh	17.10¢ per kWh	10.70¢ per kWh
4. Efficiency Charge	1.00¢ per kWh	0.395¢ per kWh	no Charge
5. Transmission Charge	As determined in accordance with Rider "TMC"		
6. Standard Offer Rate	As determined in accordance with Rider "SOR"		
7. Fuel Adjustment Charge	As determined in accordance with Rider "FAC"		

BLOCK ISLAND UTILITY DISTRICT
Block Island, Rhode Island

R.I. PUC No. 4975
Sheet No. 2
Canceling R.I. PUC No. 4690
Effective: _____

APPLICATION OF SYSTEM CHARGE

The System Charge of \$25.00 will be applied in each summer billing month (June through September) to each customer whose kilowatt-hour (kWh) use in a summer billing month exceeds two (2) times the customer's Average Kilowatt-Hour Use in the preceding eight (8) winter billing months (October through May). Average Kilowatt-Hour Use for the preceding winter billing months is computed by dividing the aggregate use for each customer during the most recent October – May billing months by eight (8). The denominator of eight (8) is used irrespective of the number of months in which the customer received electric service or for which the customer was billed during that period.

RIDER "TMC" - TRANSMISSION COST

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

RIDER "SOR" - STANDARD OFFER RATE

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

RIDER "FAC" – FUEL ADJUSTMENT CHARGE

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

GENERAL TERMS AND CONDITIONS

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

BLOCK ISLAND UTILITY DISTRICT
Block Island, Rhode Island

R.I. PUC No. 4975
Sheet No. 1
Canceling R.I. PUC No. 4690
Effective: _____

GENERAL SERVICE

RATE "GS"

AVAILABILITY

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

Available for auxiliary or emergency service.

Available to customers whose monthly metered demands exceed 8.0 kW, or whose energy usage exceeds 20,000 kWh for any month within a twelve (12) month period.

MONTHLY RATE

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

	For Service During the months of <u>July – August</u>	For Service During the months of <u>May; June; September and October</u>	For Service During all other Months
Customer Charge	\$32.00 per month	\$32.00 per month	\$32.00 per month
2. Demand Charge	\$9.25 per kW	\$9.25 per kW	\$9.25 per kW
3. Plant/Distribution Charge	25.00¢ per kWh	12.00¢ per kWh	8.00¢ per kWh
4. Efficiency Charge	1.00¢ per kWh	0.395¢ per kWh	no Charge
5. Transmission Charge	As determined in accordance with Rider "TMC"		
6. Standard Offer Rate	As determined in accordance with Rider "SOR"		
7. Fuel Adjustment Charge	As determined in accordance with Rider "FAC"		

BLOCK ISLAND UTILITY DISTRICT
Block Island, Rhode Island

R.I. PUC No. 4975
Sheet No. 2
Canceling R.I. PUC No. 4960
Effective: _____

APPLICATION OF DEMAND CHARGE

The demand charge for this rate shall be computed as the applicable demand charge times the customer's highest metered kWh demand in the months of July and August and shall be billed at that amount for each month until recalibrated, higher or lower, during the next succeeding July and August.
For any customer whose prior July and August kW readings are yet available, that customer shall be billed at the rate of \$4.00 per metered kW until a July or August reading is available.

RIDER "TMC" - TRANSMISSION COST

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

RIDER "SOR" - STANDARD OFFER RATE

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

RIDER "FAC" - FUEL ADJUSTMENT CHARGE

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

GENERAL TERMS AND CONDITIONS

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

BLOCK ISLAND UTILITY DISTRICT
Block Island, Rhode Island

R.I. PUC No. 4975
Sheet No. 1
Canceling R.I. PUC No. 4579
Effective: _____

STREET LIGHTING SERVICE

RATE "S"

AVAILABILITY

Available for all street lighting and pole-mounted flood lighting purposes on the District's existing distribution lines suitable for supplying the service requested. The District will furnish, maintain, and operate mercury vapor lamps of 6000 mean lumens and light emitting diode ("LED") lamps of at least 6000 mean lumens.

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

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

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

MONTHLY RATE

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

<u>Lamps</u>	<u>Monthly Charge</u>
Mercury Vapor 6000 mean lumen	\$17.39
73W LED/6800 lumens	\$7.37
125 W LED/11800 lumens	\$12.61

BILLING

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

TERMS OF CONTRACT

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

GENERAL TERMS AND CONDITIONS

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

BLOCK ISLAND UTILITY DISTRICT
Block Island, Rhode Island

R.I. PUC No. 4975
Sheet No. 1
Canceling R.I. PUC No. 4849
Effective: _____

WAIVER OF CREDIT CARD/DEBIT CARD/E-CHECK PAYMENT PROVISION

Availability:

Customers of Block Island Utility District (BIUD) have the option of paying their electric bills issued by BIUD through the use of a credit or debit card or e-check. Residential and Non-Residential customers, as determined by the BIUD rate schedule designations, have the option to make these payments by the use of such cards or e-check. Payments are accepted both on line at BIUD's website, through the SmartHub application or by Veri-Phone.

Payment Types:

The following payment methods shall be accepted under this provision:

1. Visa and MasterCard;
2. Debit Cards issued by a financial institution which include the card association symbol of MasterCard or Visa;
3. E-checks.

Fees:

Customers choosing to make payment under this option will not be charged a fee. This applies to both Residential and Non-Residential customers.

BIUD's customer must initiate each payment transaction. Initiating one payment transaction does not establish future payment transactions for a customer.

Payment Amount

Customers who chose to make payments under this provision shall have the ability to make partial payments. Additionally, BIUD shall not deny a customer's use of these payment options because the customer's account is past due.

Terms and Conditions

BIUD's Terms and Conditions, as may be amended from time to time, and where consistent with the specific provisions hereof, are a part of this provision.

BLOCK ISLAND UTILITY DISTRICT
Block Island, Rhode Island

RI PUC No. 4975
R.I. PUC No. 4690
Sheet No. 1
Effective: May 1, 2019

STANDARD OFFER & TRANSMISSION COST RATES

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

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

BLOCK ISLAND UTILITY DISTRICT
Block Island, Rhode Island

R.I. PUC No. 4975
Sheet No. 1
Canceling R.I.PUC No.4690
Effective: _____

STANDARD OFFER RATE RIDER

RATE "SOR"

STANDARD OFFER RATE

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

STANDARD OFFER RATE CALCULATION:

The per-unit rate of the Standard Offer shall be calculated every twelve (12) months and submitted to the Rhode Island Public Utilities Commission (Commission) for approval. The calculation of the per-unit rate is as follows:

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

APPROVAL:

The per-unit rate of the Standard Offer shall be calculated every twelve (12) months and submitted to the Rhode Island Public Utilities Commission (Commission) for approval. The rate approved by the Commission shall remain in effect until the Commission approves a new rate.

GENERAL TERMS AND CONDITIONS

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

BLOCK ISLAND UTILITY DISTRICT
Block Island, Rhode Island

R.I. PUC No. 4975
Sheet No. 1
Canceling R.I.PUC No.4690
Effective: _____

TRANSMISSION COST RIDER

RATE "TMC"

TRANSMISSION COST RATE

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

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

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

TRANSMISSION RATE CALCULATION:

The per-unit rate of the Transmission cost along with the Standard Offer shall be calculated every twelve (12) months and submitted to the Rhode Island Public Utilities Commission (Commission) for approval. The calculation of the per-unit rate is as follows:

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

BLOCK ISLAND UTILITY DISTRICT
Block Island, Rhode Island

R.I. PUC No. 4975
Sheet No. 2
Canceling R.I.PUC No.4690
Effective: _____

APPROVAL:

The per-unit rate of the Standard Offer shall be calculated every twelve (12) months and submitted to the Rhode Island Public Utilities Commission (Commission) for approval. The rate approved by the Commission shall remain in effect until the Commission approves a new rate.

GENERAL TERMS AND CONDITIONS

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

BLOCK ISLAND UTILITY DISTRICT
Block Island, Rhode Island

R.I. PUC No. 4975
Sheet No. 1
Canceling R.I.PUC No. 4690
Effective: _____

FUEL ADJUSTMENT CLAUSE RIDER

RATE "FAC"

FUEL ADJUSTMENT CHARGE

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

FUEL AND UREA FINANCING COST:

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

FUEL AND UREA USAGE EXPENSE:

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

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

ENGINE RENTAL EXPENSE:

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

DSI FUND:

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

BLOCK ISLAND UTILITY DISTRICT
Block Island, Rhode Island

R.I. PUC No. 4975
Sheet No. 2
Canceling R.I.PUC No.4690
Effective: _____

FAC FACTOR:

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

APPROVAL:

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

GENERAL TERMS AND CONDITIONS

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

TERMS AND CONDITIONS

**BLOCK ISLAND UTILITY DISTRICT
dba BLOCK ISLAND POWER COMPANY**

TERMS AND CONDITIONS

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

A. Definitions

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

"Company" shall mean the Block Island Utility District dba Block Island Power Company.

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

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

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

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

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

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

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

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

"Commercial Customer" shall mean any Customer subject to billing under the terms of the Company's Commercial Service Rate Schedule Rate "C".

"General Service Customer" shall mean any Customer subject to billing under the terms of the Company's General Service Rate Schedule "GS".

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

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

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

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

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

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

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

B. Application for Service

I. Application for Service must:

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

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

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

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

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

C. Availability of Service

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

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

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

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

to him, or for his benefit.

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

E. Service Connections

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

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

An Applicant, or Customer, may obtain an underground service connection from overhead wires only by installing, maintaining, and relocating, as required, the underground service connections at his own expense. All underground systems installed henceforth shall be a direct burial system with conduit, messenger, pad mount vaults, and hand holds every five hundred (500) feet. All underground wires will be laid on a base of no less than three (3) inches of sand and covered by no less than three (3) inches of sand. All work must be completed in compliance with applicable sections of the National Electric Safety Code (NESC) and Rhode Island general laws.

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

F. Temporary Service Connection

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

G. Condition of Customer Equipment

All Customer Equipment, including all wiring, equipment, apparatus and appurtenances supplied, installed, or furnished by a Customer shall conform to the Company's requirements under these Terms and Conditions and shall at all times conform to the requirements and regulations of applicable national, state, and local codes. The Company may refuse to commence service or may terminate service if the condition of any Customer Equipment, on the premises to be served, or being served, are not installed and maintained in accordance with the standards required by any federal, state, or local governmental authority and these Terms and Conditions.

H. Company's Right to Inspect Customer Equipment

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

I. Company's Right to Enter Customer Premises

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

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

J. Customer Deposits

1. **Residential Customers** - Customer Deposits from Residential Customers shall be assessed in accordance with the rules prescribing standards for electric utilities promulgated by the Rhode Island Division of Public Utilities and Carriers. Therefore, the Company hereby incorporates, by reference, the terms of the rules prescribing standards for electric utilities promulgated by the Rhode Island Division of Public Utilities and Carriers as part of these Terms and Conditions with respect to its Residential Customers.
2. **Non-Residential Customers** - The Company reserves the right to require a Customer to make cash Customer Deposit with the Company of an amount not to exceed an amount equivalent to

the aggregate of the Customer's two greatest bills for electric service during the prior calendar year. In the case of an Applicant, the Company shall use its best estimate of an amount equivalent to the two greatest bills which the Applicant may incur as a Customer over the next succeeding twelve calendar months, using the load and service characteristics anticipated in that period. Thereafter, the Company may increase the required amount of any Customer Deposit once each calendar year to an amount not to exceed the aggregate of the Customer's two greatest monthly bills rendered within the most recent twelve month period.

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

K. Rates for Electric Service

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

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

L. Billing

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

Bills, in general, will be based upon meter readings, but bills will be adjusted to compensate for errors in meter registration and meter reading and the application of rate schedules to intervals of greater or less than a month. In the event of a stoppage or failure of a meter to register, the Customer will be billed for such period on estimated consumption and demand, where applicable, based upon his use of electric energy and demand, where applicable, in a similar period of like use or on the basis of check meter readings, if available and accurate. Adjustments shall be limited to the Customer last served at that particular delivery point.

M. Late Payment Charge

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

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

N. Averaged Payment Plan

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

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

twelfth monthly bill will be adjusted to reflect actual use during the twelve month period then ended. During each twelve (12) month period of the Averaged Payment Plan year, the Company will provide, with each monthly billing, a statement showing the actual charges incurred during the current Averaged Payment Plan year and the aggregate of the amounts billed through that month. In no instance shall any deviation from the amounts billed on the Average Payment Plan absolve the Customer from paying the actual charges incurred during the twelve month period then ended.

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

O. Demand Metering

The Company's smart meters measure kilo-watt demand in five (5) minute intervals. Commercial customers for whom a fifteen (15) minute interval is in excess of 8 kilowatts will be transferred to the General Service (GS) Rate.

P. Termination of Service

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

1. A dangerous condition exists, or is reasonably thought to exist, on the Customer's premises in any Company property and/or any Customer Equipment, including all wiring and energy-consuming devices;
2. Unauthorized or Fraudulent use of electric energy obtained from the Company;
3. Tampering with any Company equipment, including distribution lines, service lines, transformers, switches, protective devices, and meters;

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

Q. Reconnection of Service

1. When electric service is terminated for any reason set forth in Section P, there shall be a Reconnection Charge equal to the sum of:
 - a) \$40.00, if the Customer requests service be restored during the Company's normal working hours, or \$75.00, if the Customer requests that service be restored at a time other than the Company's normal working hours; and
 - b) the sum of the monthly Customer Charges for each month that service has been disconnected and no Customer Charge has been paid.
2. Further, the Company shall not be required to restore service terminated for any of the reasons set forth in Section P of these Terms and Conditions until:
 - a) Dangerous conditions are removed, or reasonably demonstrated not to exist, within Company property and/or Customer Equipment, including all wiring and electric energy-consuming devices on the Customer's premises;
 - b) All violations of these Terms and Conditions are corrected;
 - c) An arrangement, satisfactory to the Company, is made for the payment of all bills for service;
 - d) A Customer Deposit, in an amount satisfactory to the Company, is made to assure payment of bills for service; and
 - e) The Reconnection Charge is paid.

R. **Line Extensions [Over head COH) & Underground CUG)]**

- 1) The Company shall construct or install overhead or underground distribution facilities or other equipment determined by the Company to be appropriate as specified in the National Electric Safety Code (NESC) and RUS Construction Standards. Whenever it is necessary to provide service and a Customer requests the Company to extend or install poles, distribution lines or other service equipment to the Customer's home, premises or facility in order to supply service, the Company will furnish the necessary poles, wires, or equipment in accordance with the National Electric Safety Code (NESC) and RUS Construction Standards. All such equipment, poles, and wires shall remain the property of and maintained by the Company any individual or organization who requests an attachment to distribution facilities, utility poles, or span between such poles, shall comply with the Company's specifications and policies governing the type of construction, metering, attachment fees, easements, permissions and electrical inspections required.
 - 2) The Company shall make, or cause to be made, application for any necessary street permits, and shall not be required to supply service until a reasonable time after such permits are granted. The Customer shall obtain or cause to be obtained all permits or certificates, except street permits, necessary to give the Company or its agents' access to the Customer's equipment and to enable its conductors to be connected with the Customer's equipment.
 - 3) The Customer shall furnish and install upon its premises such service conductors, service equipment, including circuit breaker if used, and meter mounting device as shall conform with specifications issued from time to time by the Company, and the Company will seal such service equipment and meter mounting device, and adjust, set and seal such circuit breaker, and such seals shall not be broken and such adjustments or settings shall not be changed or in any way interfered with by the Customer.
 - 4) The Customer shall furnish and maintain, at no cost to the Company, the necessary space, housing, fencing, and foundations for all equipment that is installed on its premises in order to supply the Customer with local distribution service, whether such equipment is furnished by the Customer or the Company. Such space, housing, fencing, and foundations shall be in conformity with the Company's specifications and subject to its approval.
 - 5) Meters of either the indoor or outdoor type shall be installed by the Company at locations to be designated by the Company. The Company may at any time change any meter installed by it. The Company may also change the location of any meter or change from an indoor type to an outdoor type, provided that the cost of the change shall be borne by the Company. Upon the reading of the Company's meter all bills shall be computed. If more than one meter is installed, unless it is installed at the Company's option, the monthly charge for local distribution service delivered through each meter
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shall be computed separately under the applicable rates. If a meter fails to register properly, electricity used during the period of such failure will be determined from any pertinent information known by the Company, such as by estimation determined on the basis of previous or subsequent use, at the option of the Company.

- 6) All easements and right-of-ways must be satisfactory to the Company and, where obtained from the Customer or Customers to be served, the easement must run to the property line of the next abutting premises and be not less than twenty (20) feet in width.

S. Contributions-In-Aid-of-Construction

1. Amounts assessed as Contributions-In-Aid-of-Construction shall include the Company's actual labor, materials and overheads expenses to complete the construction.

T. Customer Liabilities

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

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

U. Company Liabilities

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

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

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