



**BLOCK ISLAND  
UTILITY DISTRICT**

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

May 22, 2020

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


Ref: Docket No. 5022 Suspension of Service Terminations and Certain Collections Activities during the COVID-19 Emergency

Dear Luly,

Summarized in this correspondence is the Block Island Utility District's response to the request for utilities to provide the following information by May 22, 2020.

**1. Have collections dropped off for residential and non-residential customers over the past eight weeks compared to prior months and prior year?**

Yes, BIUD's total collections since April 1, 2020 are down 10% compared to the same period last year and for the months prior to April.

8 Week Payment Activity April 1 - May 21			
	Collected	MTD Trend	
2019	\$ 421,027	10.0%	
2020	\$ 379,128		

**2. If so, please quantify the extent of the reduction.**

BIUD's total past due balance is now \$56,302. This has increased from roughly \$25,000 in January 2020. The balance is broken down by consumer class below:

TOTAL PAST DUE BALANCE	
Residential	\$43,577
Commercial	\$12,725


BIUD has 1962 accounts. 321 of those accounts have a past due balance. 103 of those accounts have a balance greater than \$100. They are broken down by consumer class as shown below:


RESIDENTIAL ACCOUNTS	
Past Due Balance \$100 - \$999	80
Past Due Balance > \$1,000	10

COMMERCIAL ACCOUNTS	
Past Due Balance \$100 - \$999	8
Past Due Balance > \$1,000	5

**3. What effect has any such reduction had on the utility’s cash flow?**

BIUD traditionally records a loss in each month between November and May which negatively impacts cash flow. This reduction is mitigated by closely managing expenditures, utilizing a line of credit and closely managing cash flows. BIUD has been particularly concerned with cashflow this year due to an clear reduction in sales during the first few weeks of May. BIUD will not know the total sales for May until the billing is processed on June 1<sup>st</sup> but month-to-date National Grid deliveries indicate an 18.8% reduction. The annual and monthly breakdown is shown below:

Total Deliveries May 1 - May 21 (kWh)			
2019	611,521	18.8%	
2020	496,298		

Total Deliveries YTD (kWh)			
2019	3,951,336	3.6%	
2020	3,807,649		

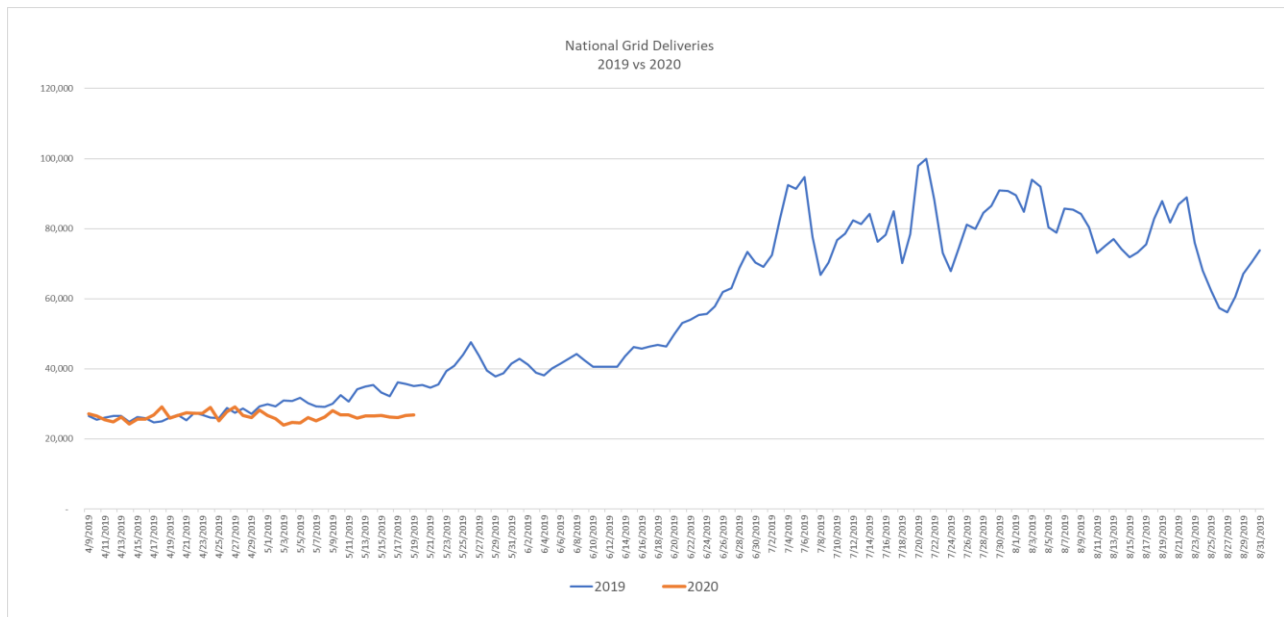
**4. Has the utility been unable to meet any obligations, or does it expect to be unable to meet any financial obligations in the next two weeks if it cannot commence termination of services as a collection option?**

BIUD has been able to meet its financial obligations but is becoming increasingly concerned. BIUD considers collections and sales equally important and has taken the following steps to mitigate the reduction in deliveries/sales and collections.

1. Froze all discretionary spending.
2. Deferred further spending on the remaining tree trimming budget.
3. Deferred all remaining capital spending requiring external resources.
4. Prioritized internal labor focus on capital project not requiring additional purchases.
5. Deferred all inventory purchases for future capital projects.
6. Eliminated all discretionary overtime.
7. Deferred salary increases from the normal adjustment date of June 1, 2020.
8. Postponed the Environmental Mitigation Project

BIUD is collecting information from local businesses to quantify the impact from the virus on its future summer sales and is becoming increasingly concerned with the grim economic outlook. Although the marinas expect to be within 70%-80% capacity, the Block Island Tourism Council is projecting the local rooms and meals tax to be half of a typical year. All hotels we have talked to consistently project a 50% occupancy rate. This projection is consistent with recent national hospitality industry estimates.

BIUD's 2020 load profile compared to 2019 (April 1<sup>st</sup> – August 31<sup>st</sup>) is shown in the graph below:



**5. Provide any information on plans for termination of service of nonpayment absent an extension of this order.**

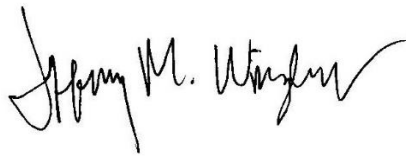
BIUD would like to resume normal collections activities for its commercial members. Block Island is beginning to slowly re-open and the increase in commercial demand will positively impact sales but will also increase our variable expenses embedded in our Standard Offer and Transmission rates. Timely payments from our commercial members

will be critical in ensuring BIUD's ability to meet its obligations. BIUD will work with its commercial members to set up flexible and reasonable payment plans if necessary.

BIUD is less concerned about the past due balances of its residential members due to the more stable level of demand and the lesser overall impact to the variable cost of its power supply and transmission expenses. BIUD is preparing its member outreach for a June 1<sup>st</sup> mailing which will encourage all residential members to contact us to discuss payment plans if necessary.

BIUD will, of course, adhere to all future orders filed by the PUC and Division and will always exhaust all available efforts to assist our members in paying their electric bills before it resorts to disconnects for non-payment.

Respectfully,

A handwritten signature in black ink, appearing to read "Jeffery M. Wright". The signature is fluid and cursive, with a prominent initial "J" and a long, sweeping underline.

Jeffery M. Wright, President  
Block Island Utility District  
dba Block Island Power Company