

August 31, 2018

Via First Class Mail

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

RE: *In re: Block Island Power Company, Inc., Proposed sale of Assets to The Block Island Utility District*

Dear Ms. Massaro:

This office and Hagopian & Hagopian, P.C. represent Sara McGinnes. Please find enclosed for filing in this matter the original and four (4) copies of the Petition of Sara McGinnes for Declaratory Relief and for an Investigation of Proposed Utility Asset Sale. *See Division of Public Utilities and Carriers Rules of Practice and Procedure 4(c) and 13(a).*

Should you have any questions, or if we can provide any additional information, please do not hesitate to contact our office.

Thank you for your time and assistance with this matter.

Sincerely,



W. MARK RUSSO

WMR/mjp
Enclosures

Cc: Katherine A. Merolla Esq. kamlaw2344@aol.com
Mark T. Reynolds, Esq. mtreynolds@rdblawnfirm.com
John Mancini, Esq. jmancini@mancinincarter.com
Jeff Gladstone, Esq. jhg@psh.com

STATE OF RHODE ISLAND
DIVISION OF PUBLIC UTILITIES AND CARRIERS

IN RE: BLOCK ISLAND POWER COMPANY, INC.
Proposed Sale of Assets to THE BLOCK ISLAND
UTILITY DISTRICT

Docket No.:

**PETITION OF SARA MCGINNES FOR DECLARATORY RELIEF AND FOR AN
INVESTIGATION OF PROPOSED UTILITY ASSET SALE**

1. Petitioner, Sara McGinnes, is the owner of 1,955 shares of the stock of Block Island Power Company, Inc. (“BIPCO” and “the Company”), or one-third of the Company’s issued and outstanding shares of stock.

2. The Town of New Shoreham (“the Town”) is the owner of the remaining 3,910 shares of the stock of BIPCO, or two-third of the company’s issued and outstanding shares of stock.

3. BIPCO is a corporation organized and existing under the laws of the State of Rhode Island and which holds a franchise granted by the Rhode Island General Assembly in 1925 to generate and distribute electric power in the Town of New Shoreham (“the BIPCO enabling Act”).

4. The Block Island Utility District (“BIUD”) was created by an Act of the Rhode Island General Assembly in 2017, R.I. Gen. Laws §45-68-1 *et seq.*

5. From 1925 until 2016, when the Town acquired its majority interest in BIPCO, the Company had operated as a privately-owned electric utility company serving the Town. In addition to its unique status as a privately-owned electric utility company, BIPCO owns several unique assets, including, but not limited to, its franchise, the distribution and transmission system established pursuant to its franchise, real estate, and unique improvements thereto in the Town, including a revenue-generating communications tower.

6. As will be more fully briefed, since the installation of the new Town controlled BIPCO Board of Directors on November 8, 2016, the BIPCO Board has forged ahead with the Town's Plan to form a quasi-municipal utility district to acquire BIPCO and its assets, and to otherwise proceed with the Town's publicly disclosed Plan to "retire" McGinnes' ownership interest in BIPCO for less than fair value. The Town's Plan is described in more detail in Count III hereof.

7. In 2017, the General Assembly enacted R.I. Gen. Laws §45-68-1, *et seq.* entitled "Block Island Utility District Act of 2017" (hereinafter, the "District Enabling Act").

8. The District Enabling Act furthers the Town's Plan to "retire" McGinnes' ownership interest in BIPCO, without any procedural or substantive protections for her rights as a minority shareholder, providing in pertinent part:

§45-68-4. Block Island Utility District established.

(a) There is hereby created a quasi-municipal corporation, having a distinct legal existence from the state, to be known as the Block Island utility district, the boundaries of which shall be coterminous with the boundaries of New Shoreham, Rhode Island. The utility district shall have and be entitled to exercise the powers, rights and functions set forth in this chapter.

§45-68-8. Powers of the Utility District.

The utility district shall have the power:

(1) To acquire the BIPCO assets **and to assume the BIPCO debt obligations**. The sale by voluntary purchase of such property and the assumption of such obligations shall be negotiated between BIPCO and the utility district; provided, however, that upon acquiring BIPCO assets, the utility district shall assume and fulfill all of BIPCO's related contractual obligations in full; (Emphasis supplied).

(2) To acquire such other real or personal property by voluntary purchase from the owner or owners of the property, and to the extent that the board of utility commissioners deems it advisable, to acquire

property held by a corporation through acquisition of the stock of the corporation and dissolution of the corporation;

9. Section 45-68-8 (1) of the District enabling legislation putatively gives the District the power to acquire BIPCO's assets by "voluntary purchase" upon terms to be negotiated with BIPCO. Since BIPCO's majority shareholder, the Town, and the ratepayer owned District are indistinguishable – as a matter of law and fact they are one and the same – any such sale would not be an arms-length transaction. Based upon the plain language of the statute, such a sale could arguably be accomplished for less than fair value, depriving McGinnes of her reasonable investment expectations.

10. While Section 45-68-8 (2) of the District enabling legislation gives the District the power to acquire "other...personal property", such as McGinnes' stock, by "voluntary purchase", the District need not do so – and apparently has no intention of doing so – given the power granted to it in subsection (1) of that section to acquire all of BIPCO's assets. Additionally, although subsection (2) of the enabling legislation gives the District the power "to acquire property held by a corporation through acquisition of the stock of the corporation and dissolution of the corporation", again the District need not exercise that authority given its ability to acquire all of BIPCO's assets– and apparently has no intention of doing so.

11. Thus, the District's enabling legislation appears to have been designed and drafted in such a way as to give the District the putative power to accomplish the Town's Plan to "retire" McGinnes' shareholder interest in BIPCO, without paying her fair value.

12. The Division of Public and Utilities and Carriers ("the Division") has jurisdiction over this matter pursuant to R.I. Gen. Laws § §39-1-1 (c), §39-3-24, §39-4-13, §45-68-1, *et seq.* and §42-35-8.

COUNT I
DECLARATORY JUDGMENT AND FOR OTHER RELIEF

13. The allegations in paragraphs 1 – 12 are incorporated by reference as if restated verbatim herein.

14. After some superficial, pretextual, “negotiations” back and forth with the BIPCO Board, on July 20, 2018 the Board of Commissioners of BIUD voted to accept the BIPCO’s offer to sell all of BIPCO’s assets for the sum of \$5.8 million. Notably, that agreement does not include an assumption of BIPCO’s debt by BIUD, as required by the Utility District Enabling Act.

15. Sara McGinnes has repeatedly advised both the Town, as BIPCO’s majority shareholder, and BIUD’s Board that according to an independent appraisal, the fair value of BIPCO’s stock and assets is millions of dollars more than the purchase price BIPCO offered and that BIUD ultimately accepted for the sale of BIPCO’s assets. The Town willfully ignored and refused McGinnes’ repeated offers to share her appraisal with them until after its final offer to BIUD of \$5.8 million was approved by the BIPCO Board, making the issue moot, since BIUD accepted that offer just days later.

16. Of more significance is that as a result of this agreement having been reached, BIUD may now function as a utility and is therefore subject to the jurisdiction of the Division. That inescapable conclusion results from the clear language of the Utility District Enabling Act, which provides at §45-68-4 (b):

In the event that BIPCO and the utility district are unable to agree on the price, terms and conditions of such sale of personal property and assumption of such obligations, then BIPCO shall continue as the electric utility servicing the utility service area, and the Block Island utility district shall not function as an electric utility.

17. A "Public Utility" is defined pursuant to R.I. Gen. Laws §39-1-2(20), to mean every company that is an electric distribution company. In turn, an "electric distribution company" is

defined, pursuant to R.I. Gen. Laws §39-1-2(12), to mean a company engaged in the distribution of electricity or owning, operating or controlling distribution facilities. Under the Utility District Enabling Act, the "Utility District" is specifically defined as empowered to fulfill electric utility functions, powers, rights and obligations; exercise certain powers as an electric distribution company and power producer; and provide additional utility services not inconsistent with duties, powers and obligations of the Utility District as defined in R.I. Gen. Laws §45-67-2. Thus, BIUD was clearly defined as a "Public Utility" and as set forth above, the trigger for BIUD to continue as a Public Utility is to reach agreement with BIPCO. It is beyond dispute, as has been announced at BIPCO shareholder meetings and publicly, that BIUD and BIPCO have reached agreement. Therefore, BIUD and BIPCO are clearly "Public Utilities."

18. As a consequence of BIUD being able now to function as a public utility, it is subject to the jurisdiction of the Division, the proposed transaction must first be approved by the Division before it may be consummated, and Sara McGinnes has the right to dissent from the proposed sale of BIPCO's assets to BIUD, pursuant to R.I. Gen. Laws § §39-3-24, entitled **Transactions between utilities for which approval required**, which provides in pertinent part as follows:

With the consent and approval of the division, but not otherwise:

(2) Any public utility may purchase or lease all or any part of the property, assets, plant, and business of any other public utility or merge with any other public utility, and in connection therewith may exercise and enjoy all of the rights, powers, easements, privileges, and franchises theretofore exercised and enjoyed by any other public utility with respect to the property, assets, plant, and business so purchased, leased, or merged.

(3) Any public utility may merge with any other public utility or sell or lease all or any part of its property, assets, plant, and business to any other public utility, provided that the merger or a sale or lease of all or substantially all of its property, assets, plant, and business

shall be authorized by a vote of at least two-thirds (2/3) in interest of its stockholders at a meeting duly called for the purpose. Any stockholder who shall not have voted in favor of the merger sale or lease, either in person or by proxy, shall be entitled to the rights, and the corporation shall be subject to the duties, obligations, and liabilities set forth in §§ 7-1.2- 1201 and 7-1.2-1202 with respect to dissenting stockholders and to corporations that sell, lease, or exchange their entire assets respectively.

19. Notwithstanding Sara McGinnes' clear rights under Rhode Island law to vote upon and dissent from the proposed sale of BIPCO's assets, at a Special Meeting of BIPCO's Shareholder's held on August 7, 2018 at the request of Sara McGinnes, the Town, as majority stockholder, refused to second a motion by Ms. McGinnes for a shareholder vote upon the proposed asset sale and informed Ms. McGinnes after the vote that it had no intention of allowing such a vote in the future. That meeting was transcribed by a stenographer.

WHEREFORE, pursuant to R.I. Gen. Laws §39-1-1(c), R.I. Gen. Laws §42-35-8 and Division Rule of Practice and Procedure 1.13, Sara McGinnes respectfully requests that the Division enter a Declaratory Judgment and Order that:

1. the Block Island Utility District has been established as and is now continuing as a "Public Utility";
2. pursuant to R.I.G.L §39-3-24 (2) and (3) the proposed sale of the Block Island Power Company's assets to the Block Island Utility District requires the prior consent and approval of the Division;
3. pursuant to R.I.G.L §39-3-24 (3) Sara McGinnes, as a shareholder of the Block Island Power Company, has the right to vote at a Shareholder's Meeting in favor of or against the sale of the Block Island Power Company's assets to the Block Island Utility District, prior to any such sale, and that she has all of the rights of a dissenting shareholder as set forth in R.I. Gen. Laws §7-1.2-1102; and
4. that the proposed sale of the assets of the Block Island Power Company to the Block Island Utility District shall not be approved by the Division or the PUC unless and until a meeting of the shareholders of the Block Island Power Company has been held and Sara McGinnes has been afforded her right to vote in favor of or against the sale of such assets, and if there is an exercise of dissent, until the Rhode Island Superior Court decides fair

value or accepts security for the fair value of McGinnes' shares in the Block Island Power Company and such security is deposited or posted by BIPCO; or

5. in the alternative, that the Division and the PUC withhold approval of any distribution of any proceeds from the sale of the assets of the Block Island Power Company until the Rhode Island Superior Court can rule on the fair value of McGinnes' shares in the Block Island Power Company or establish security therefore.

COUNT II
DECLARATORY JUDGMENT AND FOR OTHER RELIEF

20. The allegations in paragraphs 1 – 19 are incorporated by reference as if restated verbatim herein.

21. Regardless of whether the Division finds that BIUD is now a utility subject to its regulation, the Division has plenary authority to regulate BIPCO's conduct and the commercial transactions it engages in, such as the proposed sale of all of its assets to BIUD.

22. BIPCO and its majority shareholder, the Town, have engaged in a pattern of oppressive conduct, under the color of the Utility District Enabling Act, for the purpose of depriving Sara McGinnes of the fair value of her shares of stock in the Company and to "retire" them pursuant to the Town's Plan to transition BIPCO to a non-profit quasi-municipal public utility, by selling all of the Company's assets to BIUD for less than fair value.

23. If the Town's Plan is allowed to proceed without Division intervention, McGinnes' property rights will be forfeited and publicly taken for the avowed purpose of subsidizing the electricity rates of the ratepayers of BIUD, which is neither lawful nor appropriate, and is contrary to the express intent of the General Assembly in R.I. Gen. Laws §45-68-8 that any stock transfer by McGinnes be "voluntary".

WHEREFORE, pursuant to the plenary authority delegated to the Division by the Rhode Island General Assembly to regulate the conduct of public utilities in R.I. Gen. Laws § 39-1-1

(c), Sara McGinnes respectfully requests that the Division enter a Declaratory Judgment and Order that:

1. pursuant to R.I.G.L. §39-3-24 (3) Sara McGinnes, as a shareholder of the Block Island Power Company, has the right to vote at a Shareholder's Meeting in favor of or against the sale of the Block Island Power Company's assets to the Block Island Utility District, prior to any such sale, and that she has all of the rights of a dissenting shareholder as set forth in R.I. Gen. Laws §7-1.2-1102; and
2. that the proposed sale of the assets of the Block Island Power Company to the Block Island Utility District shall not be approved by the Division or the PUC unless and until a meeting of the shareholders of the Block Island Power Company has been held and Sara McGinnes has been afforded her right to vote in favor of or against the sale of such assets, and if there is an exercise of dissent, until the Rhode Island Superior Court decides fair value or accepts security for the fair value of McGinnes' shares in the Block Island Power Company and such security is deposited or posted by BIPCO; or
3. in the alternative, that the Division and the PUC withhold approval of any distribution of any proceeds from the sale of the assets of the Block Island Power Company until the Rhode Island Superior Court can rule on the fair value of McGinnes' shares in the Block Island Power Company or establish security therefore.

COUNT III

BIPCO's CONDUCT TOWARD SARA MCGINNES HAS BEEN UNJUST AND UNREASONABLE; THE PROPOSED SALE OF BIPCO's ASSETS IS FOR LESS THAN FAIR VALUE AND IS VIOLATIVE OF R.I. Gen. Laws §45-68-1, et seq.; THE TRANSACTION SHOULD BE INVESTIGATED PURSUANT TO R.I. GEN. LAWS §39-4-13; AND THE DIVISION SHOULD ENTER AN APPROPRIATE ORDER PURSUANT TO R.I. GEN. LAWS §39-4-10

24. The allegations in paragraphs 1 – 23 are incorporated by reference as if restated verbatim herein.

25. Beginning in May of 2016, when the New Shoreham Town Council voted to authorize the Town to purchase a two-thirds interest in BIPCO and directed the Town Manager to submit a resolution advocating for the passage of a State law that would allow the Town to create a non-profit successor organization to which the Town would transfer the shares and assets of BIPCO, and continuing through the BIPCO Special Shareholder's Meeting on August 7, 2018, the Town has engaged in a concerted Plan to depress the value of McGinnes' BIPCO stock and to

deprive her of the fair value thereof, for the purpose of achieving the goal of its alter-ego, BIUD, of lowering the cost of supplying electricity to BIUD's ratepayers (the vast majority of whom are also year-round or summer residents of the Town), all at the expense of McGinnes' reasonable investment expectations.

26. The Town's Plan has been manifested in various overt, unjust and unreasonable acts consisting, *inter alia*, of the following:

a. a public disinformation campaign aimed at convincing the Town's voters to approve the purchase with public funds of the Town's BIPCO stock for \$1.8 million, supported by a so-called valuation report prepared by an outside firm not competent or experienced in rendering utility company valuations;

b. making public statements that McGinnes' stock would be retired when the company transitioned to a not-for profit Utility District;

c. making false statements to the public prior to the purchase of the Town's BIPCO stock that the Town had engaged an outside firm to assess the different valuation methods that would be applied to BIPCO to arrive at a determination of "fair value", when no such engagement had been made – only to admit in writing to McGinnes after the stock purchase that "no formal valuation analysis of BIPCO's assets or McGinnes' stock have been undertaken";

d. authorizing BIPCO's President to make false public statements after the installation of the BIUD Board of Commissioners that the BIUD Board would "negotiate a settlement [of some sort] with the two owners of BIPCO, the Town and Sara McGinnes", presumably for purchase of their BIPCO stock;

e. deflecting requests from Sara McGinnes for information and documents as to what the Town's specific plan was for "retir[ing]" her stock in BIPCO, by providing, for example, Federal Energy Regulatory Commission Reports that were otherwise in the public domain;

f. belatedly hiring an arguably qualified outside firm to perform what would ultimately result in an incomplete, inadequate, and apparently predetermined "appraisal at FMV [fair market value] of the tangible real and personal property owned by BIPCO" ("the Sansoucy appraisal) – which is not a fair valuation of BIPCO's stock – many months after being informed that McGinnes had commissioned and completed a thorough valuation of her own of BIPCO's fair value by a reputable outside utility valuation expert;

g. refusing to respond to McGinnes' reasonable request for information as to the complete scope of the valuation to be performed by the BIPCO's valuation expert, Sansoucy, after he was retained, despite the fact that he was retained with Company funds;

h. freezing McGinnes out of important decision-making regarding the day-to-day operation of BIPCO, including but not limited to the expenditure of Company funds, the improvement and use of non-utility Company assets and the diversion of revenue from such non-utility assets to repay loans made to the company by its ratepayers. For example, BIPCO has upon information and belief taken a loan from its ratepayers to improve a Company apartment at a cost in excess of \$150,000 for purposes of providing housing to Wright, BIPCO's new Company President. This expenditure was approved without McGinnes' knowledge or consent, as it was not discussed among or voted upon by the shareholders. Upon information and belief, BIPCO incurred that indebtedness without seeking prior approval from the Division, in apparent violation of R.I.G.L §39-3-15, and without putting the matter of the borrowing to formal discussion and vote by the shareholders. The apartment has previously been treated by BIPCO for regulatory purposes

as a non-utility asset, so-called, meaning its value is not included in the Company's rate-base for purposes of establishing BIPCO's rates and return on equity. Accordingly, in the past profits from rents generated by the apartment were distributed directly to the shareholders.

i. McGinnes has made repeated attempts to obtain information regarding the apartment transaction and how it evolved, but has received only the following explanation from Wright:

Regarding the apartment; the BIPCO BOD used that apartment as leverage to attract a new Company president which as you know was key to finding anyone. They authorized the renovation expense using ratepayer funds with the understanding that the rent revenues would be applied back to rates to cover that expense. I pay \$1,500/month which goes right back into paying the debt BIPCO incurred with the renovations. The payback is 6-7 years. Because of these reasons the accounting no longer treats the revenues/expenses outside of our rate base.

j. Subsequently, McGinnes requested that BIPCO's accountant, David Bebyn provide her with the following information regarding this transaction: what the total dollar cost of the renovations were; copies of the general ledger entries showing the dates and amounts of the payments to the contractor(s) making the renovations; how the renovations were treated on BIPCO's books for accounting purposes; copies of any promissory note or other documents memorializing the terms and conditions of repayment of this "loan" from the ratepayers; how BIPCO intends to treat the cost of the renovations and the apartment itself for rate making purposes; whether rent is actually being paid for the apartment; and how rent is being treated on BIPCO's books for accounting purposes. Bebyn never responded to McGinnes' request.

k. refusing McGinnes' repeated offers to share her appraisal report with the Town, so that the BIPCO Board it could at least have the benefit of it in its so-called "negotiations" with BIUD, until it had become a moot point; and, making valuation decisions without reviewing McGinnes' appraisal;

l. as a result, failing to perform its high fiduciary duty to McGinnes to negotiate highest and best value with BIUD where it was clearly contemplated by the Town that all of BIPCO's assets would be sold, the Company would be dissolved and McGinnes' stock would be "retir[ed]";

m. failing to engage in true, arms-length negotiations with BIUD, and inhibiting McGinnes' ability to negotiate her own agreement with BIUD for the purchase of her shares, by deliberately devaluing them, in order to accomplish the Town's common interest with BIUD to keep its acquisition costs as low as possible;

n. pursuing a "negotiation" strategy with BIUD whose obvious purpose was to arrive at a purchase price that would allow the Town to recoup the \$1.8m cost of its own share acquisition, to pay BIPCO's existing debt – contrary to the express language of the Utility District Enabling Act requiring that BIUD assume the debt – and leaving the crumbs for McGinnes;

o. pursuing a parallel strategy of depriving McGinnes of her voice in Company decision making and oppressing her minority shareholder interests by refusing to allow her an opportunity to vote on the sale, in order to avoid the clear requirement of Rhode Island law that she be paid fair value as a dissenting stockholder;

p. this strategy has included springing the Sansoucy appraisal report on McGinnes, sharing the details of that report with its "negotiating" counterpart, BIUD, followed by the BIPCO Board voting two days later, on June 21, 2018, to offer to sell BIPCO's assets to BIUD for the sum of \$6 million – all of which occurred without any discussion of the Sansoucy appraisal with McGinnes;

q. conducting all substantive discussions regarding the BIUD transaction, as well as the “negotiations” with BIUD, from behind closed doors, in Executive Session meetings of the BIPCO Board and the Town Council, from which McGinnes was excluded;

r. structuring the proposed deal with BIUD as a “cash” transaction, with the avowed purpose of forcing it into a legal pigeon hole in R.I. Gen. Laws §7-1.2-1201 that the Town claims exempts such transactions from the clear rights of dissention codified in R.I. Gen. Laws §7-1.2-1202 – again, for the sole purpose of preventing McGinnes from exercising those rights and triggering a fair valuation buyout of her shares;

s. agreeing with BIUD to sell all of BIPCO’s assets for the sum of \$5.8 million, inclusive of debt, contrary to the clear language of the of the Utility District Enabling Act requiring that BIUD assume the debt, a price that is \$2.9 million less than the true fair value of the Company, exclusive of debt, or \$8.7 million;

t. and finally, refusing to allow a vote at the August 7, 2018 Special Meeting of BIPCO’s Shareholders to approve or disapprove of the proposed sale of BIPCO’s assets to BIUD and stonewalling McGinnes’ request to formally discuss and vote upon the Town’s intended distribution of the proceeds of that sale.

25. R.I. Gen. Laws §39-4-13, entitled **Summary investigation by division**, provides as follows:

Whenever the division shall believe that any of the rates, tolls, charges, or any joint rate or rates, charged, demanded, exacted, or collected by any public utility are in any respect unreasonable, or unjustly discriminatory or otherwise in violation of this title, or that any regulation, measurement, practice, or act whatsoever of such public utility, affecting or relating to the conveyance of persons or property, or any service in connection therewith, or affecting or relating to the production, transmission, delivery, or furnishing of heat, light, water, or power, or any service in connection therewith, or the conveyance of telephone or telegraph messages, or any service in connection therewith, is in any respect unreasonable, insufficient, or unjustly discriminatory; or that any service of the public utility is inadequate or cannot be obtained, or is unsafe, or the public health is endangered thereby; **or that an**

investigation of any matter relating to a public utility should, for any reason be made, it shall summarily investigate the same with or without notice as it shall deem proper. The summary investigation as provided under this section shall be in addition to the hearings conducted pursuant to the provisions of §§ 39-3-7 and 39-3-11. (Emphasis supplied)

27. R.I. Gen. Laws § §39-4-10, entitled **Orders as to unreasonable practices or inadequate services**, provides as follows:

If, upon a hearing and investigation had under the provisions of this chapter, the division of public utilities and carriers shall find that any regulation, measurement, practice, act, or service or any public utility is unjust, unreasonable, insufficient, preferential, unjustly discriminatory, or otherwise in violation of any of the provisions of chapters 1 - 5 of this title, or that any service of any such public utility is inadequate or that any service which can be reasonably demanded cannot be obtained, the division shall have power to substitute therefor such other regulations, measurements, practices, service, or acts, and to make such order respecting, and such changes in the regulations, measurements, practices, service, or acts, as shall be just and reasonable, and the power to order refunds as provided for in § 39-3-13.1.

28. The powers of the Division to remedy unjust and unreasonable acts of a utility pursuant to R.I. Gen. Laws §§39-4-13 and 39-4-10 have been expansively interpreted by both the Division, the Rhode Island Superior Court and the Rhode Island Supreme Court in the Island Hi-Speed Ferry matter, Division Docket 99 MC 19.

WHEREFORE, Sara McGinnes respectfully requests that the Division:

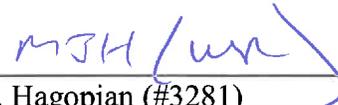
1. conduct and investigation pursuant to §39-4-13;
2. that it find that all of the aforementioned complained-of acts of the Block Island Power Company, Inc. constitute unjust and unreasonable acts of oppression of the minority rights of Sara McGinnes in the governance of the utility, and have unlawfully deprived McGinnes of her right to dissent from the sale of the assets of the Company to the Block Island Utility District, as well as her right to be paid fair value for her shares of stock in the Company.
3. and that it enter an Order pursuant to R.I. Gen. Laws § §39-4-10, to remedy the aforementioned unjust and unreasonable acts, to include: rescission of the agreement between the Block Island Power Company, Inc. and the Block Island Utility District for the sale of the assets of the Company; ordering a fair valuation of the stock of

the Company; and ordering that Sara McGinnes has and shall have the right to dissent from any future agreement between the Block Island Power Company, Inc. and the Block Island Utility District for the sale of the assets of the Company pursuant to R.I. Gen. Laws §7-1.2-1202.

Petitioner
Sara McGinnes
By her Attorneys,



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Date: August 31, 2018 _

Certificate of Service

I hereby certify that on the 31st day of August, 2018, I sent a copy of the foregoing via e-mail and via first class mail to the following:

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