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August 12, 2022

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

**Re: Block Island Utility District d/b/a Block Island Power Company
D-22-12 / BIUD Application for Authorization to Incur Debt**

Dear Luly:

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

Enclosed for filing please find BIUD’s responses to the Division’s record requests in this docket.

If you need any further information, please do not hesitate to contact me.

Very truly yours,



Leah J. Donaldson

**STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION**

**IN RE: BLOCK ISLAND UTILITY DISTRICT :
 APPLICATION FOR AUTHORIZATION :
 TO INCUR DEBT :** **DOCKET D-22-12**

**DIVISION OF PUBLIC UTILITIES' FIRST SET OF RECORD REQUESTS
DIRECTED TO BLOCK ISLAND UTILITY DISTRICT**

Issued August 9, 2022

RR 1-1 Please clarify whether the CFC prepayment penalty and make whole provision can be waived if BIUD refinances with CFC.

Response: Mr. Wright had a direct discussion with CFC Regional Vice President. BUID was informed that neither the CFC prepayment penalty nor the make whole provision could be waived. The make-whole provision is a call provision attached to a bond/ loan that the borrower must make a payment to the lender which is equal to the net present value (NPV) of the coupon or interest payments that the lender will lose should the borrower pay off the bonds/loan early. Since CFC is financing the loan on their end, they have exposure on their end as well that they have to pass along to their borrowers.

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

**STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION**

**IN RE: BLOCK ISLAND UTILITY DISTRICT :
 APPLICATION FOR AUTHORIZATION :
 TO INCUR DEBT :** **DOCKET D-22-12**

**DIVISION OF PUBLIC UTILITIES' FIRST SET OF RECORD REQUESTS
DIRECTED TO BLOCK ISLAND UTILITY DISTRICT**

Issued August 9, 2022

RR 1-2 Please update the Attachment JMW-2 schedule, which was attached to the response to DIV 1-4, to clarify the annual totals for funding through rates and the expenditures. The schedule should include the debt service for both loans.

Response: See attached schedule "Attachment D-22-12 BIUD Record Request 2."

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

Block Island Utility District
Short Term Capital Plan
FY 2022 - 2024

PROJECT	COMMENTS	2022				2023							
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4				
Capital Expenditures													
DISTRIBUTION SYSTEM													
Pole Replacements (125-150/year)		\$ 150,000	\$ 250,000	\$ -	\$ 73,524	\$ 150,000	\$ 50,000	\$ -	\$ 46,997	\$ 50,000	\$ 150,000	\$ -	\$ 96,997
Reconductor East Circuit to Bridge Gate Square	ALL DEFERRED DUE TO VOLTAGE CONVERSION												
Reconductor East Circuit from Bridge Gate Sq to Rotary	ALL DEFERRED DUE TO VOLTAGE CONVERSION												
Reconductor High Street Circuit to Town Hall	ALL DEFERRED DUE TO VOLTAGE CONVERSION												
Reconductor West Side Circuit to Gracies Cove	ALL DEFERRED DUE TO VOLTAGE CONVERSION												
Reconductor Corn Neck to Beach Ave - to Bridge Gate Square	ALL DEFERRED DUE TO VOLTAGE CONVERSION												
Voltage Conversion (Phase 1 of 5)	FUNDED BY CFC \$1.5 LOAN												
Voltage Conversion (Phase 2 of 5)	High Street & Corn Neck					\$ 75,000	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Voltage Conversion (Phase 3 of 5)	High Street & Corn Neck									\$ 50,000	\$ 50,000	\$ -	\$ -
Voltage Conversion (Phase 4 of 5)	West Side Circuit												
Voltage Conversion (Phase 5 of 5)	Airport Circuit												
NEW SERVICES AND LINE EXTENSIONS													
Construction Costs		\$ -	\$ -	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ 100,000
FACILITIES, TOOLS AND EQUIPMENT													
EV Bucket Truck		\$ -	\$ -	\$ 69,100	\$ -	\$ 557,100	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EV Bucket Truck Chargers		\$ -	\$ -	\$ -	\$ -	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Utility Scale Storage Project		\$ -	\$ -	\$ 40,500	\$ -	\$ -	\$ 500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
QUARTERLY TOTALS		\$ 150,000	\$ 250,000	\$ 109,600	\$ 173,524	\$ 807,100	\$ 600,000	\$ -	\$ 146,997	\$ 100,000	\$ 200,000	\$ -	\$ 196,997
YTD TOTALS - IN RATES		\$ 150,000	\$ 400,000	\$ 509,600	\$ 683,124	\$ 807,100	\$ 1,407,100	\$ 1,407,100	\$ 1,554,097	\$ 100,000	\$ 300,000	\$ 300,000	\$ 496,997
Other Funding for Capital Expenditures													
DISTRIBUTION SYSTEM													
(Verizon Joint Ownership Contribution)		\$ (20,000)	\$ -	\$ (65,000)	\$ -	\$ (20,000)	\$ -	\$ (65,000)	\$ -	\$ (20,000)	\$ -	\$ (65,000)	\$ -
(Restricted Solar Fund)		\$ (15,132)	\$ -	\$ -	\$ -	\$ (15,132)	\$ -	\$ -	\$ -	\$ (15,132)	\$ -	\$ -	\$ -
NEW SERVICES AND LINE EXTENSIONS													
(Member Contribution)		\$ -	\$ -	\$ -	\$ (100,000)	\$ -	\$ -	\$ -	\$ (100,000)	\$ -	\$ -	\$ -	\$ (100,000)
FACILITIES, TOOLS AND EQUIPMENT													
EV Bucket Truck		\$ -	\$ -	\$ (69,100)	\$ -	\$ (557,100)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(RI Foundation Grant)		\$ -	\$ -	\$ (69,100)	\$ -	\$ (557,100)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Utility Scale Storage Project		\$ -	\$ -	\$ (30,500)	\$ -	\$ -	\$ (250,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(RI Foundation Grant)		\$ -	\$ -	\$ (30,500)	\$ -	\$ -	\$ (250,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(RI-OER Non-Wires Alternative Grant)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ (250,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
QUARTERLY TOTALS		\$ (35,132)	\$ -	\$ (164,600)	\$ (100,000)	\$ (592,232)	\$ (500,000)	\$ (65,000)	\$ (100,000)	\$ (35,132)	\$ -	\$ (65,000)	\$ (100,000)
YTD TOTALS - IN RATES		\$ (35,132)	\$ (35,132)	\$ (199,732)	\$ (299,732)	\$ (592,232)	\$ (1,092,232)	\$ (1,157,232)	\$ (1,257,232)	\$ (35,132)	\$ (35,132)	\$ (100,132)	\$ (200,132)
Net Capital Expenditures before Voltage & Capital Funding													
QUARTERLY TOTALS		\$ 114,868	\$ 250,000	\$ (55,000)	\$ 73,524	\$ 214,868	\$ 100,000	\$ (65,000)	\$ 46,997	\$ 64,868	\$ 200,000	\$ (65,000)	\$ 96,997
YTD TOTALS - IN RATES		\$ 114,868	\$ 364,868	\$ 309,868	\$ 383,392	\$ 214,868	\$ 314,868	\$ 249,868	\$ 296,865	\$ 64,868	\$ 264,868	\$ 199,868	\$ 296,865
Voltage & Capital Funding Adjusted for Debt Service Coverage													
Voltage Conversion Capital Fund (Docket #4675)				\$ 96,184									
Capital Fund-Inventory Purchased & Used (Docket #4675)				93,000									
Capital Fund-Capitalized Expenditures (Docket #4675)				307,000									
1.5M Voltage Conversion loan (Voltage Cap funds used for debt service)				(96,184)									
1.5M Voltage Conversion loan (Cap funds excess)				2,735									
0.3M Contingent Liab loan (Cap funds usedused for debt service)				(19,343)									
Capital Covered by Capital Fund available to Fund Capital Projects				\$ 383,392				\$ 383,392					
1.4M Employee Housing loan (Cap funds excess used for debt service)								(86,527)					
Capital Covered by Capital Fund available to Fund Capital Projects								\$ 296,865					\$ 296,865
Debt Service Coverage													
Principal & Interest in current rates (Docket #4675)				\$ 315,036				\$ 315,036					\$ 315,036
1.5M Voltage Conversion loan (Principal & Interest)				93,449				93,449					93,449
0.3M Contingent Liab loan (Principal & Interest)				19,343				19,343					19,343
1.4M Employee Housing loan (Principal & Interest)								98,527					98,527
Extra Housing Rent								(12,000)					(12,000)
1.5M Voltage Conversion loan (Voltage Cap funds used for debt service)				(96,184)				(96,184)					(96,184)
1.5M Voltage Conversion loan (Cap funds excess)				2,735				2,735					2,735
0.3M Contingent Liab loan (Cap funds usedused for debt service)				(19,343)				(19,343)					(19,343)
1.4M Employee Housing loan (Cap funds excess used for debt service)								(86,527)					(86,527)
Debt Service Required from Rates				\$ 315,036				\$ 315,036					\$ 315,036
Principal & Interest funded in current rates (Docket #4675)				\$ 315,036				\$ 315,036					\$ 315,036
Increase need in rates				\$ -				\$ -					\$ -

SCHEDULE reflects impact of "Supplemental Attachment DGB-2-Expected closing rate" Attachment