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November 18, 2022

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

**Re: In Re: Block Island Utility District Last Resort Service and Transmission
Reconciliation and Rates for Calendar Year 2023 – PUC Docket 22-44-EL**

Dear Luly:

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

Enclosed for filing in this matter please find BIUD’s responses to the Commission’s First Set of Data Requests Directed to BIUD. An original and five (5) copies are enclosed.

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

Very truly yours,


Leah J. Donaldson

Cc: Service List (via electronic mail)

STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION

IN RE: BLOCK ISLAND UTILITY DISTRICT :
LRS AND TRANSMISSION RECONCILIATION : DOCKET 22-44-EL
AND RATES FOR CALENDAR YEAR 2023 :

BLOCK ISLAND UTILITY DISTRICT'S RESPONSES TO
PUBLIC UTILITY COMMISSION'S FIRST SET OF DATA REQUESTS

Issued November 9, 2022

1-1 Mr. Bebyn states the following on page 2 of his direct "The first contract was an amendment of its existing contract that brought BIUD's existing contract to a level that brought BIUD's total power supply portfolio to as close to 100% hedged beginning July 8th, 2022. The remaining gap of 100% is made up of NYPA and Firstlight contracts. The price increased from \$49.90/MWH to \$65.25/MWH. The term of this contract still expires on April 30th, 2023."

Please provide the calculation of the expected cost savings that will result from the contract amendment discussed above.

Response:

The primary purpose behind the revised contract was to minimize Block Island exposure to volatile energy market given the global uncertainty and to provide price stability for the customers of Block Island.

To date, the revised contract has not yielded any cost savings when comparing the initial contract plus the spot exposure versus the revised contract. It is during the winter that the New England energy market is exposed to extreme prices due to pipeline constraints and the grid subsequently having to rely on oil fired generation and imported LNG. Complicating matters is the war in Ukraine. The conflict is having huge impacts on the LNG market as the European Union now must rely on imported LNG to meet its energy needs as Russia has curtailed its exports of natural gas to this region. This has led to impact on delivered natural gas prices this winter. Even at these high prices the US is having difficulty competing with Europe for LNG.

Prepared by: Jeffery M. Wright and Ken Stambler (Energy New England)

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1-2 Mr. Bebyn states the following on page 8 of his direct "The prior year had an estimated 18.66% of line loss and plant use while the current proposal uses 16.50% to reflect the reduction in line losses with the completion of the voltage conversion project."

Is this reduction in line losses based on actual observations or based on anticipated results? If it is based on anticipated results, please explain the assumptions used.

Response:

This reduction in line loss is based on actual observations. The average line loss for the summer period ran about 1.7% lower than the prior year. When looking at the months of August and September, the average line loss was about 1.9% lower than the prior year. The approximate reduction of 2.16% is a reasonable projection for the anticipated rate year, given this observation.

Prepared by: David G. Bebyn, CPA

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1-3 Schedule DGB-2 identifies Sales of 13,995 MWH and Purchases of 16,305 MWH. The schedule also calculates line losses of 16.5% by

dividing Losses by Sales $[(16,305-13,995) / 13,995 = 16.5\%]$

Is the above calculation correct? Or should the line loss % be calculated by **dividing Losses by Purchases?** $[(16,305-13,995) / 16,305 = 14.2\%]$

Response:

The 16.5% calculation is consistent with how this loss has been presented in prior filings.

Reflecting on this question, I am in agreement that the calculation should be calculated by dividing losses by purchases. I will be updating this schedule for the supplemental filing just before the hearing, which also updates projections with actual invoices received after the filing.

Prepared by: David G. Bebyn, CPA